

# Pre-Disaster Mitigation (PDM) Program Guidance



**FEMA**



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# PRE-DISASTER MITIGATION GRANT PROGRAM GUIDANCE

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# FEMA PRE-DISASTER MITIGATION PROGRAM OVERVIEW

The Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) administers the Pre-Disaster Mitigation (PDM) program. The PDM Program CFDA number is 97.017.

## PDM PROGRAM

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.

### APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS

FEMA may determine that subapplications submitted under a specific grant program and not funded under the requested grant program may be considered by another mitigation grant program(s) when the following requirement is met:

- **Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants** indicating their interest to have its subapplications considered for another mitigation grant program (specify the additional mitigation grant program(s) and corresponding CFDA number(s)).

FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.

## KEY POINTS

### PDM GUIDANCE:

PDM guidance document and additional guidance materials, and Agreement Articles are available from each FEMA Regional Office or on the FEMA web page:

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

- Eligible but unfunded subapplications submitted under a particular grant program may be submitted for consideration by other FEMA mitigation grant programs under the Unified Hazard Mitigation Assistance (HMA) Program.

## AVAILABILITY OF FUNDS

**The PDM program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.**

### FUNDS:

PDM grants are awarded on a competitive basis. The PDM program has been reauthorized through September 30, 2008. Eligible subapplications will compete nationally for PDM grant funds.

- Mitigation planning: \$1M cap on Federal share for new plans, not to exceed 3 years;
- Mitigation planning: \$500,000 cap on Federal share for updated plans.
- Mitigation projects: \$3M cap on Federal share, not to exceed 3 years;
- Total State cap on Federal share is 15% of total appropriation in any year;
- Information dissemination activities: not to exceed 10%, must directly relate to planning or project subapplication;
- Applicant management costs: not to exceed 10% and must be submitted by a separate management cost application; and
- Subapplicant management costs: not to exceed 5%, and must be included in overall activity costs within the subapplication.

### COST-SHARE:

Up to 75% Federal cost share. Small and impoverished communities may

## 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 subapplication or that are not tied directly to a PDM planning subapplication;
- A subapplication that requires ground disturbing activities that would initiate the environmental or historic preservation review and compliance process;
- Pre-award activities not directly related to the development of the planning subapplication or implementing the proposed planning activity; and
- Limited revisions and amendments that do not result in a comprehensive hazard mitigation plan update.

be eligible for up to a 90% Federal cost-share.

#### **ELIGIBLE ACTIVITIES:**

Mitigation planning activities:

- New plan development;
- Comprehensive review and update.

Mitigation project activities:

- 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 included as part of a project subapplication;
- Vegetation management for natural dune restoration, wildfire or snow avalanche;
- Protective measures for utilities (*e.g.*, electric and gas), water and sanitary sewer systems and/or other infrastructure (*e.g.*, roads and bridges);
- Storm water management projects (*e.g.*, culverts and retention basins) to reduce or eliminate long-term risk from flood hazards; and
- Localized flood control projects, such as certain ring levees and floodwall systems that are designed specifically to protect critical facilities (defined as Hazardous Materials Facilities, Emergency Operation Centers, Power Facilities, Water Facilities, Sewer and Wastewater Treatment Facilities, Communications Facilities, Emergency Medical Care Facilities, Fire Protection, and Emergency Facilities) and that do not constitute a section of a larger flood control system.

Any of the above mitigation projects for a critical facility, as defined above, may include the purchase of a generator or related equipment purchases (*i.e.*, generator hook-ups) as a functional portion to the larger eligible mitigation project subapplication, as long as the generator or related equipment purchase directly relates to the hazard(s) that threatens the critical facility.

Applicant management costs activities:

- The solicitation, review, and processing of PDM planning and project subapplications and subgrant awards;
- Providing technical assistance to subapplicants 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, and 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 and technical meetings); and
- Hiring staff to perform the above activities.

#### **INELIGIBLE PROJECT ACTIVITIES:**

- Projects that do not meet program requirements for Environmental/Historic Preservation compliance, cost-effectiveness, and/or engineering feasibility;
- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, waterway channelization, and erosion projects related to beach nourishment or renourishment.
- Projects that solely address operation, maintenance or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging, debris removal, bridges and dam repair/rehabilitation).
- Water quality infrastructure projects (See *Section 1.3.4.1, Duplication of Programs*);
- Projects that address ecological or agricultural issues related to land or forest management (*e.g.*, insects, diseases, weather-related damages, infestations);
- Warning and alert notification systems (*i.e.*, NOAA weather radios), sirens, and other communication systems;
- Any phase or part of a project that is dependent on another phase or part that is not included in the project subapplication to be effective and/or feasible;
- Studies that do not result in a project (*e.g.*, engineering designs, feasibility studies, flood studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (*i.e.*, general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Dry-floodproofing of residential structures;
- Generators and related equipment (*e.g.*, generator hook-ups) for non-critical facilities;
- Generators and related equipment (*e.g.*, generator hook-ups) for critical facilities that are not part of a larger eligible mitigation project subapplication and is not directly related to the hazard(s) that threaten(s) the facility;

- Any mitigation activities involving demolishing an existing structure (*e.g.*, commercial or residential building, publicly or privately owned), mitigation reconstruction or demolition/rebuild;
- Projects that solely address a manmade hazard;
- Response and communication equipment, such as electronic road signs to aid in evacuations;
- Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging, debris removal, bridges, and dam repair/rehabilitation);
- Localized flood control projects that constitute a section of a larger flood control system;
- Any project for which another Federal agency has primary authority (See *Section 1.3.4.1, Duplication of Programs*);
- Acquisition of properties that are subject to pending litigation; and
- Legal procedures related to litigation for an approved application or subapplication.

**PLANNING ACTIVITIES:**

The outcome of a mitigation planning subgrant award must be a FEMA-approved hazard mitigation plan that complies with the requirements of 44 CFR Part 201. The planning grant deliverable can be a new hazard mitigation plan or an update of an already FEMA-approved and adopted 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 subapplications for eligible planning/ project activities that the Applicant has reviewed and approved in eGrants. A separate management cost subapplication must be submitted for Applicant management costs.

**SUBAPPLICANT 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;

**KEY POINTS**

**NFIP PARTICIPATION:**

If Applicants and subapplicants 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** suspended, or withdrawn from the NFIP, to be eligible for the PDM program. Applicants/subapplicants that are not mapped or have not been issued a map are eligible for the PDM program.

The only exception to this policy is for Federally-recognized Indian tribal governments, who will be eligible to receive PDM planning grants even if they have been issued a FHBM or FIRM and they are not participating in the NFIP. Tribal governments will not be eligible for PDM project grants,



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

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.

**MITIGATION PLAN REQUIREMENT:**

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

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

**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 subapplications. Only PDM grant applications submitted through the *eGrants* system will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant’s paper subapplication(s) into the *eGrants* system on their behalf using the Paper subapplication Intake function. Paper planning and project subapplications that follow the *eGrants* format are available in the *eGrants* system for subapplicants 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 subapplications in *eGrants* are not necessary.

**BENEFIT-COST ANALYSIS (BCA):**

The Applicant or subapplicant is required to perform a BCA for each project, as well as one for each repetitive flood loss property and substantially damaged property in the subapplication.

**TECHNICAL ASSISTANCE:**

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

**KEY POINTS**

**APPLICATION PERIOD:**

Applicants must submit an FY 2008 PDM grant application to the appropriate FEMA Regional Office by January 31, 2008 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](mailto:mtegrants@dhs.gov).

**PROJECT TECHNICAL ASSISTANCE:**

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

**TECHNICAL ASSISTANCE HELPDESK:**

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

E-mail:

- [enghelpline@dhs.gov](mailto:enghelpline@dhs.gov)
- [bchelpline@dhs.gov](mailto:bchelpline@dhs.gov)
- [ehhelpline@dhs.gov](mailto:ehhelpline@dhs.gov)

## APPLICATION REVIEW

### APPLICATION REVIEW:

FEMA will review all planning subapplications to ensure the following:

- Eligibility of the Applicant and subapplicant;
- Eligibility of proposed planning activities and costs;
- Completeness of the subapplication to include all planning and project requirements;
- 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 subapplicant 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 subapplications that do not satisfy the Eligibility and Completeness requirements will be removed from consideration.

## KEY POINTS

### ELIMINATION CRITERIA:

- Ineligible Applicant or subapplicant;
- Applicant and subapplicant mapped through the NFIP, but not participating in suspended or withdrawn from the NFIP;
- Incomplete application;
- Ineligible activities;
- Mitigation projects from Applicants/subapplicants that do not have FEMA-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; or
- Mitigation projects without a FEMA-approved BCA or without an adequately documented BCA.

## NATIONAL RANKING PROCESS

### NATIONAL RANKING FACTORS:

NATIONAL RANKING FACTORS AND POINT VALUES	PLANS	PROJECTS
The priority given to the subapplication by the Applicant in their PDM grant application	35%	35%
Assessment of frequency and severity of hazards	30%	N/A
Applicant has a FEMA-approved and adopted 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 subapplicant as a small and impoverished community	5%	5%
<b>TOTAL POINT VALUES</b>	<b>100%</b>	<b>100%</b>

## KEY POINTS

### NATIONAL RANKING:

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

Subapplications will be sorted in descending order based on the National Ranking scores. In order to conduct an efficient National competition, FEMA may forward only the highest scoring subapplications representing not less than 150% of available funds from National Ranking to the National Evaluation. FEMA may also include the two highest scoring subapplications from tribal Applicants in the National Evaluation, if not already included in the 150%.

## NATIONAL EVALUATION PROCESS

### NATIONAL EVALUATION FACTORS:

## KEY POINTS

### NATIONAL EVALUATION:

National panels chaired by FEMA and

<b>NATIONAL EVALUATION FACTORS AND POINT VALUES</b>	<b>PLANS</b>	<b>PROJECTS</b>
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 subapplication 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%
<b>TOTAL POINT VALUES</b>	<b>100%</b>	<b>100%</b>

composed of representatives from FEMA Headquarters and Regions, other Federal agencies, States, Federally-recognized Indian tribal governments, Territories, and local governments will convene to evaluate planning and project subapplications on the basis of pre-determined qualitative factors.

Subapplications will be ranked based on the National Evaluation and Confidence Rating scores. The highest scoring project subapplications representing not less than 150% of available funding will be forwarded to the National Technical Review.

## **NATIONAL TECHNICAL REVIEW**

### **NATIONAL TECHNICAL REVIEW:**

FEMA will conduct the following technical reviews for the highest scoring project subapplications representing not less than 150% of available funding:

- Benefit-Cost Analysis; and
- Engineering Feasibility.

## **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 subapplications 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 subapplicants from each State in order until the projects and/or plans within a State are no less than \$500,000.

## **KEY POINTS**

### **NATIONAL TECHNICAL REVIEW:**

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

## **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 subapplications will not be awarded and projects can not be initiated until FEMA has completed the Environmental/Historic Preservation review.

### **UNSUCCESSFUL APPLICATIONS:**

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

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

FEMA will contact Applicants that have subapplications that are “Selected for Further Review”; however, notice of selection and conducting FEMA requested pre-award activities are not considered notification or guarantee of a grant award.

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

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## SECTION 1 GRANT APPLICATION GUIDANCE

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### 1.1 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, and the 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-effective mitigation measures. The PDM program provides funding to reduce loss of life as well as damage and destruction to property from natural hazards.

#### 1.1.1 APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS

FEMA may determine that subapplications submitted under a specific grant program and not funded under the requested grant program may be considered by another mitigation grant program(s) when the following requirement is met:

**Applicants must include a statement in their grant application under the "Comments for FEMA" field in eGrants indicating their interest to have its subapplications considered for another mitigation grant program (specify the additional mitigation grant program(s) and corresponding CFDA number(s)). Examples of other mitigation assistance programs include the Flood Mitigation Assistance (FMA) Program and the Repetitive Flood Claims (RFC) Program. **This option is not available under the Severe Repetitive Loss (SRL) Program.****

FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.

### 1.2 AUTHORIZATION AND APPROPRIATION

**The PDM program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.**

### **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 USC 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 must 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.

Availability of PDM funds have been reauthorized through September 30, 2008. For the competitive PDM program, FEMA will ensure that a State will receive no less than \$500,000 for subapplication(s) within the State that meet all the eligibility requirements of the program as stated in this guidance. All remaining eligible subapplications will compete nationally for the remaining PDM funds.

### **1.2.2 APPROPRIATION**

The PDM program is subject to the availability of appropriation funding.

## **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 US 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 subapplications for eligible planning/project activities that the Applicant has reviewed and approved in eGrants. A separate management cost subapplication must be submitted for Applicant management costs.

Consistent with the FEMA policy and Title 44 Code of Federal Regulations (CFR) “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 subapplicant 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 SUBAPPLICANTS**

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

Private non-profit (PNP) organizations and private colleges and universities are not eligible subapplicants; however, an eligible, relevant State agency or local government may apply to the Applicant as the subapplicant for assistance to benefit the private entity. For example, a State's Parks and Recreation Department or Cultural Resources Agency may apply as a subapplicant for funds to mitigate a private museum, or a State Education Agency may apply as a subapplicant 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 subapplicant retains responsibility for the subgrant 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 apply for project grant funding under the PDM program in accordance with 44 CFR Part 201. In addition, subapplicants must have a FEMA-approved hazard mitigation plan by the application deadline to apply for project grants, or will not be eligible for further consideration.

A State, Indian tribal government, territory or local government hazard mitigation plan that expires prior to the award of a grant or subgrant must provide a FEMA-approved hazard mitigation plan in accordance with 44 CFR Part 201 in order to receive grant funding. Applicants and subapplicants 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 subapplicant'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 subapplicants have been identified through the NFIP as having a Special Flood Hazard Area (SFHA), and a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) has been issued for their specific jurisdiction, they must be participating in the NFIP and not suspended or withdrawn to be eligible for the PDM program. Applicants/subapplicants that have not been identified or issued a FHBM or FIRM are eligible for the PDM program.



Further, all entities included in a planning or project subapplication for PDM funding that are mapped under the NFIP must be participating in the NFIP and not 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 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 CFR 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 or the subapplication will not be eligible for further consideration.

The only exception to this policy is for Federally-recognized Indian tribal governments, who may be eligible to receive PDM planning grants even if they have been issued a FHBM or FIRM and are not participating in the NFIP. Tribal governments will not be eligible for PDM project grants, however, until they are participating in the NFIP. 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 4.4, Mitigation Project Requirements*).

### **1.3.3.3 PRIVACY OF REPETITIVE LOSS DATA**

State NFIP Coordinators may access a version of BureauNet called Data Exchange. In addition, the State Hazard Mitigation Officer and other approved State staff, may access an internet portal called Simple Quick Access (SQANet) developed as part of the FEMA NextGen project. Both of these data systems now allow the State to access and download current claims, policy and repetitive loss data. However, communities cannot access either of these systems and it is the responsibility of State or FEMA Regional staff to provide claims, policy and repetitive loss property information to the communities. States may access this sensitive data and may provide it directly to community governments on the basis of their status as an approved category of users. Use of the data by this approved category of users is limited to mitigation planning, research, analysis and feasibility studies consistent with the NFIP and uses that further the floodplain management and hazard mitigation goals of the States and FEMA. These uses are authorized pursuant to notices published in the Federal Register, most recently on January 23, 2002. State staff wishing to gain access to sensitive NFIP data may request a login ID and Password for SQANet by visiting <http://www.nfipnextgen.com> and then clicking on the SQANet Pilot link and then selecting the “click here to sign up” option.

When BureauNet and SQANet records are accessed by States, they are advised of the sensitive nature of the information and the need to protect the release of the data to unauthorized users. When the data is released to a community by either the State or the FEMA Regions, the recipient must be notified in writing that the records relating to



individuals and individual properties are being made available through the FEMA routine use policy for the specific purposes of mitigation planning, research, analysis and feasibility studies consistent with the NFIP and for uses that further the floodplain management and hazard mitigation goals of the States and FEMA and that the records are protected pursuant to the Privacy Act of 1974 (5 USC 552a). Records must not be publicly disclosed. FEMA shares this information at its discretion and may choose not to provide this information in the future to States or communities if it finds unauthorized uses of this information have been made.

#### **1.3.3.4 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, economic status, disability or language. 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 subapplicants will ensure that no discrimination is practiced. Applicants must consider fairness, equity, and equal access when prioritizing and selecting planning and project subapplications to submit with their PDM grant application. Subapplicants must ensure fairness and equal access to homeowners and individuals that benefit from property activities.

#### **1.3.3.5 COST EFFECTIVENESS**

Project subapplications must demonstrate cost-effectiveness through a BCR of 1.0 or greater (See *Section 4.7, Cost Effectiveness*).

#### **1.3.3.6 GEOCODING PROJECT REQUIREMENTS**

The location of all approved mitigation projects funded by the PDM program must be geo-coded using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual properties contained in the mitigation project, including:

- Individual property information on properties mitigated;
- Project sites for mitigation activities such as stormwater management, road and bridge improvement, and critical facility protection, and flood control projects; and
- For fire mitigation projects: An accurate recording of the official acreage, using GIS shape files, must be provided in the application.

The specific Guidance for Geo-coding Mitigation Data was provided to the FEMA Regional Offices in August, 2004, and provides guidance for collecting and formatting location information. This is available on FEMA's web page:

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

FEMA will work with Applicants to ensure this information is provided prior to award. The location of all approved mitigation projects funded by the PDM program must be geo-coded using standard datum prior to award (See *Section 4.12, 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 FEMA Regional Offices.

## **1.3.4 PROGRAM RESTRICTIONS**

### **1.3.4.1 DUPLICATION OF PROGRAMS**

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

### **1.3.4.2 DUPLICATION OF BENEFITS**

PDM grants may not duplicate benefits received by or available to the Applicant or subapplicant 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 subapplicant from other sources for the same purpose, and Applicants and subapplicants 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 CONFLICT OF INTEREST**

Applicants and subapplicants must avoid conflicts of interest. Subapplicants must comply with the procurement guidelines at 44 CFR Part 13.36. Among other requirements, 44 CFR Part 13.36 urges subapplicants 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 subgrants at 44 CFR Part 13.37.

### **1.3.4.4 PDM PROGRAM FUNDS**

PDM funds retain their Federal identity and, thus, 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 subapplications for new plans and \$500,000 for plan updates and upgrades. Funding is restricted to a maximum of \$3 million Federal share for mitigation project subapplications, and the cumulative Federal share for any one state shall not exceed 15% of the appropriated program funds. Subapplications that propose a Federal cost share in excess of the Federal funding limit will not be considered.

#### **1.3.4.6 COST OVERRUNS AND COST UNDER-RUNS**

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

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

#### **1.3.4.7 PERFORMANCE PERIOD**

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

### **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 Subapplication Guidance*);
- Mitigation project activities (See *Section 4, Mitigation Project Subapplication Guidance*); and
- Applicant management costs (See *Section 2, Applicant Management Costs*).

### **1.5 INELIGIBLE ACTIVITIES**

Mitigation planning and project subapplications must meet all requirements referenced in the PDM Guidance. Specific ineligible mitigation planning activities are listed in *Section 3.2, Ineligible Planning Activities and Costs*. Ineligible project activities are listed in *Section 4.3, Ineligible Project Activities and Costs*.

### **1.6 APPLICATION PROCESS**

#### **1.6.1 APPLICATION PERIOD**

The opening of the PDM 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 January 31, 2008, at 11:59:59 p.m. Eastern Standard Time.

Subapplicants must 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 subapplicants to submit

subapplications in order to allow time to review and prioritize subapplications as well as enter any paper subapplications into FEMA's Electronic Grants (*eGrants*) System.

### **1.6.2 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 subapplications. Only grant applications submitted through the *eGrants* system will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant's paper subapplication(s) into the *eGrants* system on their behalf using the Paper subapplication Intake function or the subapplication will not be eligible for further consideration. Paper planning and project subapplications that follow the *eGrants* format are available in the *eGrants* system for subapplicants 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 subapplications 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 subapplicant use. The electronic process replaces the paper-based process in that subapplicants' planning and project subapplications may be electronically submitted to the Applicant for review and approval in *eGrants*. Then, the Applicant must attach the subapplicants' subapplications to a grant application along with the Applicant's own planning, project, and management cost subapplications, 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 subgrantee Quick Reference Guides available at <https://portal.fema.gov>, FEMA has established an *eGrants* Helpdesk to provide technical assistance to Applicants and subapplicants completing subapplications 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](mailto: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.

### **1.6.3 APPLICANT REVIEW OF SUBAPPLICATIONS**

Applicants must review and approve all subapplications in *eGrants* before they can be attached to a grant application. Applicants must review all planning and project

subapplications 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. Applicants may return subapplications to subapplicants for revisions as necessary in eGrants.

FEMA strongly encourages Applicants to review the subapplicant's responses to the Evaluation Information questions, including the assessment of the frequency and severity of hazards for mitigation planning activities (See *Section 3.6, Evaluation Information*), and the Benefit Cost Analysis (BCA) for mitigation projects (See *Section 4.9, Evaluation Information*), which will support competitiveness in the National Ranking process. The Applicant may wish to revise or augment this information in consultation with the subapplicant.

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

Should a subapplicant want their subapplication to be considered under other FEMA Mitigation grant programs, all requirements must be met under section 1.1.1.

In addition, the Applicant must provide a narrative in the comment field for the subapplication 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 subapplicant's mitigation strategy;
- Whether the proposed activity is feasible and will provide a long-term, independent solution to mitigate natural hazards; and
- If the subapplicant is able to manage the grant funds and complete the activity in the time specified.

#### **1.6.4 GRANT APPLICATION CHECKLIST**

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

- **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;
- **Contact Information:** Provide the name, agency, and address for the point of contact for the grant application;

- **Subgrant applications:** Include an unlimited number of subapplications for eligible planning/project activities that the Applicant has reviewed and approved in eGrants. A separate management cost subapplication must be submitted for Applicant management costs. Applicants must rank each subapplication included in the grant application in order of their priority for funding based on the Applicant’s Standard or Enhanced hazard mitigation plan function or the subapplication will not be eligible for further consideration. Each subapplication must be assigned a unique rank (*i.e.*, only one number 001) in eGrants. If the Applicant is including a Management Cost subapplication, it must be ranked last or the subapplication will not be eligible for further consideration. Applicants must explain the rank given to each subapplication and how it relates to their hazard mitigation plan;
- **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 subapplication included with the grant application is appropriate;
- **Budget:** Ensure that the requested Cost Estimate for each subapplication is acceptable and provide the grant budget class for each item. Provide documentation to support certification of subapplicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90%. Provide an Approved Indirect Cost Agreement, if applicable;
- **Properties:** Ensure that all of the properties, including alternatives, in each project subapplication are included, if applicable; and
- **Assurance and Certifications:** Complete the Assurances. Non-Construction Programs, FEMA Form 20-16A, if applicable; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL, 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 or the subapplication will not be eligible for consideration. Funding is restricted to a maximum of \$3 million Federal share per each project subapplication, \$1 million Federal share per each planning subapplication, and a maximum of \$500,000 for an update of an existing FEMA approved hazard mitigation plan.

### 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. Applicants must certify and support all documentation submitted with the subapplication to support the eligibility for a higher FEMA cost share. If documentation is not submitted with the subapplication, then FEMA will provide no more than 75% 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 2006 was \$31,794.) 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 US Bureau of Labor Statistics (USBL), the current average unemployment rate for 2006 is 4.6%. 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 subapplicants may submit eligible costs incurred prior to award but after the PDM application period has opened as their non-Federal cost share. Indirect costs may be included as part of the total project cost however, indirect costs in excess of the 10% 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 US Small Business Administration loan funds and the US Department of Agriculture’s Farm Service Agency loan funds, which lose their Federal identity once the loan is approved, may be used as a cost share;
- Tribal Health Services funds may be used as cost share for PDM funds as long as the mitigation activity “contributes to the purposes for which grants...are made” under the Tribal Health Services statute;

- Bureau of Tribal Affairs funds may be used as cost share;
- Appalachian Regional Commission funds may be used as cost share, per Section 302(a)(3) of the Appalachian Regional Development Act of 1965;
- Funds derived from Title III of the Secure Rural Schools Act (PL 106-393) may be used as cost share, 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 may be used to meet the non-Federal cost share requirements, as long as 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 CFR 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 CFR Part 13.24, this documentation is to be held at the Applicant and subapplicant 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 4.11.1, FEMA Review*) subapplications to ensure Eligibility and Completeness.

Subapplications that do not satisfy either the Eligibility or Completeness requirements will be removed from consideration.

The FY 2007 Congressional appropriation required that each state receive an allocated base amount of \$500,000 provided that the projects submitted meet the eligibility criteria up to the \$500,000 amount. Should the FY 2008 appropriation contain the same direction FEMA will review the projects based on the selection criteria defined in the announcement. If a project exceeds the \$500,000 threshold, the State should submit the project by priority funding. FEMA reserves the right to select projects that do not meet the priority list of the State. If a State does not submit projects that meet or exceed the State's allocation of \$500,000, the funding will be reallocated to another that submits projects in exceed of their \$500,000 based.



### 1.8.2 NATIONAL RANKING

FEMA will score all eligible mitigation planning and project subapplications 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 subapplication. Applicant management cost subapplications will not be scored but will be awarded based on planning and project subapplications awarded for each Applicant (See *Section 2, Applicant Management Costs*). All mitigation planning and project subapplications 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 subapplications representing no less than 150% of available funds. While the priority total for eligible projects will be set at 150%, FEMA will confine to 100% of the funding available. The remaining 50% will be available if reallocations or additional funding becomes available. FEMA may also include the two highest scoring subapplications from tribal Applicants in the National Evaluation, if not already included in the 150%. In addition, all eligible subapplications from small and impoverished communities will be forwarded to the National Evaluation. National Ranking factors and point values are:

<b>NATIONAL RANKING FACTORS AND POINT VALUES</b>	<b>PLANS</b>	<b>PROJECTS</b>
The priority given to the subapplication by the Applicant in their PDM grant application	<b>35%</b>	<b>35%</b>
Assessment of frequency and severity of hazards	<b>30%</b>	N/A
Whether the Applicant has a FEMA-approved Enhanced State/tribal hazard mitigation plan by the application deadline	<b>15%</b>	<b>20%</b>
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	<b>15%</b>	<b>15%</b>
The percent of the population benefiting, which equals the number of individuals directly benefiting divided by the community population	N/A	<b>15%</b>
Whether the project protects critical facilities	N/A	<b>10%</b>
Status of the local subapplicant as a small and impoverished community	<b>5%</b>	<b>5%</b>
<b>TOTAL POINT VALUES</b>	<b>100%</b>	<b>100%</b>

### 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 subapplications forwarded from the National Ranking. Evaluators will score subapplications based on predetermined qualitative factors (See *Section 4.11.3, National Evaluation*) to calculate a National Evaluation Score for each subapplication.

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

<b>NATIONAL EVALUATION FACTORS AND POINT VALUES</b>	<b>PLANS</b>	<b>PROJECTS</b>
Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation activity	<b>30%</b>	<b>30%</b>
Sufficient staff and resources for implementation of the proposed mitigation planning process or proposed mitigation project	<b>30%</b>	<b>20%</b>
Thoroughness of SOW that demonstrates an understanding of the planning process and a methodology for completing the proposed mitigation plan	<b>30%</b>	N/A
Project subapplication demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures	N/A	<b>20%</b>
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	N/A	<b>15%</b>
Leveraging of Federal/State/tribal/territorial/local/private partnerships to enhance the outcome of the proposed activity	<b>5%</b>	<b>5%</b>
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	<b>5%</b>	N/A
Protection of critical facilities	N/A	<b>5%</b>
Inclusion of outreach activities appropriate to the proposed mitigation project	N/A	<b>5%</b>
<b>TOTAL POINT VALUES</b>	<b>100%</b>	<b>100%</b>

#### **1.8.4 TECHNICAL REVIEW**

FEMA will conduct the following technical reviews (See *Section 4.11.4, Technical Review*) for the highest scoring project subapplications representing no less than 150% of available funding:

- BCA; and
- Engineering Feasibility.

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

## **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 subapplications 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 subapplications from each State in order until the projects and/or plans within a State are at least \$500,000.

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

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

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

### **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 subapplications selected for further review to implement required pre-award activities, such as verifying Applicant and subapplicant commitments and understanding of grant terms. FEMA also may, at its discretion, request information or documentation from Applicants to support certain planning or project subapplications as part of pre-award activities (See *Section 3.9, FEMA Pre-award Activities* and *Section 4.12, FEMA Pre-award Activities*). Applicants must respond to requests for information from the FEMA Regional Offices regarding their subapplications 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 4.12, FEMA Pre-award Activities*). Project subapplications will not be awarded and projects can not be initiated until FEMA has completed the Environmental/Historic Preservation review. Additional information on 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 subapplications 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.

If an Applicant or subapplicant does not accept an award, FEMA may select additional eligible planning and project subapplications for further review in the order they were ranked or return the funds to the National Pre-Disaster Mitigation Fund for the next grant cycle. Awarded PDM planning and project subapplications will be listed on the FEMA website: <http://www.fema.gov/government/grant/pdm/index.shtm>.

### **1.9.4 NOTIFICATION OF STATUS OF SUBAPPLICATIONS**

FEMA will notify Applicants of:

- subapplications that do not satisfy Eligibility and Completeness requirements;
- subapplications that are not forwarded to National Evaluation following the National Ranking;
- project subapplications that do not meet cost effectiveness and engineering feasibility requirements; and
- subapplications that are not selected for further review by the Approving Federal Official.

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

- additional funds become available after reconsideration requests have been analyzed;
- awards are not accepted;
- award amounts are reduced; or
- additional funds are appropriated to the National Pre-Disaster Mitigation Fund.

Eligible planning and project subapplications will be sorted by National Evaluation Score, and the highest scored subapplications 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 subapplication 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 Administrator within 60 calendar days from the date of the FEMA notification letter to the Applicant. The Regional Administrator will analyze the reconsideration request and make a recommendation to the Assistant Administrator of the Mitigation Directorate or his designee. FEMA's decision to uphold or overturn a decision regarding a subapplication that does not meet PDM requirements is final.

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

Overturned subapplications and the remaining eligible planning and project subapplications will be sorted by National Evaluation Score, and the highest scored subapplications will be selected for further review up to the amount of funds available. Remaining funds may be used to fund additional eligible subapplications on the waiting list 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 subapplicant is expected to complete the grant/subgrant 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 subgrant awarded to the Applicant. Neither planning subgrants nor project subgrants may be awarded with a performance period exceeding three years. Planning and project subapplications 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 Administrator 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:

- **Submission Date:** The request must be submitted **at least 60-calendar days prior** to the expiration date of the performance period;
- **Reason for Delay:** Identify the status of the activity and give a brief description for the delay (*e.g.*, weather conditions);
- **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;
- **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;
- **Completion Date:** Identify the projected completion date for the activity; and
- **No change of scope:** Provide a certification that the activity will be completed within the extended period without any modification to the original 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 Administrator. 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 subgrant performance period be extended, the grant performance period will be extended as well; however, the extension must be conditioned so that all completed subgrants are closed out within their individual performance periods. The total extended period of performance for planning and project subgrants 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 Administrator may waive the initial report. The Grantee shall submit quarterly financial status reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30.

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 CFR Part 13.40, *Monitoring and Reporting* for additional information).

Note: The Regional Administrator 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 Administrator 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 subapplication;
- 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 subapplication; and
- Indicate whether cost under-run/cost overrun, 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 CFR 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 CLOSEOUT**

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

## **1.15 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) 832-4780

**FEMA Region II** - Serving New York, New Jersey, Puerto Rico, and the US Virgin Islands: 26 Federal Plaza, Suite 1337, New York, NY 10278-0001. (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) 220-5284

**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



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## SECTION 2 APPLICANT MANAGEMENT COSTS

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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 subapplications included as part of their PDM grant application. Applicants requesting Applicant management costs must submit a separate Management Costs Subgrant application in eGrants and include the management cost subgrant application in their grant application or the request will not be considered. Applicants may not request subapplicant management costs in their own planning or project subapplications under any circumstance.

### 2.1 ELIGIBLE MANAGEMENT COST ACTIVITIES

Eligible management cost activities include:

- The solicitation, review, and processing of PDM planning and project subapplications and subgrant awards;
- Providing technical assistance to subapplicants regarding BCA and Environmental/Historic Preservation documentation;
- Geocoding mitigation projects selected for further review (See *Section 4.4.7, Geocoding Project Requirements*);
- Delivery of technical assistance (*e.g.*, plan reviews, planning workshops) 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 subapplication, not to exceed 10% of the total cost of the grant application. Indirect costs are included as part of the total project cost and **must** be specified in the cost estimate. Indirect costs in excess of the 10% 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 and submitted with the application/subapplication.

#### 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 fund eligible pre-award management costs at its discretion and as funds are available. In most cases, Grantees 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 must be included as separate line items in the Cost Estimate for the management**

**cost subapplication.** Pre-Award management costs will not be reimbursed for pre-award activities associated with project implementation, project initiation, or projects completed prior to award.

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](#)*.

### **2.1.2 PROJECT IMPLEMENTATION PRIOR TO AWARD**

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

## **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 subapplications 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 SUBAPPLICATION CHECKLIST**

Applicants must provide the following in their management cost subapplication to be eligible for consideration:

- **Applicant Information:** Provide name, type, and State of the Applicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address for the point of contact for the Technical Assistance/Management Cost subapplication;
- **Community Information:** Indicate the entity that will benefit from the subapplication (use “Statewide”);
- **Mitigation Plan Information:** Indicate whether the Applicant is covered by a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan;
- **Mitigation Activity Information:** Indicate the type, intent and title of the proposed activity;
- **Hazard Information:** Describe the area to be covered and identify the source of the hazards to be addressed by the activity;
- **Scope of Work:** Describe the goals and objectives of the activity and how they will be implemented, including timeline/schedule/milestones;
- **Cost Estimate:** Provide all anticipated and potential costs for each activity, including Federal and non-Federal shares, including an Approved Indirect Cost Agreement, if applicable. **Indicate all pre-award costs as separate line items;**

- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share 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*);
- **Cost-Effectiveness Information:** Management costs are exempt from a BCA; and
- **Assurances and Certifications:** Complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-Construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; 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 not factor into either the National Ranking or the National Evaluation of planning or project subapplications (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 subgrants, 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 subapplications are awarded, or decrease management costs if any planning or project subapplications are not awarded. 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 subgrant shall begin on the date that the management costs subgrant is awarded and end on the last day of the performance period for the grant (See *Section 1.11, Performance Period*).

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## SECTION 3 MITIGATION PLANNING SUBAPPLICATION GUIDANCE

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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/subapplicants must complete a planning subapplication for mitigation planning activities proposed for PDM funding.

The PDM program is one FEMA's primary mechanisms to provide grant assistance for mitigation planning. Therefore, States, Federally-recognized Indian tribal governments, local governments, and public colleges and universities are encouraged to submit planning subapplications for PDM funding in order to develop, or comprehensively update their mitigation plans which, when approved by FEMA, will maintain their eligibility for future FEMA funding.

### 3.1 ELIGIBLE PLANNING ACTIVITIES

Planning activities that develop State, tribal, local, and university hazard mitigation plans that meet the planning requirements outlined in 44 CFR Part 201 are eligible for the PDM program. The outcome of a mitigation planning grant award must result in an adopted FEMA-approved hazard mitigation plan prior to the end of the 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. FEMA will review all submitted hazard mitigation plans according to the *Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book*. This guidance is available online at [www.fema.gov/plan/mitplanning/guidance.shtm](http://www.fema.gov/plan/mitplanning/guidance.shtm), or from FEMA Regional offices.

The planning grant deliverable must be an adopted, FEMA-approved hazard mitigation plan, whether PDM is funding the development of the entire plan or only a portion of the plan. Failure to meet the required deliverable will result in recoupment of funds.

PDM funding may be used for the development of a new FEMA-approved hazard mitigation plan or comprehensive review and update of an existing FEMA-approved hazard mitigation plan. 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 subapplication for new plans and a maximum of \$500,000 for an update of an existing FEMA approved hazard mitigation plan.

#### 3.1.1 NEW PLAN DEVELOPMENT

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

- Jurisdictions with no existing hazard mitigation plan and at risk from a single or multiple natural hazards for which they can identify viable mitigation actions; or

- Jurisdictions with existing hazard mitigation plans that do not fully address the 44 CFR Part 201 criteria (*e.g.*, Flood Mitigation Assistance plan, Community Rating System plan).

### **3.1.2 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 CFR Part 201 and all update guidance documentation. In addition, eligible activities may include:

- States/Tribes/Territories with an existing Standard hazard mitigation plan preparing an updated plan in coordination with the Enhanced Plan requirements;
- Tribes with a local hazard mitigation plan preparing a tribal Standard/Enhanced hazard mitigation plan;
- Local jurisdictions that participated in a multi-jurisdictional hazard mitigation plan preparing a single-jurisdictional hazard mitigation plan;
- Addressing 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 subapplication must cite the location(s) in the current approved hazard mitigation plan where the data deficiencies are being addressed;
- Addressing process limitations such as participation, public input and plan maintenance already identified in a previously approved hazard mitigation plan. The planning subapplication must cite the location(s) in the current approved hazard mitigation plan where the process limitations are being addressed; and
- Modifying actions and strategy in a previously approved hazard mitigation plan.

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

A State, Indian tribal government, territory or local government hazard mitigation plan that expires prior to the award of a grant or subgrant must provide a FEMA-approved hazard mitigation plan in accordance with 44 CFR Part 201 in order to receive grant funding for comprehensive reviews and updates of existing hazard mitigation plans.

### **3.1.3 RISK ASSESSMENT**

Risk assessment activities, including the use of HAZUS and Geographic Information Systems (GIS), may be submitted as part of a planning subapplication. Risk assessment activities may include the mapping of hazards, with the exception of flood mapping, at-risk structures, including critical facilities, and repetitive flood loss structures, 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. The most complex and difficult task in the plan development can be the risk assessment.

Therefore, if Applicants or subapplicants 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. Applicants and subapplicants 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. **All grants must lead to a FEMA-approved plan.**

Mapping activities must not duplicate eligible mapping activities available under any other Federal program or agency, such as NFIP map modernization activities and/or flood mapping activities (See *Section 1.3.4, Program Restrictions*). Applicants/subapplicants are required to make use of already developed materials and to seek available resources, such as State mapping initiatives and GIS resource repositories, and:

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

Risk assessment activities must be identified as separate line items in the Cost Estimate for the planning subapplication in order to be considered.

### **3.1.4 INFORMATION DISSEMINATION**

Subapplicants may apply for up to 10% of the funds requested for their mitigation planning subapplication for information dissemination activities. These activities may include: public awareness, education, public notices, marketing and outreach and must relate directly to the planning subapplication. Information dissemination activities must be identified as separate line items in the Cost Estimate for the planning subapplication.

### **3.1.5 SUBAPPLICANT MANAGEMENT COSTS**

Subapplicants may include a maximum of 5% of the total funds requested (Federal and non-Federal shares) for their planning subapplication for management costs to support the planning activities. Subapplicant cost activities must be consistent with the Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments. Subapplicants requesting management costs must provide supporting documentation and include these costs as separate line items in the Cost Estimate for the planning subapplication. Applicants may not request subapplicant management costs in their own planning subapplications under any circumstance (See *Section 2, Applicant Management Costs*).

Indirect costs, if requested, must be included as part of the subapplicant management costs, not to exceed 5% of the total cost of the planning subapplication. 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 subapplicant 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 and must be identified by line item.

### **3.1.6 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 subapplicants may be reimbursed for pre-award planning costs for activities directly related to the development of the proposed planning subapplication, such as workshops, meetings and data collection. Pre-award planning costs must be identified as separate line items in the Cost Estimate for the planning subapplication.

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

### **3.2 INELIGIBLE PLANNING ACTIVITIES AND COSTS**

Certain planning activities and their associated costs are not eligible. In addition to the specific ineligible planning activities listed below, any planning effort that duplicates benefits received for the same purpose (*i.e.*, an existing planning grant that has not closed prior to the 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 1.3.4.1, Duplication of Programs*) will be considered ineligible.

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

- Flood studies or flood mapping (e.g., hydrology and hydraulics analysis and Map Modernization activities);
- Mapping activities that are not part of a risk assessment;
- Risk assessments, technical assistance, studies, or workshops not resulting in a FEMA-approved hazard mitigation plan;
- Information dissemination activities exceeding 10% of the total cost of the planning subapplication or that are not tied directly to a PDM planning subapplication;
- Any ground disturbing activity that would initiate the environmental/Historic preservation review and compliance process;
- Pre-award activities not directly related to the development of the planning subapplication.
- Limited revisions and amendments that do not result in a comprehensive hazard mitigation plan update; and

- Activities that duplicate or enhance prior scopes of work previously awarded and not completed.

### 3.3 MITIGATION PLAN REQUIREMENTS

Planning activities must meet the following criteria:

- The outcome of a mitigation planning subgrant award must be a FEMA-approved hazard mitigation plan that complies with the requirements of 44 CFR Part 201. Hazard mitigation plans must be reviewed, adopted by the jurisdiction and FEMA approved before the end of the performance period. Failure to meet the required deliverable will result in recoupment of funds;
- For States/Tribes/Territories a completed State Standard/Enhanced Review Worksheet available on the FEMA website: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Office (See *Section 1.15, 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;
- For subapplicants, a completed Local Plan Review Worksheet available on the FEMA website: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from Regional Offices (See *Section 1.15, 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 States/Tribes/Territories hazard mitigation plan or the subapplication will not be eligible for further consideration;
- Planning activities to review and update an existing FEMA-approved hazard mitigation plan must clearly build on the existing approved hazard mitigation plan and comply with the *Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book* available on the FEMA website: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Office (See *Section 1.15, Regional Contact Information*).
- Planning activities must be consistent with 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 subapplication SOW must describe the development of a hazard mitigation plan that complies with FEMA’s regulatory requirements in 44 CFR Part 201. The SOW must first state whether the proposed planning activity will result in a new hazard mitigation plan or a 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, update of local plan to meet the 5-year requirement) must be provided.

A mitigation planning SOW must consist of two main elements: a description of the planning process and a work schedule for plan development. Both of these elements must clearly demonstrate the Applicant’s familiarity with the applicable regulatory requirements and the available technical and programmatic guidance. Planning subapplications that do not include an adequate description of the proposed planning activity will be less competitive, or in some cases may be removed from consideration.

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 subapplicants in developing planning subapplications.

#### **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 CFR Part 201, which are available from the FEMA Information Resources Library: <http://www.fema.gov/library/viewRecord.do?id=1858>. FEMA will review all submitted hazard mitigation plans according to the *Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book*, which is also available online at [www.fema.gov/plan/mitplanning/guidance.shtm](http://www.fema.gov/plan/mitplanning/guidance.shtm), or from Regional Offices (*See Section 1.15, Regional Contact Information*).

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

The SOW must thoroughly document the activities the jurisdiction will complete to accomplish each planning step, including the planning process, hazard identification and risk assessment, mitigation strategy, and plan maintenance as well as plan adoption. The SOW must include what will be done, 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 must also explain how the public and other interested jurisdictions, agencies, and organizations will be involved throughout (*e.g.*, workshops, community outreach). Finally, the SOW must describe the plan adoption process for the jurisdiction to ensure sufficient time for completion of the plan as well as all formal adoption action.

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 must be identified, where possible.

### **3.4.2 WORK SCHEDULE**

The work schedule must indicate the anticipated timeline for each step of the process and must 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 subapplicant's best estimate of the total value of the proposed activity. **Sufficient detail** must be provided regarding various cost item categories such as labor, materials, equipment, subcontract costs, etc, and include anticipated cash and in-kind (donated) non-Federal cost share. In particular, the labor cost line item must estimate anticipated donated in-kind labor from various community agencies and/or other participating jurisdictions that will count toward the non-Federal cost share in order to be considered.

The Cost Estimate must include, in detail:

- Costs associated with any mapping activities or risk assessment, information dissemination activities, and subapplicant 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;
- Pre-award costs: Indicate all costs that may be incurred prior to grant award but subsequent to the PDM application period opening. These must be identified as separate line items; 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 subapplication is not awarded for up to one year after the date of the receipt of initial quotation, this cost must be over-estimated and noted as such.)
- Costs for updated plans must not exceed the original grant award to the subgrantee for the development of the plan.

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. Planning subapplications that propose a Federal share in excess of \$1 million will not be accepted for new plans and a maximum of \$500,000 for update/upgrade of FEMA approved mitigation plans.

### **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 overruns.

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 CFR 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 subapplicant management costs still apply, and the Federal share will not be increased.

### **3.6 EVALUATION INFORMATION**

Completion of the Evaluation Information section of the planning subapplication is required for the PDM grant program. Responses to questions in this section will be used to support competitiveness in both the National Ranking and Evaluation processes (See *Section 4.11.3, National Evaluation*). Therefore, responses for each question are required for the subapplication to be eligible for further consideration, even if the information is provided in another section of the planning subapplication.

The assessment of the frequency (*e.g.*, high, moderate, low, very low, and not applicable) and severity (*e.g.*, catastrophic, extensive, serious, and minor) of an event for various hazards may be better addressed by the Applicant than the subapplicant in most cases because the information to complete this question can be found in the hazard identification section of the State/tribal Mitigation Plan. Therefore, a response is not required of the subapplicant. However, if the subapplicant responds to the question, the Applicant must review the information before submitting the planning subapplication (See *Section 1.6.3, Applicant Review of Subapplications*) 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 subapplications without complete responses to the Evaluation Information section questions and supporting documentation for the risk assessment may be removed from consideration.

### 3.7 PLANNING SUBAPPLICATION CHECKLIST

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

- **Applicant Information:** Provide name, type, and State of subapplicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address of the point of contact (POC) for the subapplicant. The POC must be an official within the subapplicant’s organization;
- **Subapplication Name:** Applicants must verify that the subapplication name includes the location of the proposed activity and the activity type;
- **Community Information:** Select the community or entity (*e.g.*, Tribe, college, university) that will benefit from the subapplication. If the community or entity is not listed, please advise the FEMA Regional Office (See *Section 1.15, 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 subapplications, both an overall Community Profile, and a brief profile for each potential participating jurisdiction must be provided to ensure NFIP participation compliance, as well as information on how the multi-jurisdictional planning effort will be coordinated;
- **Mitigation Plan Information:** Indicate whether the entity(ies) that will benefit from the subapplication and is/are covered by a FEMA approved State/Tribe hazard mitigation plan and identify any previous planning grants received;
- **Mitigation Activity Information:** Indicate the type, intent and title of the proposed planning activity. If the proposed planning activity is a comprehensive update to an existing FEMA approved hazard mitigation plan, indicate how it will address any identified deficiencies. The updated hazard mitigation plan must include a modified mitigation strategy and corresponding action items;
- **Hazard Information:** Describe the area to be covered by the planning activity and identify the source of the hazards to be addressed in the planning activity. Include a synopsis and history of hazards affecting the community or entity, and other applicable information that will clarify the need for the mitigation planning effort. Attach a map with the planning area identified;
- **Scope of Work:** Describe the goals and objectives of the planning activity and how it will be implemented. For multi-jurisdictional planning subapplications, provide information on how the multi-jurisdictional planning effort will be coordinated;

- **Cost Estimate:** Provide all anticipated and potential costs for each proposed planning activity, including Federal and non-Federal shares. Provide an Approved Indirect Cost Agreement, if applicable;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share and subapplicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*);
- **Cost-Effectiveness Information:** All planning grants are exempt from a BCA; therefore, a BCA is not required to be submitted with planning subapplications;
- **Evaluation Information:** Provide responses to the Evaluation Information section questions for each planning subapplication for competitive National Ranking and Evaluation and provide documentation to support the hazard risk assessment; and
- **Assurances and Certifications:** If applicable 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; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.

**Incomplete subapplications 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 CFR Part 10.8(d)(2)(iii). Therefore, Environmental/Historic Preservation documentation is not required to be submitted with mitigation planning subapplications. Applicants must select “No” for the CATEX questions in the Environmental Historic Preservation Information Section in *eGrants* for planning subapplications during their review process (See *Section 1.6.3, Applicant Review of Subapplications*).

### **3.8 FEMA REVIEW, NATIONAL RANKING AND NATIONAL EVALUATION**

#### **3.8.1 FEMA REVIEW**

FEMA will review all planning subapplications to ensure the following:

- Eligibility of the Applicant and subapplicant (See *Section 1.3, Grant Program Eligibility*);
- Eligibility of proposed planning activities and costs;
- Completeness of the subapplication;
- 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 subapplicant 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 (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.

**Planning subapplications 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 subapplications on the basis of predetermined, objective and quantitative factors to calculate a National Ranking Score (See *Section 1.8.2, National Ranking*). Ranking factors for mitigation planning activities and the respective weighting of each in the National Ranking are:

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

### **3.8.3 NATIONAL EVALUATION**

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

- Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation planning activity (30%);
- Sufficient staff and resources for implementation of the proposed mitigation planning process (30%);
- Thoroughness of SOW that demonstrates an understanding of the planning process and describes a methodology for completing the proposed mitigation plan (30%);

- Leveraging of Federal/State/tribal/territorial/local/private partnerships to enhance the outcome of the proposed mitigation planning activity (5%); and
- 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 subapplications 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 CFR 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 subgrant performance periods may not exceed three years (See *Section 1.3.4, Program Restrictions*). Planning subapplications 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.

If a hazard mitigation plan has not received final approval by FEMA by the close of the performance period, FEMA will terminate the planning subgrant and any costs incurred after the subgrant termination will not be reimbursed by FEMA. If the plan is not submitted to FEMA for approval by the final date of the period of performance, then the final closeout report for the grant will not reflect completion of the work required under the grant agreement and is subject to recoupment as outlined below. No additional planning grants will be awarded for plan completion. Planning processes, plan adoption and plan approval may continue after the 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*).

### **3.11 RECOUPMENT OF FUNDS**

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

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

- Jurisdictions with plans that have been approved pending adoption by the FEMA Regional Office, but are not yet formally adopted (in accordance with FEMA



regulations) by the end of the performance period, must return a minimum of 10% of the grant award.

- Jurisdictions with plans that have been reviewed by the FEMA Regional Office, but require changes in order to meet the minimum requirements, must return a minimum of 25% of the grant award if the required changes have not been made by the end of the performance period.
- Jurisdictions with plans that have not been submitted to the FEMA Regional Office for review by the end of the performance period must return 100% of the grant award.

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## SECTION 4 MITIGATION PROJECT SUBAPPLICATION GUIDANCE

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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/subapplicants must complete a project subapplication for each mitigation project proposed for PDM funding.

### 4.1 ELIGIBLE 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 subapplication.

The following are examples of eligible mitigation projects:

- Voluntary acquisition of real property (*i.e.* structures and land, where necessary) for conversion to open space in perpetuity (select from the 200 series in the Mitigation Activity section in *eGrants*).
- Relocation of public or private structures (select from the 201 series in the Mitigation Activity section in *eGrants*). Relocation is the movement of a structure from one place to another. Relocation must be from an identified hazard area to an area of lower risk.
- Elevation of existing public or private structures to avoid coastal or riverine flooding (select from the 202 series in the Mitigation Activity section in *eGrants*) to meet or exceed current NFIP elevation requirements.
- 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 in conjunction with a project.
- Vegetation management for natural dune restoration, wildfire or snow avalanche (select from the 300 series in the Mitigation Activity section in *eGrants*);

- Protective measures for utilities (e.g., electric and gas); water and sanitary sewer systems and/or infrastructure (e.g., roads and bridges) (select 401.1 or 402.1 in the Mitigation Activity section in *eGrants*);
- 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 and floodwall systems that are designed specifically to protect critical facilities that do not constitute a section of a larger flood control system (select 404.1, Localized Flood Control System to Protect Critical Facility, in the Mitigation Activity section in *eGrants*).

Examples of critical facilities are hazardous materials facilities, emergency operation centers, power facilities, water, sewer and wastewater treatment facilities, communications facilities, emergency medical care facilities, fire protection, and emergency facilities.

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 subapplication, as long as the generator or related equipment purchase directly relates to the hazard(s) that threatens the critical facility.

## **4.2 INFORMATION DISSEMINATION**

Subapplicants may request up to 10% of the funds requested for their mitigation project subapplication 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 subapplication. Any information dissemination activities must be identified as separate line items in the Cost Estimate for the project subapplication.

### **4.2.1 SUBAPPLICANT MANAGEMENT COSTS**

Subapplicants may include a maximum of 5% of the total funds requested (Federal and non-Federal shares) for their project subapplication for Management Costs to support the project. Subapplicant cost activities must be consistent with the Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments. Subapplicants requesting Management Costs must provide supporting documentation and include these costs as separate line items in the Cost Estimate for the project subapplication in order to be considered.

Subapplicant Management Costs must be included in the project's BCA. Applicants may not request subapplicant Management Costs in their own project subapplications under any circumstance (See *Section 2, Applicant Management Costs*).

Indirect costs, if requested, must be included as part of the subapplicant management costs, not to exceed 5% of the total cost of the project subapplication. 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 subapplicant management costs, and in no case will the total Federal share for any project, including Management Costs, exceed \$3 million.

Indirect costs must be supported with a current Indirect Cost Rate that is approved by a Federal cognizant agency and must be included as a separate line item.

#### **4.2.2 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 subapplicants 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 must be identified as separate line items in the Cost Estimate for the project subapplication. 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 subapplicants 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*).

#### **4.3 INELIGIBLE PROJECT ACTIVITIES AND COSTS**

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

- Projects that do not meet program requirements for Environmental/Historic Preservation compliance, cost-effectiveness, and engineering feasibility;
- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, waterway channelization, and erosion projects related to beach nourishment or renourishment.
- Projects that solely address operation, maintenance or repairs of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, bridges and dam repair/rehabilitation).
- Water quality infrastructure projects (See *Section 1.3.4.1, Duplication of Programs*);
- Projects that address ecological or agricultural issues related to land or forest management (e.g., insects, diseases, weather-related damages, infestations);
- Projects located in a coastal barrier area as defined by the Coastal Barrier Resources Act (CBRA). This Act restricts the use of PDM funds in any designated CBRA area;
- Warning and alert notification systems (e.g., NOAA weather radios), sirens, and other communication systems;
- Any phase or part of a project that is dependent on another phase or part that is not included in the project subapplication to be cost-effective and/or feasible;
- Studies that do not result in a project (e.g., engineering designs, feasibility studies, flood studies, or drainage studies that are not integral to the proposed project);

- Flood studies or flood mapping (*i.e.*, general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Dry-floodproofing of residential structures;
- Generators and related equipment (*e.g.*, generator hook-ups) for non-critical facilities;
- Generators and related equipment (*e.g.*, generator hook-ups) for critical facilities that are not part of a larger eligible mitigation project subapplication and is not directly related to the hazard(s) that threaten that critical;
- Applications involving any activities for which implementation has already been initiated or completed are not eligible for funding, and will not be considered;
- Mitigation reconstruction - any mitigation activities involving demolishing of an existing structure (*i.e.*, commercial or residential building, publicly or privately owned) and building a new structure (formerly known as demolition/rebuild);
- Projects that solely address a manmade hazard;
- Response and communication equipment, such as electronic road signs to aid in evacuations;
- Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging, debris removal, bridges and dam repair/rehabilitation);
- Localized flood control projects that constitute a section of a larger flood control system;
- Any project for which another Federal agency has primary authority (See *Section 1.3.4.1, Duplication of Programs and Section 1.3.4, Program Restrictions*);
- Any project requesting benefits that are available from another source for the same purpose;
- Properties that are subject to pending litigation; and
- Legal procedures related to litigation for an approved Application or subapplication.

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

## **4.4 MITIGATION PROJECT REQUIREMENTS**

### **4.4.1 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 apply for project grant funding under the PDM program in accordance with 44 CFR Part 201. In addition, all subapplicants must have a FEMA-approved and locally adopted hazard mitigation plan by the application deadline to be eligible to apply for project grant funding under the PDM program.

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

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

#### **4.4.2 FEASIBILITY AND EFFECTIVENESS REQUIREMENT**

Mitigation projects must be both feasible and effective at mitigating the hazards for which the project was designed. To determine both feasibility and cost-effectiveness, FEMA will use the information provided in the project Application, including the Scope of Work and Cost Estimate sections, as well as any supporting documentation to perform an Engineering Feasibility and cost-effectiveness evaluation of the proposed project. Proposed schematic or detailed architectural/engineering drawings shall be included to allow FEMA to assess the effectiveness and feasibility of the proposed project.

When scoping elevation projects, the height to which a foundation can be constructed is a key factor in determining feasibility. Assistance in evaluating flood mitigation techniques can be found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. FEMA has developed guidance for the design of appropriate foundations based on the requirements of the International Codes and other applicable coastal construction standards. This guidance is included in FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*, which also includes sample foundation design calculations and drawings. This guidance document describes in detail the considerations for determining the feasibility of constructing to the required height. While FEMA 550 was developed in response to the reconstruction needs following Hurricane Katrina, the design solutions provided can be used in both coastal and non-coastal flood zones. The user is guided to employ the appropriate foundation by following the Foundation Selection Decision Tree found in the manual. Through this document FEMA has recommended that the sample designs be used for a maximum height of eight-feet for a closed foundation and up to 15-feet for an open foundation. A design professional must be consulted to determine feasibility for residential structures with required foundation heights greater than these limits.

#### **4.4.3 ELIGIBILITY CRITERIA**

Mitigation projects 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 CFR Part 206.434(c)(5) and related guidance;
- Have a BCA using a FEMA-approved methodology that results in a benefit-cost ratio (BCR) of 1.0 or greater. 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 CFR Part 206.434(c)(4);

- Conform with 44 CFR Part 9, Floodplain Management and Protection of Wetlands, and 44 CFR Part 10, consistent with 44 CFR Part 206.434(c)(3);
- Be located in a community that is participating in the NFIP and not 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.

#### **4.4.4 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS**

For property acquisition and relocation projects, Applicants and subapplicants must comply with the following requirements, and related program guidance. A project may not be framed in a manner that has the effect of circumventing these requirements.

##### **4.4.4.1 Eligibility for Property Acquisition Projects:**

###### **Eligible Properties**

Properties eligible for acquisition include those where:

- The property will be acquired from a willing, voluntary seller;
- The property contains a structure that may or may not have been damaged or destroyed due to an event;
- All incompatible easements or encumbrances can be extinguished;
- The property cannot be contaminated with hazardous materials at the time of acquisition, other than incidental demolition or household waste;
- Any relocated structure must be placed on a site located outside of the SFHA, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations;
- The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees); and
- The property will not be subdivided prior to acquisition, except for portions outside the identified hazard area, such as the SFHA or any risk zone identified by FEMA.

###### **Hazardous Materials**

Subapplicants considering the purchase of property (or land adjacent to property) with past or present commercial or industrial use must 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 subapplicant 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 subapplicant 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**

- 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**

- 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, subapplicant, other project participant or third party's negligence or intentional actions contributed to the conditions needing mitigation.

#### **4.4.4.2 REQUIREMENT TO APPLY DEED RESTRICTIONS**

Subapplicants 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 1.15, Regional Contact Information*). Any modifications to the model deed restriction can only be made with prior approval from FEMA's Office of Chief Counsel.

#### **4.4.4.3 SUBAPPLICATIONS FOR PROPERTY ACQUISITION**

Subapplicants for property acquisition and relocation projects must include the following in their application:

1) Statement of Assurances;

As part of the project application, subapplicants must attach a Statement of Assurances, signed by the subapplicant'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 subapplicant 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 subapplicant considers to be the market value of the property. The subapplicant will use the model Statement of Voluntary Participation 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 each Regional Office (see *Section 1.15, Regional Contact Information*);
- The subapplicant 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 subapplicant 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 subapplicant 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 subapplicant 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 subapplicant 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 subgrantee may convey a property interest only with the prior approval of the FEMA Regional Administrator and only to another public entity or to a qualified conservation organization pursuant to 26 CFR 1.170A-14;

- Every three years, the subgrantee must submit to the Grantee, who will submit to FEMA Regional Administrator a report certifying that it has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the grant. If the subject property is not maintained according to the terms of the grant, the Grantee and FEMA, its representatives, 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 subapplicant (such as a letter of interest, intent to participate form, project signup sheet or similar format) the subapplicant 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 [subapplicant] 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 must 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.shtm>.
  - Market value documentation for each parcel and include it in the cost estimate. The 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;
  - 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 must document properties occupied by tenants. This must be included in the cost estimate. See the FEMA Hazard Mitigation Grant Program Desk Reference for additional guidance; and
  - A photograph that represents the appearance of each property at the time of application.
- 3) Other information as determined by the FEMA Regional Administrator.

**For acquisition projects**, changes to the properties in an approved mitigation project will be considered by FEMA but not approved automatically. The Applicant and

subapplicant 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. 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 subapplication.

#### **4.4.4.4 PRE-AWARD REQUIREMENTS**

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

- Documentation that the subapplicant 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 subapplication assurances for more detail). FEMA encourages subapplicants 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.

#### **4.4.4.5 POST-AWARD REQUIREMENTS**

Following award of the grant, the subgrantee 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 must 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 PDM grant program (42 USC 5133), is the most recent major disaster. Where multiple disasters have affected the same property, the Grantee and subgrantee must determine which is the relevant event;
- The Grantee must coordinate with the subgrantee in determination of whether the valuation should be based on pre-event or current market value. Generally the same method to determine market value must 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;
- Incompatible facilities must be removed from acquired property within 90 days of settlement; and
- Property Reporting Requirements from the subgrantee, 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 Participation 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 Participation is available on FEMA’s web page: <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (see *Section 1.15, 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 subgrantee 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.

#### **4.4.5 SPECIAL FLOOD HAZARD AREA REQUIREMENTS**

The following requirements apply to any project to alter existing structures that are cited 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 subapplicant (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 USC 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 subapplications cited in SFHAs are subject to FEMA review prior to award.

Applicants receiving assistance for projects cited 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 1.15, 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*).

#### **4.4.6 FEDERAL INCOME TAX ON MITIGATION PROJECT FUNDS**

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

#### **4.4.7 GEOCODING REQUIREMENTS**

The location of all approved mitigation projects funded by the PDM program must be geocoded using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual properties contained in the mitigation project, including:

- Individual property information on properties mitigated;
- Project sites for mitigation activities such as stormwater management, road and bridge improvement, and critical facility protection, and flood control projects; and
- For fire mitigation projects: An accurate recording of the official acreage, using GIS shape files, must be provided in the application.

The specific Guidance for Geo-coding Mitigation Data was provided to the FEMA Regional Offices in August, 2004, and provides guidance for collecting and formatting location information. This is available on FEMA's web page: <http://www.fema.gov/government/grant/pdm/index.shtm> or from the Regional Offices. FEMA will work with Applicants to ensure this information is provided prior to award.

#### 4.4.8 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. Subapplicants 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. **Maintenance costs must not be included in the Cost Estimate; however, anticipated future maintenance costs must be included in the BCA.**

#### 4.5 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 subapplications 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 subapplication SOW must 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 must also be provided;
- Outcomes (*i.e.*, what are the expected accomplishments?);
- Feasibility and effectiveness provided by the proposed project, including engineering design parameters and copies of or references to:
  - 1) Proposed schematic or detailed engineering drawings, or engineering design;
  - 2) Applicable building code/edition or engineering standard used (*e.g.*, for drainage projects this may be a State or local standard or requirement);
  - 3) 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
  - 4) 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.

Applicants/subapplicants must demonstrate that they can complete the project within the three-year performance period limitation. Project subapplications that do not demonstrate the Applicant and subapplicant's ability to complete the project within the specified timeframe may be less competitive in the National Evaluation.

#### **4.5.1 SCOPE OF WORK DOCUMENTATION**

Documentation provided will be used by FEMA to evaluate the SOW in order to determine eligibility and feasibility of the proposed project. Therefore, subapplicants are encouraged to include additional data to demonstrate the need for the proposed project. Examples may include Requests for Proposals for a project contract, a study identifying the proposed project design, or relevant sections of the Flood Insurance Study/Flood Insurance Rate Map (FIRM).

Applicants/subapplicants must 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 US Geological Survey (USGS) topographic map, site plan, and relevant photographs to be provided with the project subapplication.

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

#### **4.5.2 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, adversely impact eligibility, feasibility and effectiveness of the project, or bring the project BCR below 1.0.

Requests for Scope of Work changes must be supported by adequate justification from the Applicant. 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.

### **4.6 COST ESTIMATE**

The Cost Estimate describes all estimated costs associated with the proposed project activity, and represents the subapplicant's best estimate of the total value of the proposed activity. Sufficient detail must be provided regarding various cost item categories such as labor, materials,

equipment, subcontract costs, etc, and include anticipated cash and in-kind non-Federal match. In particular, the labor cost line item must estimate anticipated donated in-kind labor from various agencies and/or other participating jurisdictions that will count toward the non-Federal match. Documentation of all cost estimates provided, including the dates of estimates, as well as the anticipated date of construction must be provided, if applicable.

The Cost Estimate must include:

- All anticipated project costs, such as:
  - 1) Anticipated environmental resource remediation or historic property treatment measures;
  - 2) Engineering designs/specifications to include Hydrologic and Hydraulic studies/analyses required as an integral part of the project design;
  - 3) Other related construction/demolition/relocation costs, such as survey, permitting, site preparation, material disposal;
  - 4) Other related acquisition costs, such as appraisals, legal recordation, displacement costs for renters;
- Costs associated with any information dissemination activities and/or subapplicant management costs: These must be identified as a separate line item to ensure cost thresholds for these activities are not exceeded;
- Pre-award costs: Indicate all costs that may be incurred prior to grant receipt but subsequent to the PDM application period opening. These must be identified as separate line items. For example conducting the BCA;
- 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 must 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 must 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 must not be included in the Cost Estimate but must be included in the BCA.

Funding is restricted to a maximum of \$3 million Federal share for mitigation projects. Project subapplications 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 subapplication may be removed from consideration.

#### **4.6.1 COST ESTIMATE DOCUMENTATION**

Documentation provided will be used by FEMA to evaluate the Cost Estimate in order to determine eligibility. Applicants/subapplicants shall submit detailed budgets and shall avoid “lump sum” items and provide references for all sources of the Cost Estimate (*i.e.*, 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 must be provided.

The project must be identified with enough details so that material, labor and other costs associated with the project can be identified. The cost estimating tools used must be identified and a detailed 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 subapplicant 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 subapplicant has awarded a similar roofing job two years ago that they have used to estimate the costs of this project. The Applicant and subapplicant 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.

#### **4.6.2 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 CFR 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 subapplicant in order to be processed. In any case, the limitations on information dissemination and subapplicant management costs still apply, and the Federal share will not be increased.

#### 4.7 COST EFFECTIVENESS

The PDM program must fund cost-effective mitigation activities. To ensure this objective is met, a FEMA-approved Benefit-Cost Analysis (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 Benefit-Cost Ratio (BCR), which is derived from a project's total net present value of benefits (*i.e.*, the value of benefits today versus the value of future benefits after taking inflation and return into account) divided by the total project cost to include all documented project and maintenance costs.

The Applicant or subapplicant are required to perform a BCA for each project, as well as one for each repetitive flood loss property and substantially damaged property in the subapplication. 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/subapplicants are encouraged to ensure that the BCA includes all benefits associated with the proposed mitigation project. Project subapplications 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.

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 subapplicant as part of the project Cost Estimate or by the Applicant as part of the Applicant management costs (See *Section 2, Applicant Management Costs*).

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

#### **4.7.1 METHODOLOGY**

Applicants and subapplicants must use a FEMA-approved methodology to determine the BCA. Applicants and subapplicants 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](mailto:bchelp@fema.gov) (See *Section 5.2.2, Benefit-Cost Analysis Technical Assistance*) or the applicable FEMA Regional Office (See *Section 1.15, Regional Contact Information*). Applicants and subapplicants should submit the completed BCA module with their applications. Using FEMA approved software 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 subapplications, only to screen projects for cost-effectiveness. Projects that use the Flood Very Limited Data Module will be removed from consideration.**

The OMB-mandated discount rate for the PDM program is seven percent. 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 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 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 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 NFIP Repetitive Loss properties.

For wind hazard mitigation projects, specifically shelters that offer near absolute life safety protection, calculations of shelter population must be based on number of individuals with access to the shelter within a ½ mile radius of the building. Individuals outside of a ½ mile radius cannot be considered in BCA calculations unless adequate documentation is supplied to demonstrate how they would reach the shelter with little or no warning of an impending storm.

#### **4.7.2 COST EFFECTIVENESS DOCUMENTATION**

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

Project subapplications 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.

Subapplications must include full and credible documentation, which:

- Clearly explains the data used in the analysis, including the source;
- Explains reasons and sources of information for the use of non-default values in the BCA;
- Is well organized; and
- Provides references to the appropriate parts of the analysis.

**Use of the FEMA Data Documentation Templates is strongly encouraged.**

Project subapplications must 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 must be able to calculate the BCA based upon the information provided in the subapplication without any additional explanation. FEMA has prepared Benefit-Cost Analysis Data Documentation Templates (DDT) to assist subapplicants in organizing and addressing all required documentation in support of the BCA. It is suggested that a DDT be prepared and attached with the supporting documentation for each project BCA. The DDT templates are found in the FEMA on-line library or can be reached through <http://www.fema.gov/government/grant/resources/index.shtm>.

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 subapplication. Professional licensure is strongly preferred in all cases (*e.g.*, a licensed structural engineer to provide fragility curves for an earthquake mitigation project). In

addition, data from FEMA software and default values from FEMA BCA guidance located on the Mitigation BCA Toolkit CD (See *Section 5, Technical Assistance*) will be accepted as completely credible, when software is used correctly and documentation is provided.

#### **4.8 ENVIRONMENTAL/HISTORIC PRESERVATION REVIEW**

Applicants/subapplicants are required to provide information to support FEMA's Environmental/Historic Preservation compliance review. This information:

- helps an Applicant and subapplicant understand the compliance requirements for the proposed project and how in meeting some of those requirements, the overall design and cost of the project may be affected;
- helps the reviewers and evaluators determine how well the Applicant and subapplicant understands these issues and has addressed them in the project design; and
- is helpful in expediting the 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 subapplicant 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.

##### **4.8.1 ENVIRONMENTAL/HISTORIC PRESERVATION QUESTIONS**

An accurate and thorough SOW provides crucial information to FEMA when undertaking Environmental/Historic Preservation review. In addition to the information provided in the SOW, Applicants/subapplicants must answer a series of Environmental/Historic preservation questions in the project subapplication 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 subapplicant must provide the following information in order for the project subapplication 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 subapplicant think there may be an effect. Information about the water bodies and wetlands must 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 subapplication and supporting documentation. Project subapplications that do not include the required information will be removed from consideration. FEMA will use the information provided in the SOW, Cost Estimate, and Environmental/Historic Preservation sections of the project subapplication to perform the Environmental/Historic Preservation review of the proposed projects. To expedite the environmental approval process, FEMA strongly encourages the Applicant and subapplicant 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 subapplication submission, including clearly labeled maps, diagrams, photographs, or letters/documentation from resource agencies.

#### **4.8.2 CONDITIONS FOR THE AWARD OF FUNDS**

For mitigation project subapplications 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 subapplicant as part of its 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. It may be possible for the Applicant and subapplicant to avoid or minimize adverse effects by revising the SOW during the pre-award process. The Applicant and subapplicant must explain in the revised SOW how any identified impacts to environmental resources and/or historic properties will be addressed.

The Applicant/subapplicant must 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. The Applicant/subapplicant 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 subapplication 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/subapplicant may accept the subgrant award and pay the additional costs or decide not to accept the subgrant award.

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

#### **4.9 EVALUATION INFORMATION**

The Evaluation Information section of the project subapplication 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. Therefore, responses for each question are required, even if the information is provided in another section of the project subapplication.

The Applicant may be better able to address the following questions than the subapplicant:

- 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 subapplication;
- Analysis Type; and
- What is the primary hazard data used for the BCA?

However, if the subapplicant responds to these questions, the Applicant must review the information before submitting the project subapplication.

#### 4.10 PROJECT SUBAPPLICATION CHECKLIST

Mitigation project subapplications must include the following or will not be eligible for further consideration:

- **Applicant Information:** Provide name, type, and location of the subapplicant (for States/Tribes, this may be the same as the Applicant), State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address for the point of contact for the project subapplication;
- **Subapplication Name:** Applicants must verify that the subapplication name includes the location of the proposed activity and the activity type;
- **Community Information:** Select the name of the community or entity (*e.g.*, Tribe, college, university) that will benefit from the project subapplication. If the community or entity is not listed, please advise the FEMA Regional Office (See *Section 1.15, 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;
- **Mitigation Plan Information:** Indicate whether the local entity that will benefit from the project subapplication is covered by a FEMA-approved tribal/local hazard mitigation plan and whether the State/Tribe/Territory is covered by a FEMA-approved and adopted 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);
- **Mitigation Activity Information:** Indicate the type and title of the proposed project, and whether construction is involved;
- **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 US Geological Survey (USGS) topographic map, photographs showing the project site, sketches, and/or drawings showing the project site (*e.g.*, appropriate sections of FIRM);
- **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 complete each task;
- **Properties:** Provide a list of properties (and alternative properties) to be mitigated. The property information history must include owner name, address, latitude and longitude, 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;

- **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;
- **Cost Estimate:** Provide all anticipated and potential costs for each proposed project activity, including Federal and non-Federal shares. Provide an Approved Indirect Cost Agreement, if applicable;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share and subapplicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*);
- **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;
- **Environmental/Historic Preservation:** Provide complete responses to established Environmental/Historic Preservation questions, and complete Environmental/Historic documentation;
- **Maintenance Schedule:** Provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance;
- **Evaluation Information:** Provide responses to the questions for each subapplication for competitive National Ranking and Evaluation, including documentation for the BCA; and
- **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.

#### **4.11 FEMA REVIEW, NATIONAL RANKING, NATIONAL EVALUATION AND TECHNICAL REVIEW**

##### **4.11.1 FEMA REVIEW**

FEMA will review all project subapplications to ensure the following:

- Eligibility of the Applicants/subapplicants (See *Section 1.3, Grant Program Eligibility*);
- Eligibility of proposed activities and costs. Each subapplication must be assigned a unique rank;
- Completeness of the subapplication;
- Completeness of SOW;

- Completeness of the Cost Estimate and consistency with the SOW;
- 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;
- 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;
- BCR of 1.0 or greater for the proposed mitigation project;
- Technical accuracy, complete supporting documentation, and source credibility of the BCA;
- 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; and
- Complete responses to Evaluation Information section questions for National Ranking and Evaluation, including the BCA.

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

#### **4.11.2 NATIONAL RANKING**

FEMA will score all eligible mitigation project subapplications 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:

- The priority rank given to the subapplication by the Applicant in their PDM grant application (See *Section 1.6.4, Grant Application Checklist*) (35%);
- Whether the Applicant has a FEMA-approved and adopted Enhanced State/tribal mitigation plan by the application deadline (20%);
- 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%);
- The percentage of the population benefiting, which equals the number of individuals directly benefiting divided by the community population (15%);
- Whether the project protects critical facilities (10%); and
- Status of Applicant and subapplicant as a small and impoverished community (See *Section 1.7.1, Small and Impoverished Communities*) (5%).

#### **4.11.3 NATIONAL EVALUATION**

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

- Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation project (30%);
- Sufficient staff and resources for implementation of the proposed mitigation project (20%);
- Project subapplication demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures. (20%);
- Durability of the financial and social benefits that will be achieved through the proposed mitigation project (15%);
- Leveraging of Federal/State/tribal/territorial/local/private partnerships to enhance the outcome of the proposed mitigation project (5%);
- Protection of critical facilities (5%); and
- 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%).

#### **4.11.4 TECHNICAL REVIEW**

FEMA will conduct a National Technical Review for the highest scoring project subapplications in the following areas:

- BCA; and
- Engineering Feasibility.

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

##### **4.11.4.1 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 subapplication. FEMA will not contact Applicants or subapplicants to request additional information or clarification on BCA documentation in the subapplication during the Benefit-Cost Technical Review.

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:

- **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.
- **Supporting Documentation**  
Every data point in the BCA must be clearly documented and included in the project application. Deviations from standard procedures, guidance, techniques, or FEMA default values must be thoroughly explained and documented. Projects not adequately documented may be removed from consideration. **Use of the FEMA Data Documentation Templates is strongly encouraged.**
- **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 must be from a reliable source (*i.e.*, licensed engineer or architect).

BCAs that are technically correct and thoroughly documented will be validated. However, when insufficient or conflicting information is provided in the project subapplication, the Benefit-Cost Technical Review panel may prepare a new, technically correct and defensible BCA(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 subapplication;
- Include all documented project and maintenance costs in the BCA(s);
- Use data in the subapplication that was not included in the subapplicant’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.**

#### **4.11.4.2 ENGINEERING FEASIBILITY and EFFECTIVENESS TECHNICAL REVIEW**

Given the technical nature of mitigation projects, FEMA will convene an Engineering Feasibility and Effectiveness Technical Review panel of subject matter experts to conduct a comprehensive review to determine both feasibility and effectiveness of eligible mitigation projects. The Technical Review will be based solely on the information provided in the project subapplication, including the SOW and Cost Estimate

sections, as well as any supporting documentation. Applicants/subapplicants must avoid “lump sum” items and provide references for all sources of the cost estimate. FEMA will not contact Applicants or subapplicants to request additional information or clarification on documentation in the subapplication during the FEMA Review. Project subapplications that do not include appropriate documentation to support the determination of feasibility and effectiveness will be removed from consideration.

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

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

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

#### **4.12 FEMA PRE-AWARD ACTIVITIES**

FEMA Regional Offices will work with Applicants who have project subapplications 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.

##### **4.12.1 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS**

For property acquisition and relocation projects, the subapplicant must submit documentation that the subapplicant 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 subapplicant 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.

##### **4.12.2 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.

### **4.12.3 GEOCODING REQUIREMENTS**

The location of all approved mitigation projects funded by the PDM program must be geocoded using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual properties contained in the mitigation project, including:

- Individual property information on properties mitigated, and
- Project sites for mitigation activities such as stormwater management, road and bridge improvement, and critical facility protection, and flood control projects.

The specific Guidance for Geocoding Mitigation Data was provided to the FEMA Regional Offices in August, 2004, and provides guidance for collecting and formatting location information. This is available on FEMA's web page:

<http://www.fema.gov/government/grant/pdm/index.shtm> or from the Regional Offices. FEMA will work with Applicants to ensure this information is provided prior to award.

### **4.12.4 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.

### **4.12.5 TECHNICAL REVIEW REQUIREMENTS**

For projects selected for further review, FEMA may request additional information from the Applicant or subapplicant to resolve issues identified during the FEMA Technical Review. The Applicant or subapplicant 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 subapplication.

### **4.12.6 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 subapplication. 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 subapplicant 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 subapplicant 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 subapplication. The amount of the Federal share for a project subapplication will not be increased to cover any additional costs. It is, therefore, essential that Applicants and subapplicants include costs associated with any anticipated environmental impact mitigation or historic preservation or treatment



measures in the Cost Estimate for the project. Expenses incurred by the subapplicant 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.

#### **4.13 PERFORMANCE PERIOD**

Mitigation project subgrant performance periods are limited to three years (See *Section 1.3.4, Program Restrictions*). Project subapplications 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 subgrant and any costs incurred after the subgrant 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*).

#### **4.14 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 1.15, Regional Contact Information*).

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## SECTION 5 TECHNICAL ASSISTANCE RESOURCES

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FEMA provides technical assistance to both Applicants and subapplicants by answering general questions about the PDM program as well as providing general technical assistance related to planning and project subapplications. FEMA will also provide technical assistance regarding the application process and the eGrants system. FEMA encourages Applicants and subapplicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (See *Section 1.15, Regional Contact Information*).

### 5.1 eGRANTS HELPDESK

FEMA provides technical assistance to Applicants and subapplicants specific to the eGrants through the eGrants Helpdesk, which can be reached via phone: 1-866-476-0544 or e-mail: [mtegrants@dhs.gov](mailto: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 provides general technical assistance to both Applicants and subapplicants 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 provides limited technical assistance to Applicants and subapplicants regarding the level of documentation and the types of information that FEMA will need to adequately review the feasibility and effectiveness of proposed mitigation projects. In addition, FEMA may provide technical assistance to Applicants and subapplicants regarding the completeness and accuracy of project cost estimating for engineering costs.

To assist Applicants and subapplicants 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 must be included in the application and highlight the importance of the SOW and Cost Estimate sections of the project subapplication as they relate to documentation for the engineering review. The case studies are not sample applications and must 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 each Regional Office (See *Section 1.15, 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. These documents provide guidance to Applicants and subapplicants on the 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 is available to assist Applicants and subapplicants with developing the SOW, Work Schedule, and Cost Estimate for project subapplications. 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 subapplication 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 offers a Mitigation BCA Toolkit CD which includes the FEMA BCA software, technical manuals, information on BCA training courses, and other supporting materials. Applicants and subapplicants may obtain the FEMA Mitigation BCA Toolkit CD at no charge by contacting the Technical Assistance Helpline or the applicable FEMA Regional Office (See *Section 1.15, Regional Contact Information*).

While FEMA will provide limited technical assistance on the BCA data needs and documentation requirements, FEMA will not input data and/or run the BCA modules for Applicants or subapplicants. The BCA technical assistance provided to potential Applicants and subapplicants 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 subapplicant may find specific guidance on completing the Environmental/Historic Preservation questions in the Environmental/Historic Preservation Information section of the project subapplication 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 subapplicants with answering the Environmental/Historic Preservation questions and provides interactive and dynamic, context-sensitive help, instructions, and resources for each of the parts of the Environmental/Historic Preservation Information section of the project subapplication. The Help Module also highlights Environmental/Historic Preservation considerations that may need to be addressed in other parts of the project subapplication, such as the SOW and Cost Estimate. The Help Module is linked directly to the Environmental/Historic Preservation Information section of the project subapplication 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 1.15, Regional Contact Information*).

#### **5.2.4 PROJECT TECHNICAL ASSISTANCE HELPLINES**

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