

Repetitive Flood Claims (RFC) Program Guidance



FEMA



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RFC PROGRAM

The Repetitive Flood Claims (RFC) grant program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the National Flood Insurance Program (NFIP) that have had one or more claim payments for flood damages. The long-term goal of RFC is to reduce or eliminate claims under the NFIP through mitigation activities that are in the best interest of the National Flood Insurance Fund (NFIF).

RFC funds may only mitigate structures that are located within a State or community that can not meet the cost share or management capacity requirements of the Flood Mitigation Assistance (FMA) program.

Applications will be accepted for any insured property that has one or more claim payments for flood damages and is located within a State or community that can not meet the requirements of the FMA program for either cost share or capacity to manage the activities stipulations. RFC awards will prioritize projects that create the greatest savings to the NFIF based on a Benefit-Cost Analysis (BCA).

APPLICATION CONSIDERATION IN 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 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

RFC GUIDANCE:

RFC guidance document is available from any FEMA Regional Office or on the FEMA web page: http://www.fema.gov/government/grant/rfc/index.shtm

AVAILABILITY OF FUNDS

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

FUNDS:

RFC grants are awarded nationally without reference to State allocations, quotas, or other formula-based allocation(s) of funds. The RFC program is subject to the availability of appropriation funding.

ELIGIBLE ACTIVITIES:

RFC funds are available for mitigation projects that:

- Acquire insured properties that have one or more claim payments for flood damages and demolish or relocate

KEY POINTS

INELIGIBLE PROJECT ACTIVITIES:

- Mitigation plan development, update or amendment;
Major flood control projects;
Dry floodproofing of residential structures;
Mitigation reconstruction;
Applications involving any activities for which implementation has already been initiated or completed are not eligible for funding, and will not be considered;
Phased or partial projects;
Studies that do not result in a completed mitigation project;
Flood studies or flood mapping;
Projects that solely address maintenance or repairs

structures, with conversion of property to deed-restricted open-space use;

- Elevations;
- Dry Floodproofing of non-residential structures;
- Minor Localized Flood Control Projects (funding limited to \$1M per project).

COST-SHARE:

All RFC grants are eligible for up to 100% Federal assistance.

ELIGIBILITY REQUIREMENTS

APPLICANT ELIGIBILITY:

Only the following entities are eligible to apply to FEMA as Applicants: State emergency management agencies or a similar office of the State (*i.e.*, the office that has primary emergency management or floodplain management responsibility); the District of Columbia; the US Virgin Islands; the Commonwealth of Puerto Rico; American Samoa; the Commonwealth of the Northern Mariana Islands; Guam; and Federally-recognized Indian Tribal governments. Each State, Territory, or Indian Tribal government shall designate one agency to serve as the Applicant for the RFC program.

SUBAPPLICANT ELIGIBILITY:

State-level agencies; Federally-recognized Indian Tribal governments; and local communities (to include State-recognized Indian tribes, authorized Indian Tribal organizations, and Alaska Native villages) are eligible to apply to the Applicant for assistance. Private individuals and Private Non-Profit (PNP) organizations are **not** eligible subapplicants; however, a relevant State agency or local community may apply to the Applicant for assistance to mitigate private or PNP structures.

REDUCED CAPACITY REQUIREMENT:

RFC funds may only be awarded if the Applicant has certified, either:

- The State and the community are not able to meet the 25% non-Federal match that would otherwise make the activity eligible under the Flood Mitigation Assistance (FMA) program; or
- The State or community does not have the capacity to manage the activities under the FMA program.

APPLICATION PROCESS

APPLICATION PROCESS:

Applicants must use the electronic grants (*eGrants*) management system: <https://portal.fema.gov> to submit a RFC grant application to include project and management cost subapplications. Only RFC 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 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.

of existing structures, facilities, or infrastructure;

- Generators, and related equipment;
- Warning and alert notification systems;
- Response and communication equipment;
- Properties that are subject to pending litigation;
- Legal procedures related to litigation for an approved application or subapplication;
- Landscaping for ornamentation; and
- Site remediation of hazardous contaminants.

KEY POINTS

NFIP PARTICIPATION:

All Applicants and subapplicants must be participating in the National Flood Insurance Program (NFIP), and must not be suspended or withdrawn from the NFIP. RFC funds shall not be awarded for activities in non-participating communities. Properties in all RFC projects must be NFIP insured at the time of project application and maintained at least through completion of the mitigation activity.

MITIGATION PLAN REQUIREMENT:

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

KEY POINTS

APPLICATION PERIOD:

Applicants must submit an FY 2008 RFC 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.

TECHNICAL ASSISTANCE HELPLINES:

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

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

E-mail:

BENEFIT-COST ANALYSIS:

A Benefit-Cost Analysis (BCA) is required for each project subapplication. Only FEMA-approved BCA methodologies may be used to meet this requirement.

TECHNICAL ASSISTANCE:

FEMA will provide technical assistance by answering questions about the RFC program, as well as providing general technical assistance related to project Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance.

enghelpline@dhs.com
bchelpline@dhs.com
ehhelpline@dhs.com

APPLICATION REVIEW & SELECTION

APPLICATION REVIEW:

FEMA will review each project subapplication to ensure the following:

- Eligibility of the Applicant/subapplicant
- Eligibility of proposed activities, properties and costs
- Completeness of the Scope of Work
- Completeness of the Cost Estimate and consistency with the Scope of Work
- Consistency of the proposed activity with the goals and objectives of the Applicant’s State/Indian Tribal hazard mitigation plan
- Feasibility and effectiveness of mitigation projects, including supporting documentation
- Benefit-cost ratio of 1.0 or greater for each project subapplication
- Technical accuracy, complete supporting documentation and source credibility of benefit-cost analysis for each project subapplication
- Supporting documentation and appropriate mitigation measures for environmental/historic preservation compliance
- Demonstrated reduced capacity or lack of non-federal cost share under FMA program for State or community

Subapplications that do not satisfy the eligibility and completeness requirements will be removed from consideration.

KEY POINTS

TECHNICAL REVIEW:

Eligible and complete project subapplications will be forwarded to FEMA HQ where a technical review of BCA's will be conducted to verify cost-effectiveness for each project subapplication.

APPLICATION RANKING:

Eligible mitigation project subapplications will be ranked in the order of the greatest savings to the NFIF as demonstrated by the verified BCA. FEMA may also select individual properties from within a larger project, where appropriate to achieve the greatest savings to the NFIF.

ENVIRONMENTAL/HISTORIC PRESERVATION REVIEW:

FEMA will complete the environmental/historic preservation compliance review for selected projects for further review as part of pre-award activities. **Funds may not be awarded and the project cannot be initiated until FEMA has completed the environmental/historic preservation review.**

FEMA strongly encourages Applicants/subapplicants to coordinate with relevant State or Federal agencies as soon as possible in order to identify any environmental or historic preservation compliance issues associated with proposed projects.

AWARD PROCESS

SELECTION/AWARD:

FEMA will notify Applicants of project subapplications selected for award. FEMA Headquarters will grant awards for project subapplications based on the national ranking of projects and program priorities up to the amount of funds available. FEMA may select individual properties from within a project application for award, where appropriate to achieve the greatest savings to the NFIF.

UNSUCCESSFUL APPLICATIONS:

FEMA will notify Applicants of project subapplications that are not selected for award by the Approving Federal Official.

KEY POINTS

PRE-AWARD:

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

SECTION 1 GRANT APPLICATION GUIDANCE

1.1 PURPOSE

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

1.1.1 APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS

FEMA may determine that subapplications submitted but not funded under a specific 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** 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. Examples of other mitigations grant programs include the Pre-Disaster Mitigation Grant Program (PDM), and the Flood Mitigation Grant Program (FMA). **This option is not available under the Severe Repetitive Loss (SRL) Program.**

1.2 AUTHORIZATION AND APPROPRIATION

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

1.2.2 APPROPRIATION

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

1.3 GRANT PROGRAM ELIGIBILITY

1.3.1 ELIGIBLE PROPERTIES

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

1.3.2 ELIGIBLE APPLICANTS

Only the following entities are eligible to apply to FEMA for RFC grants: State emergency management agencies or a similar office of the State (*i.e.*, the office that has primary emergency management or floodplain management responsibility); the District of Columbia; the US Virgin Islands; the Commonwealth of Puerto Rico; American Samoa; the Commonwealth of the Northern Mariana Islands; Guam; and Federally-recognized Indian Tribal governments. Each State, Territory, or Indian Tribal government shall designate **one** agency to serve as the Applicant for the RFC program. If an agency is not designated for any of these entities, a local community may apply directly to FEMA for assistance under 44 CFR Part 78.14 *Alternative Procedures*.

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

1.3.3 ELIGIBLE SUBAPPLICANTS

Only the following entities are eligible to apply through the Applicant for assistance:

- State-level agencies;
- Federally-recognized Indian Tribal governments including State-recognized Indian tribes, authorized Indian Tribal organizations, and Alaska Native villages; and
- Local communities.

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

services for that community. Only those NFIP-participating communities or Federally-recognized Indian tribal governments that are not suspended or withdrawn from the NFIP are eligible to receive RFC grant funds. Private non-profit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community may apply to the Applicant for assistance to mitigate privately-owned or PNP-owned properties.

1.3.4 PROGRAM REQUIREMENTS

1.3.4.1 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 RFC program in accordance with 44 CFR Part 201.

A State, Indian tribal government or territory 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.

All activities submitted for consideration must be consistent with the Applicant's State/tribal Standard or Enhanced Hazard Mitigation Plan.

1.3.4.2 NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

All subapplicants must be participating in the NFIP, and must not be suspended or withdrawn from the NFIP, to be eligible to apply for RFC funds and to act as subgrantee. Certain non-participating political subdivisions (*e.g.*, Councils of Governments, Regional Planning Commissions, or County governments, etc.) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning and building code enforcement, or planning and community development professional services for that community. RFC funds shall not be used to support project activities in communities that are not participating in the NFIP.

Properties in all RFC projects must be NFIP insured at the time of project application and maintained at least through completion of the mitigation activity or, for acquisition projects, until the transfer of ownership. For structures that remain in the SFHA, flood insurance must be maintained for the life of the structure, regardless of ownership of such property. Minor physical flood mitigation projects that reduce localized flooding problems must reduce or eliminate the risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP.

1.3.4.3 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 allow the State to access and download current claims, policy and repetitive loss data. This will allow eligible RFC Applicants to identify properties eligible for mitigation under the RFC grant program.

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 engaging in flood plain management, improved real property acquisitions, and relocation projects that are consistent with the National Flood Insurance Program, and to further flood plain management and hazard mitigation goals of FEMA. These uses are authorized pursuant to notices published in the Federal Register, most recently on January 23, 2002 (DHS/FEMA-008). State staff wishing to gain access to sensitive NFIP data may request a login ID and Password for SQANet by visiting <http://www.nfipnextgen.com> 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. The records are protected pursuant to the Privacy Act of 1974 (5 USC 552a) and 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.

1.3.4.4 REDUCED CAPACITY REQUIREMENT

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

- The State and the community are not able to meet the 25% non-Federal match that would otherwise make the activity eligible under the FMA program. The Applicant and the subapplicant must provide certification (*i.e.*, signed letter or other document from an authorized government official) that they can not meet this requirement, and the activity could therefore not be funded under the FMA program through the annual State FMA allocations. If a project has been previously submitted (within one year) for funding under FMA and was not funded, the State or community must explain and certify why the 25% non-Federal match is no longer available for this project; or
- The State or community does not have the capacity to manage the activities under the FMA program. The Applicant or subapplicant must provide certification (*i.e.*, signed letter or other document from an authorized government official) that the State or

community does not have the capacity to manage the proposed activities. If a project has been previously submitted (within one year) for funding under FMA and was not funded, the State or community must explain and certify why it no longer has the capacity to manage this project. Lack of capacity may be shown to be:

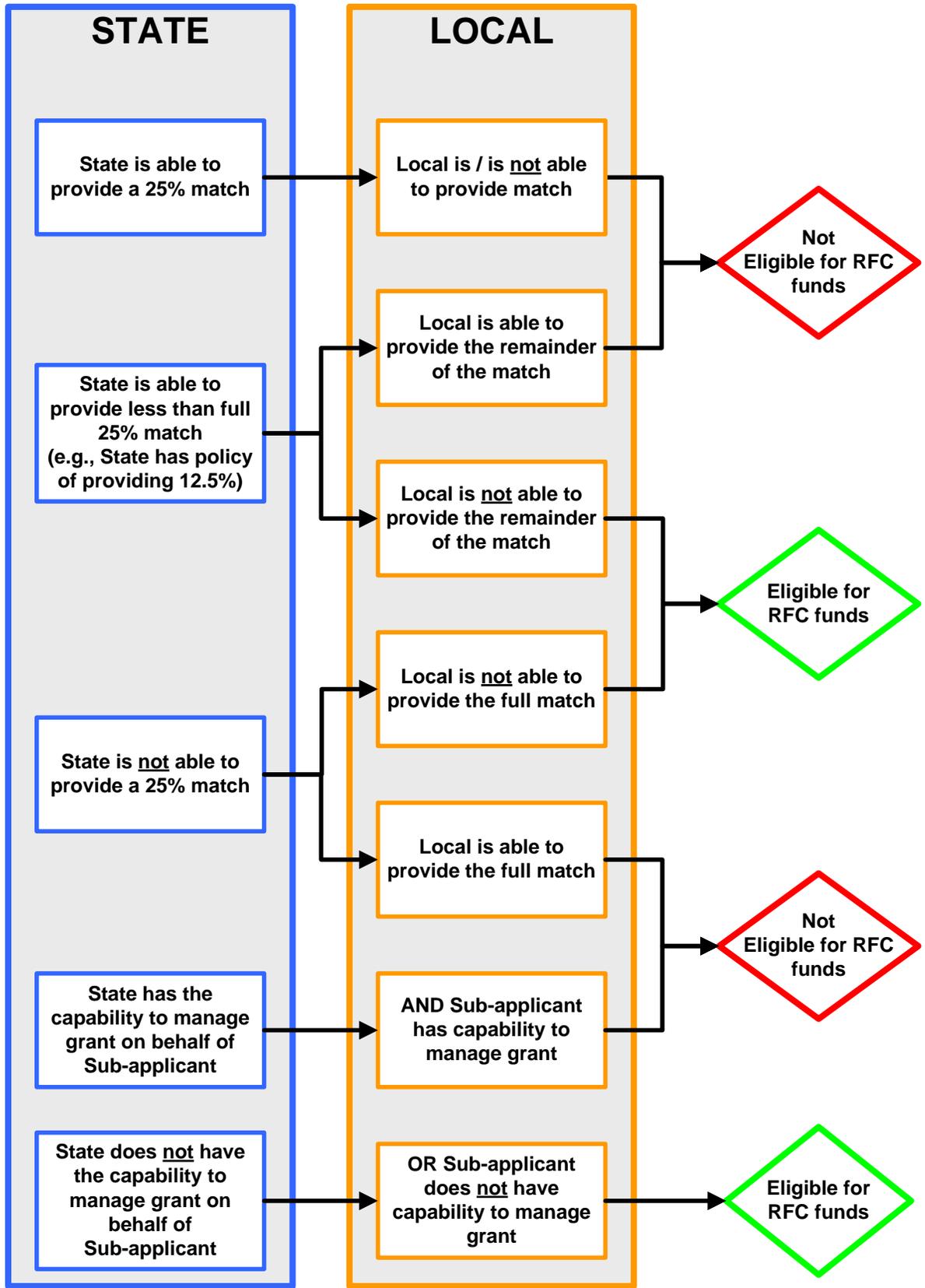
- 1) Lack of adequate resources (staff or funding) to successfully administer and manage the grant activity; or
- 2) Meeting the definition of “small, impoverished community.”

If claiming reduced capacity as a “small, impoverished community,” the subapplicant 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/Indian Tribal government/Territory in which the community is located.

See Table 1.3.4.4, *RFC Reduced Capacity Requirement*, for further clarification.

Table 1.3.4.4, RFC REDUCED CAPACITY REQUIREMENT



1.3.4.5 NON-DISCRIMINATION

Like other FEMA mitigation programs, the RFC program must be administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status. The RFC 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 RFC program, Grantees and subgrantees will ensure that no discrimination is practiced. Applicants must consider fairness, equity, and equal access when prioritizing and selecting project subapplications to submit with their RFC application. Subgrantees must ensure fairness and equal access to homeowners and individuals that benefit from grant activities.

1.3.4.6 COST-EFFECTIVENESS

Project subapplications must demonstrate cost-effectiveness through a BCR of 1.0 or greater (See *Section 2.6, Cost Effectiveness*).

1.3.4.7 GEOCODING MITIGATION PROJECTS

The location of all approved mitigation projects funded by the RFC program must be geocoded using standard datum prior to award (See *Section 2.10, FEMA Pre-award Activities*). The guidance for Geocoding Mitigation Data is available online from the FEMA Information Resources Library: <http://www.fema.gov/library/viewRecord.do?id=1849> and from the FEMA Regional Office.

1.3.5 PROGRAM RESTRICTIONS

1.3.5.1 DUPLICATION OF PROGRAMS

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

1.3.5.2 DUPLICATION OF BENEFITS

FEMA will not provide assistance under the RFC program for activities that duplicate benefits received by or available to Applicants, subapplicants and other project participants from insurance, other assistance programs, legal awards, or any other source to address the same purpose. This includes projects previously submitted under other FEMA Hazard Mitigation Grant Programs. Such individual or entity must notify the Grantee and FEMA of all benefits that it receives or anticipates from other sources for the same purpose, and must seek all such benefits available to them. FEMA will reduce the RFC 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 from other sources, and must reimburse FEMA for such amounts.

FEMA also will not provide assistance for the Applicant or subapplicant's legal obligations, such as those imposed by a legal settlement, court order or State law.

1.3.5.3 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. In addition, Part 13.36 requires the subgrantee to also ensure that their procurements are subject to full and open competition and undergo a cost or price analysis before award. Applicants must comply with guidelines for awarding and administering subgrants at 44 CFR Part 13.37.

1.3.5.4 COST OVERRUNS AND COST UNDER-RUNS

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

1.3.5.5 PRE-AWARD COSTS

Eligible costs incurred prior to the date of the grant award, but after the RFC application period has opened, are identified as pre-award costs. FEMA may allow pre-award 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 RFC guidance for activities directly related to the development of the project proposal. Activities may include, but are not limited to, development of the BCA, environmental/historic preservation data and documentation, and engineering design. Pre-award costs must be identified as separate line items in the Cost Estimate for the project subapplication or they will not be considered. Pre-award costs associated with the implementation of the project started prior to award will **not** be eligible.

1.4 ELIGIBLE ACTIVITIES AND ASSOCIATED COSTS

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

The following are eligible activities for the RFC program:

- Mitigation project activities (See *Section 2, Mitigation Project Subapplication Guidance*); and
- Applicant management costs (See *Section 1.6, Applicant Management Costs*).

1.5 INELIGIBLE ACTIVITIES

Mitigation project subapplications must meet all requirements referenced in the RFC Guidance. Ineligible project activities are listed in *Section 2.2, Ineligible Project Activities and Costs*.

1.6 APPLICANT MANAGEMENT COSTS

Applicants may request a maximum of up to 10% of the total funds requested in their RFC grant application budget for management costs to support the project subapplications. **Applicants requesting management costs MUST itemize these costs separately from the project subapplications through a Management Costs subapplication, or the funds requested will not be considered.** Eligible management costs may include:

- Solicitation, review, and processing of RFC project subapplications and subgrant awards;
- Technical assistance to subapplicants regarding Benefit-Cost Analysis and Environmental/Historic Preservation documentation;
- Geocoding mitigation projects selected for further review (See *Section 2.3.7, Geocoding Requirements*);
- Managing grants (e.g., quarterly reporting and close-out);
- Technical monitoring (e.g., site visits, technical meetings); and
- Staff salary costs directly related to performing the activities listed above.

Management costs 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 Applicant management costs, not to exceed 10% of the total amount awarded for project subgrants. 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.

1.6.1 PRE-AWARD MANAGEMENT COSTS

Eligible management costs incurred prior to the date of the grant award, but after the RFC application period has opened, are identified as pre-award management costs. FEMA may allow pre-award management costs at its discretion and as funds are available. Applicants and subapplicants may be reimbursed for pre-award management costs incurred after the publication of the RFC guidance for activities directly related to the development of the project proposal. Pre-award management costs must be identified as separate line items in the Cost Estimate for the project subapplication or they will not be considered. Pre-award management costs associated with the implementation of the project started prior to award will **not** be eligible.

1.6.2 SELECTION AND AWARD

Applicant management costs may be approved for up to 10% of the total amount awarded for the Applicant's project subgrants, or the amount of management costs requested by the Applicant, whichever is less. There are no exceptions. If the Applicant is also the subapplicant, the Applicant may **not** request subgrantee management costs in their own project subapplication under any circumstance (See *Section 2.5.3, Subapplicant Management Costs*). **Applicants who are not awarded RFC funds will not receive reimbursement for management costs.**

1.7 APPLICATION PROCESS

1.7.1 APPLICATION PERIOD

The opening of the RFC application period will be posted on FEMA's website: <http://www.fema.gov/government/grant/rfc/index.shtm>. RFC 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.

1.7.2 FEMA'S ELECTRONIC GRANTS SYSTEM

Applicants must use the electronic grants (*eGrants*) management system: <https://portal.fema.gov> to submit a RFC grant application to include 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 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 RFC 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 RFC application in a user-friendly format for both Applicant and subapplicant use. The electronic process replaces the paper-based process in that subapplicants' 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 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. Standard hours of operation are 9 a.m. to 5 p.m. Eastern Time. Hours may be extended during the application period.

1.7.3 APPLICANT REVIEW OF SUBAPPLICATIONS

Applicants should review all project sub-applications for eligibility, completeness, and consistency with the Applicant's State Standard/Enhanced hazard mitigation plan (See *Section 2.3, Mitigation Project Requirements*) prior to inclusion in the grant application.

1.7.4 GRANT APPLICATION CHECKLIST

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

- **Applicant Information:** Provide name, Grant type, and State of the Applicant, State and Federal tax numbers, Federal Employer Identification Number, 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 the total number of subapplications for eligible project activities that the Applicant has reviewed and approved. A separate management cost subapplication must be submitted for Applicant management costs;
- **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 (See *Section 2.4, Scope of Work*);
- **Budget:** Ensure that the requested Cost Estimate for each subapplication is acceptable and provide the grant budget class for each item. Provide an Approved Indirect Cost Agreement, if applicable;
- **Properties:** Ensure that all of the properties in each project subapplication are included and eligible for funding, if applicable; and
- **Assurance and Certifications:** 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.
- **Match Sources:** In the Match Sources comment section of the Management Costs Sub-application Form, the Applicant must certify that properties included in the

subapplication for the current RFC application period are not included or approved in any other FEMA Mitigation Grant application or award.

1.8 COST SHARE REQUIREMENTS

Approved RFC activities are eligible for up to 100% Federal funding for the amount approved under the grant award, with no non-Federal match required. Like other FEMA mitigation grant funds, RFC funds retain their Federal identity and **cannot** be used as cost share for another federally funded activity.

If non-Federal funds are provided to match part of the total project cost, the Applicant shall follow the requirements for *Matching or Cost Sharing* under 44 CFR Part 13.24, *Uniform Administrative Requirements for Grants and Administrative Agreements for State and Local Governments*.

1.9 FEMA REVIEW AND AWARDS

1.9.1 FEMA REVIEW

FEMA will review all project subapplications to ensure eligibility and completeness (See *Section 2, Mitigation Project Subapplication Guidance*). Project subapplications that do not satisfy either the eligibility or completeness requirements will be removed from consideration.

1.9.2 TECHNICAL REVIEW

Eligible and complete project subapplications will be forwarded to FEMA HQ where a technical review of BCAs will be conducted to verify cost-effectiveness for each property. Project subapplications that do not meet cost-effectiveness requirements will be removed from consideration and will not be selected.

Projects involving relocation of structures from acquired property will be evaluated for engineering feasibility.

1.9.3 NATIONAL RANKING & SELECTION

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

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

1.9.4 FEMA PRE-AWARD ACTIVITIES

FEMA will work with Applicants who have approved project subapplications to implement required pre-award activities prior to grant award, such as verifying Applicant and

subapplicant commitments and understanding of grant terms. In addition, FEMA will ensure that the Applicant has met all reporting requirements for FEMA-State grant awards currently in progress. FEMA may, at its discretion, request information or documentation from Applicants to support certain project subapplications as part of pre-award activities (See *Section 2.10, FEMA Pre-award Activities*). Applicants must respond to requests for information from the FEMA Regional Offices regarding their project subapplications within the specified timeframe. Applicants with project subapplications selected for award will be notified of the date by which all pre-award activities must be completed. **Please note that pre-award activities are not considered notification of an award.**

FEMA will complete the environmental/historic preservation compliance review for projects as part of pre-award activities. Subgrantees shall not initiate grant activities until FEMA has completed the environmental/historic preservation review. 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. Additional compliance information for the environmental/historic preservation review is available at <http://www.fema.gov/government/grant/resources/index.shtm>.

1.9.5 AWARDS

FEMA will provide an award package to Applicants for approved subapplications once pre-award activities are completed. The award package must be signed by the Applicant and returned to FEMA before funds can be awarded. The Applicant must agree to abide by the grant award terms and conditions as set forth in this Guidance and in the RFC Agreement Articles (Attachment I) available on FEMA's web page: <http://www.fema.gov/government/grant/rfc/index.shtm> or from the FEMA Regional Offices.

1.9.6 NOTIFICATION OF STATUS OF SUBAPPLICATIONS

FEMA will notify Applicants of project subapplications that do not satisfy completeness and eligibility requirements; project subapplications that do not meet cost-effectiveness or feasibility; and project subapplications that are not selected for award by the Approving Federal Official.

FEMA will notify Applicants of project subapplications that were eligible, but not selected for RFC grant awards due to RFC program funding limitations. These subapplications will be placed on a waiting list and may be considered for RFC grant awards during the next RFC program funding cycle.

1.9.7 RECONSIDERATION

At its discretion, FEMA may review a decision regarding a project subapplication that does not meet RFC requirements only where there is an indication of material, technical, or procedural error that may have influenced FEMA's decision. As RFC 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. In addition, Applicants who are not awarded any RFC 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 RFC requirements is final.

A small percentage of funds will be set aside to fund additional project subapplications after reconsideration requests have been analyzed. FEMA may convene a panel to determine the National Evaluation Score, if necessary, for any subapplications that FEMA overturns a decision. Overturned subapplications and the remaining eligible 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 RFC Fund for use in the next grant cycle.

1.10 PERFORMANCE PERIOD

The performance period is the period of time during which the Grantee is expected to complete the grant activities and to incur and expend funds approved for the RFC 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 Grantee. The performance period is specified in the **RFC Agreement Articles (Attachment I)**, available on FEMA's web page: <http://www.fema.gov/government/grant/rfc/index.shtm> or from the FEMA Regional Offices.

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. Project subgrants may not be awarded with a performance period exceeding three years. 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.

1.11 EXTENSIONS

Requests for extensions to the performance period will be considered but will not be approved automatically. In accordance with FEMA's Financial and Acquisition Management Division 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 request:

- **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, including the original approved period of performance, and give a brief description for the delay (*i.e.*, weather conditions);

- **Budget:** Identify the remaining funds, both FEMA share and cost share match, 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 (new period of performance end 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 approved by FEMA.

If a second performance period 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 at least 60 calendar days prior to the expiration of the period of performance and must include a justification for the extension that addresses the items noted above. The Regional Office will make a recommendation and submit the second request to the Chief Procurement Official at FEMA Headquarters, who will review the request in coordination with the Headquarters Mitigation Directorate.

Should any subgrant performance period be extended past the grant performance period, the grant performance period would be extended as well. This grant extension would be established so that all completed subgrants are closed out within their individual performance periods.

1.12 REPORTING REQUIREMENTS

The following reports are required from Grantees:

1.12.1 FEDERAL CASH TRANSACTION REPORTS

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

1.12.2 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 drawdowns from the HHS/Payment Management System-SMARTLINK if quarterly financial reports are **not** submitted on time.

1.12.3 PERFORMANCE REPORTS

The Grantee shall submit performance 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 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.

1.12.4 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.

1.13 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.

1.14 REGIONAL CONTACT INFORMATION

Contact information for FEMA Regional Offices is provided on the FEMA website: <http://www.fema.gov/about/contact/regions.shtm> and also is listed here for your information.

FEMA Region I - Serving Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont: 99 High Street, 6th Floor, Boston, MA 02110-2356. (617) 956-7506

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) 220-5200

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

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

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

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

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

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

SECTION 2 MITIGATION PROJECT SUBAPPLICATION GUIDANCE

The purpose of the RFC program is to fund mitigation activities that reduce flood damages and, consequently, flood claim payments in the order that will result in the greatest savings to the NFIF in the shortest period of time. Other benefits of RFC mitigation projects include saving lives and reducing disaster housing and emergency response expenses. Most importantly, communities and their residents will be safer from flood hazards.

RFC grant applications must provide sufficient information for FEMA to determine the eligibility of each proposed activity for RFC funds, and to prioritize projects in the order that will result in the greatest savings to the NFIF in the shortest period of time. The *Mitigation Project Subapplication Guidance* identifies how proposed activities will be reviewed to ensure that all grants awarded under the RFC meet the intent of the authorizing legislation of the NFIA. Any proposed activity submitted without enough information for FEMA to determine eligibility and priority for funding will not be considered for funding.

2.1 ELIGIBLE PROJECT ACTIVITIES

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

Eligible activities include:

- **Acquisitions/Relocations**: The acquisition of the structure and underlying real property for the purpose of creating open space, demolition or relocation of the structure, and conversion of the property to deed restricted open space uses in perpetuity. The relocation of existing residential structures must be to areas outside of the SFHA or local regulatory floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land-use regulations;
- **Elevations**: The elevation of existing structures and elevation to at least the BFE or an ABFE or higher if required by any State or local ordinance, and in accordance with criteria established in this Guidance. The techniques used for elevating structures in accordance with FEMA requirements can be found at: <http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>;
- **Dry Floodproofing**: Floodproofing of existing non-residential structures in accordance with the requirements of the NFIP or higher standards if required by FEMA or if required by any State or local ordinance, and in accordance with criteria established by the Administrator.
- **Minor Localized Flood Control Projects**: These projects may include the installation or modification of culverts and floodgates; the creation of small retention and detention basins; and upgrade of culverts to bridges. Minor localized flood control projects must not duplicate the flood prevention activities of other Federal agencies.

At least 50% of the structures directly benefiting from the mitigation activity must be properties that are both NFIP insured and have one or more claims to the NFIP.

Documentation must be provided in the subapplication that identifies all properties that will benefit from this activity and specifically identifies the RFC properties.

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

2.2 INELIGIBLE PROJECT ACTIVITIES AND COSTS

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

- Mitigation plan development, update or amendment;
- Major flood control projects such as the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, waterway channelization, and erosion projects related to beach nourishment or renourishment;
- Dry floodproofing of any residential structures;
- Phased or partial project that is dependent on another phase or part to be effective and/or feasible;
- Mitigation reconstruction - any mitigation activities involving demolition of an existing structure (*i.e.*, commercial or residential building, publicly or privately owned) and building a new structure (formerly known as demolition/rebuild);
- Applications involving any activities for which implementation has already been initiated or completed are not eligible for funding, and will not be considered;
- Studies that do not result in a completed mitigation project (*e.g.*, engineering designs, feasibility studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (*i.e.*, general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Projects that solely address operation, maintenance, or repairs of existing structures, facilities or infrastructure (*e.g.*, dredging, debris removal, bridges and dam repair/rehabilitation);
- Generators, and related equipment, such as generator hook-ups, for non-critical facilities or as a stand-alone activity;
- Warning and alert notification systems (*e.g.*, NOAA weather radios);
- Response and communication equipment;
- Landscaping for ornamentation (trees, shrubs, etc.);
- Site remediation of hazardous contaminants;
- Properties that are subject to pending litigation; and
- Legal procedures related to litigation for an approved application or subapplication.

2.3 MITIGATION PROJECT REQUIREMENTS

2.3.1 FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the RFC program must be both feasible and effective at mitigating the hazard(s) for which the project was designed. To determine both feasibility

and effectiveness, FEMA will use the information provided in the project subapplication, including the SOW and Cost Estimate sections, as well as any supporting documentation to review the engineering feasibility of the proposed project. If applicable, proposed schematic or detailed engineering drawings, or engineering designs for projects that demonstrate the design parameters and how the project will achieve the stated objectives must be included to allow FEMA to assess the effectiveness and feasibility of the proposed project.

Project subapplications must address the level of protection provided by the proposed project as well as any residual risk to the structure after project implementation. Upon request, FEMA will provide technical assistance regarding engineering documentation and cost estimation, Section 3.2, *Engineering Feasibility Technical Assistance*. Project subapplications that do not include appropriate documentation to support the determination of feasibility and effectiveness may be removed from consideration.

2.3.2 ELIGIBILITY CRITERIA

Projects approved for RFC grant awards must meet all of the following eligibility criteria:

- Cost-effectiveness, not costing more than the anticipated value of the reduction in both direct damages and reducing the risk of future damage, hardship, loss, or suffering resulting if future floods were to occur. A Benefit-Cost Analysis (BCA) using a FEMA-approved methodology must be submitted for each project to demonstrate this requirement; Conformance with 44 CFR Part 9, *Floodplain Management and Protection of Wetlands*, and 44 CFR Part 10, and any applicable environmental laws and regulations;
- Technical feasibility and ability to be implemented. The project Cost Estimate must reflect the engineering design, if applicable, and all anticipated costs (See *Section 3.2, Engineering Feasibility Technical Assistance*). The subapplicant should determine prior to application submission the technical feasibility of any proposed structure relocation;
- Properties in all RFC projects must be NFIP insured at the time of project application and maintained at least through completion of the mitigation activity, or, for acquisition projects, until the transfer of ownership. For structures that remain in the SFHA, flood insurance must be maintained for the life of the structure, regardless of ownership of such property;
- Any improvements on the property shall be in accordance with the standards of the NFIP Floodplain Management Regulations. Structures on the property shall be floodproofed or elevated to at least the BFE or an ABFE or higher if required by any State or local ordinance, and in accordance with criteria established in this Guidance;
- Physical location in a community that is participating in the NFIP where the community is not suspended or withdrawn (deleted on probation) from the NFIP;
- Solving of a problem independently or constituting a functional portion of a solution where there is assurance that the project as a whole will be completed;
- Consistency with the goals and objectives identified in the current FEMA-approved State/Indian Tribal hazard mitigation plan and, if available, the FEMA-approved Flood Mitigation Plan pursuant to 44 CFR Part 78 or flood hazard component of the 44 CFR

Part 201 compliant multi-hazard mitigation plan for the community in which the project is located; and

- Meeting the requirements of applicable Federal, State, Indian Tribal, and local laws, implementing regulations, and executive orders.

2.3.3 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

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

2.3.3.1 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.

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.

2.3.3.2 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 1.14, Regional Contact Information*). Any modifications to the model deed restriction can only be made with prior approval from FEMA's Office of Chief Counsel.

2.3.3.3 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 subapplicants 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 the Regional Office (See *Section 1.14, 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 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 should be accomplished as early in the project development process as is feasible. An example is available on FEMA’s mitigation web page: <http://www.fema.gov/government/grant/resources/index.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 should 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;
- A photograph that represents the appearance of each property at the time of application; and
- For acquisition projects, changes to the properties in an approved mitigation project will be considered by FEMA but not approved automatically. The Applicant and 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.

3) Other information as determined by the Administrator.

2.3.3.4 PRE-AWARD REQUIREMENTS

After application, but prior to award, the Applicant must provide FEMA with the following (See *Section 1.9.4, 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
- 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.

2.3.3.5 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 National of the United States or qualified alien, is not eligible for a purchase offer based on pre-event market value of the property, but may receive current market value;
- Subgrantees shall ask each property owner participating to certify that they are either a National of the United States or qualified alien before offering pre-event market value for the property. This information should be retained in the project file;
- The amount of purchase offer is based on the current market value of the property or on the market value of the property immediately before the relevant event affecting the property (“pre-event”): The relevant event for the Flood Mitigation Assistance program and the Repetitive Flood Claims Program is the most recent event resulting in a National Flood Insurance Program claim of at least \$5000;
- The Grantee should 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 should be used for all participants in the project;
- A title insurance policy demonstrating clear title must be obtained for each approved property that will be acquired;
- All incompatible easements or other encumbrances must be extinguished before acquisition;
- The property must transfer by a warrantee deed;
- See *Section 2.3.3.3 Subapplications for Property Acquisition* regarding limitations on substitution of alternate properties;
- 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;

- 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 1.14, Regional Contact Information*);
 - 4) A copy of the recorded deed and the attached deed restrictions for each acquired property must be submitted.
 - 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.
 - 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.

2.3.4 SPECIAL FLOOD HAZARD AREA REQUIREMENTS

For projects related to improved structures sited in SFHAs, FEMA will verify that participating property owners had flood insurance on the property at the time of the application and require assurance that flood insurance is maintained for the life of the structure. Signed notices of the conditions for receiving FEMA grant funds for projects in a SFHA must be provided to FEMA prior to award. Properties that do not meet these requirements will not be eligible to receive assistance under the RFC program (See *Section 1.3.4, Program Requirements*).

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

- When the project is implemented, all structures that will not be demolished or relocated out of the SFHA must be covered by flood insurance to an amount at least equal to the

project cost or to the maximum limit of coverage made available with respect to the particular property, whichever is less; and

- The 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 U.S.C. Part 5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The property owner is also required to maintain this property in accordance with the flood plain management criteria of Title 44 of the Code of Federal Regulations Part 60.3 and City/County Ordinance.”

Applicants receiving assistance for projects sited in a SFHA will ensure that these requirements are met by requesting the participating property owner(s) to sign an Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds form and providing the form to FEMA prior to award. This form is available on the RFC web page: <http://www.fema.gov/government/grant/resources/pre-award.shtm> or from FEMA Regional Offices (See *Section 1.14, Regional Contact Information*). Properties that do not meet these requirements will not be eligible to receive assistance under the RFC program.

2.3.5 FLOOD ELEVATION DATA

In the wake of a major flood event, FEMA may issue Advisory Base Flood Elevations (ABFE) that more closely reflects post-storm conditions. In areas where ABFEs have not been established, existing and effective flood boundaries and elevations must be utilized during project development. ABFEs developed following Hurricanes Katrina and Rita are currently available for several areas eligible for RFC activities. Applicants should check the status of this information during project scoping.

- ABFE information is available for the coastal counties in Mississippi from the FEMA website at:
http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_ms_index.shtm
- For the parishes in Louisiana from the FEMA website at:
http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_la_index.shtm.

In addition to the issuance of ABFE data, FEMA periodically updates the flood hazard data for a community by issuing a new FIS and FIRM. It is conceivable that while a community is implementing an approved mitigation project, a new FIRM with flood elevations different from the previous map is adopted for use in administering the NFIP. Under this scenario, the mitigation project must be permitted in accordance with the effective FIRM.

During the grant application development process, Applicants are encouraged to contact the office of the State NFIP coordinator to assess the potential for FIRM updates in potential project areas.

2.3.6 FEDERAL INCOME TAX AND MITIGATION PROJECT FUNDS

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

2.3.7 GEOCODING REQUIREMENTS

The location of all approved mitigation projects funded by the RFC 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. 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/rfc/index.shtm> or from the Regional Offices (See *Section 1.14, Regional Contact Information*). FEMA will work with Applicants to ensure this information is provided prior to award (See *Section 1.9.4, FEMA Pre-award Activities*).

2.3.8 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.**

2.4 SCOPE OF WORK

The Scope of Work (SOW) describes the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of as well as reasons for the proposed project(s). The SOW must establish the "who, what, where, when, and how" of the proposal and timeline. The SOW should include the following as well as applicable references and supporting documentation:

- Purpose of the project;
- 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?);
- Outcomes (*i.e.*, what are the expected accomplishments?);
- Identification of the flooding hazards to be addressed;
- Location within the community and/or geographical extent of the project (natural, built and socioeconomic environments);

- Feasibility and effectiveness provided by the proposed project, specifically for relocation projects, include engineering design parameters and copies of or references to:
 - 1) Proposed schematic or detailed plans, engineering drawings, or engineering design, particularly information to address potential feasibility concerns such as structural stability/suitability and movement/transportation of the structure;
 - 2) Applicable building code/edition or engineering standard used;
- Description of the alternatives considered prior to deciding upon the project;
- Description of the maintenance agreements to be in place for long-term upkeep of the proposed project; and
- Work schedule for all project tasks (*e.g.*, survey, appraisal, permitting, inspection requirements, site preparation), and significant milestones throughout the entire performance period (See *Section 1.10, Performance Period*).

2.4.1 SCOPE OF WORK DOCUMENTATION

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

2.4.2 SCOPE OF WORK CHANGES

FEMA may not consider changes to the scope of work (SOW) between the close of the application period and the completion of the selection and award process, and no changes will be approved for cost overruns after award. Requests for changes to the SOW after award are permissible as long as they do not change the nature of the activity, the feasibility and effectiveness of the project, or render the project ineligible. Requests must be supported by adequate justification from the Applicant 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.

2.5 COST ESTIMATE

The Cost Estimate describes all anticipated and potential costs associated with the proposed 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. Applicants/subapplicants shall submit detailed budgets and shall avoid “lump sum” items and provide references for all sources of the Cost Estimate (*e.g.*, RS Means, Marshall and Swift, etc.).

The Cost Estimate for all projects MUST include:

- All anticipated project costs, such as:

- Anticipated environmental resource remediation or historic property treatment measures;
 - Engineering designs/specifications to include Hydrologic and Hydraulic;
 - Studies/analyses required as an integral part of the project design;
 - Other related construction/demolition/relocation costs, such as survey, permitting, site preparation, material disposal; and
 - Other related acquisition costs, such as appraisals, legal recordation, displacement costs for renters.
- Pre-award Costs: Indicate all costs that may be incurred prior to grant award but subsequent to the RFC application period opening. These should be identified as separate line items (See *Section 1.3.5.5, Pre-award Costs*);
 - Subapplicant management costs: These should be identified as a separate line item to ensure cost threshold for this activity is not exceeded. Subapplicants may include a maximum of five percent of the total funds requested in their subapplication for management costs (See 44 CFR Part 78.8, *Grant funding limitations*);
 - Indicate any item for which a cost has been over-estimated which could result in a cost under-run. (For example, if the cost estimate 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); and
 - Maintenance costs are not eligible and should not be included in Cost Estimate, but MUST be included in the Benefit-Cost Analysis.

2.5.1 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

2.5.2 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. FEMA will not approve changes for cost overruns (See *Section 1.3.5.4, Cost Overruns and Cost Under-runs*).

Revisions to the approved budget may be considered after the selection as 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 in order to be processed.

2.5.3 SUBAPPLICANT MANAGEMENT COSTS

Subapplicants may include a maximum of 5% of the total funds requested for their project subapplication for management costs to support the project. Subgrantee management 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 should provide supporting documentation and include these costs as separate line items in the Cost Estimate for the project subapplication in order to be considered. Management costs also **MUST** be included in the project's Benefit-Cost Analysis. If the Applicant is also the subgrantee, the Applicant may **not** request subgrantee management costs in their own project subapplication under any circumstance. Indirect costs, if requested, must be included as part of the subgrantee management costs, not to exceed 5% of the total cost of the project subapplication. There will be no exception to permit the increase in subgrantee management costs. Indirect costs should be supported with a current Indirect Cost Rate that is approved by a Federal Cognizant Agency.

2.6 COST EFFECTIVENESS

The RFC 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 is required to perform a BCA for each property, including repetitive flood loss properties and substantially damaged properties. For projects that address multiple structures (*e.g.*, acquisition or elevation), the BCR must be calculated by totaling the anticipated or net present value of benefits for each structure 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 are governed by the Office of Management and Budget (OMB) Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*. Accordingly, the benefits of mitigation projects are avoided damages, disruptions, losses, and casualties. Examples of common benefits include avoided or reduced:

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

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 Benefit-Cost Analysis of Hazard Mitigation Projects" located on the Mitigation BCA Toolkit CD (See *Section 3, Technical Assistance Resources*). 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 Grantee management costs (See *Section 1.6, Applicant Management Costs*).

2.6.1 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, via e-mail: bchelpine@dhs.gov (See *Section 3, Technical Assistance Resources*), or from the applicable FEMA Regional Office (See *Section 1.14, 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 RFC 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 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 RFC

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 RFC 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.

2.6.2 COST-EFFECTIVENESS DOCUMENTATION

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 in Microsoft Excel as well. BCA cover pages or summary reports will **NOT** constitute submission of a complete BCA. Project subapplications without legible or complete BCA information for each property may be removed from consideration.

Project subapplications that do not include appropriate documentation to support the submitted BCA may be removed from consideration. Therefore, it is imperative that all supporting documentation be included in the application. 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.

Project subapplications should include surveys, copies of elevation certificates, copies of appropriate sections of Flood Insurance Studies (FIS) and FIRM, copies of relevant supporting information from Engineering reports and other documentation to support figures used in their BCA's. A good rule of thumb to observe is that a subject matter expert should be able to calculate the BCA based upon the information provided in the 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's 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. In addition, data from FEMA software and default values from FEMA BCA guidance located on the Mitigation BCA Toolkit CD (See *Section 3, Technical Assistance Resources*) will be accepted as completely credible, when software is used correctly and documentation is provided.

2.7 ENVIRONMENTAL/HISTORIC PRESERVATION REVIEW

- **Pre-Award Requirement:** Applicants and subapplicants are required to provide information to support FEMA's environmental/historic preservation compliance process. **Funds will NOT be awarded and the Applicant/subapplicant may NOT initiate the project until FEMA has completed its review;**
- **Authorities:** As part of this review process, FEMA will assess compliance with applicable requirements including the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), and the Executive Orders on Wetlands, Floodplains, and Environmental Justice. The application of these laws and orders is threefold:
 - 1) Helps a subapplicant understand the compliance requirements for the proposed project and how in meeting some of those requirements, the overall design and cost of the project may be affected;
 - 2) Helps FEMA determine how well the Applicant/subapplicant understands these issues and has addressed them in the project design. In the case of historically significant structures, the owner has the option to use dry floodproofing when elevation and acquisition would adversely affect the historic characteristics of the property or area; and
 - 3) Helps to expedite the actual environmental/historic preservation compliance process that FEMA must complete before final approval and of the project. Technical Assistance: Applicants and subapplicants are strongly encouraged to request assistance from FEMA with their environmental/historic preservation questions by contacting the FEMA helpline via phone: (866) 222-3580, via e-mail: ehhelpline@dhs.gov, *Section 3.4, Environmental/Historic Preservation Technical Assistance*, or from the applicable FEMA Regional Office, *Section 1.14, Regional Contact Information*.
- **Coordination with State and Federal Agencies:** It is recommended that Applicants/subapplicants initiate coordination with relevant State or Federal agencies as soon as possible in order to identify any environmental or historic preservation compliance issues associated with proposed projects. Applicants with project subapplications selected for further review will be notified of the date by which all pre-award activities (including environmental and historic preservation activities) must be completed that are considered a

FEMA responsibility. The Applicant's and subapplicant's cooperation in the EHP process will ensure timely completion of this review.

2.7.1 ENVIRONMENTAL/HISTORIC PRESERVATION REVIEW DOCUMENTATION

- **Scope of Work:** 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 review 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/subapplicant must provide the following information in order for the project subapplication to be considered complete including the source and date for all information provided:
 - 1) The property address and original date of construction for any buildings or structures that are 50-years or more in age;
 - 2) Any identified Federally listed threatened or endangered species and its designated critical habitat in the project area;
 - 3) Vegetation, including amount (area), type, and extent to be removed or affected;
 - 4) Identification of all surface waters in the project area regardless of drainage area, size, or perceived hazard level. Information about surface waters should include dimensions, proximity of the project activity to the water, and the expected and possible impacts of the project upon surface waters, if any; and
 - 5) Description of any adverse effects on low or minority populations in the project area;
- **Eligibility and Completeness Review:** During Eligibility and Completeness Review, FEMA will review the completeness of the responses to the questions in the Environmental/Historic Preservation review section of the project subapplication and supporting documentation. Project subapplications and individual properties that do NOT include the required information may result in a delay in identifying outstanding environmental or historic preservation compliance measures and may prohibit FEMA from awarding RFC grants by deadline; and
- **Review and Compliance Process:** FEMA will use the information provided in the SOW, Cost Estimate, and Environmental/Historic Preservation sections of the project subapplication to perform the Environmental/Historic Preservation Review of the proposed projects. **To facilitate the required compliance process, FEMA strongly encourages the Applicant/subapplicant to:**
 - 1) 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. The Applicant/subapplicant should also determine if the mitigation projects will impact historically significant properties;

- 2) Evaluate how identified environmental or historic preservation impacts could affect the overall project feasibility or if project alternatives or changes to the design, scope or location of the project may be required to minimize potential adverse impacts;
- 3) Determine if potential environmental impact mitigation measures and historic preservation measures, or changes to the project to minimize adverse effects to environmental resources or historic properties, may affect the overall project costs. For example, certain structures may be floodproofed if acquisition, mitigation reconstruction, or elevation would diminish the historic value of the property;
- 4) Provide supporting documentation at the time of the subapplication submission to include clearly labeled maps, diagrams, photographs, letters, or other documentation from resource agencies; and
- 5) Utilize the eLearning Tool for FEMA Grant available online at: <http://www.fema.gov/plan/ehp/elearning/index.shtm>. The project subapplication provides the necessary information for FEMA to determine the eligibility of proposed projects under the RFC program, including a thorough evaluation of Environmental/Historic Preservation impacts.

2.7.2 CONDITIONS FOR THE AWARD OF FUNDS

- **FEMA Environmental/Historic Preservation Review:** For mitigation project subapplications selected for further review, FEMA will complete the Environmental/Historic Preservation review and compliance process 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 the 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; and
- **Cost Estimate for Impact Mitigation and Treatment Measures:** The Applicant/subapplicant should ensure, to the best of their ability, that costs of any treatment measures necessary to address potential adverse impacts are realistically reflected in the 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 or subapplication may not be approved for award. One year extensions of the obligations deadline will be permitted on a limited basis.

2.8 PROJECT SUBAPPLICATION CHECKLIST

Subapplications provide the scope of work and other necessary information for each proposed project that allows FEMA to review projects for eligibility and completeness and to select projects for award. Subapplicants **MUST** submit a separate project subapplication for each project for which RFC funding is requested. The project subapplication provides all of the necessary information for FEMA to determine the eligibility of proposed projects under the RFC program. The project subapplication **must** include the following information:

- **Applicant Information** – Provide name, type of subapplicant (*e.g.*, State Agency, Local, Indian tribe), address, State and Federal Tax numbers, and Employer Identification Number.
- **Contact Information** – Provide name, agency, and address for the point(s) of contact for the subapplication.
- **Community Information** – Provide name of community and brief description of the community to include population, location, any geographic areas of interest, a synopsis and history of hazards affecting the community, and other applicable information that will clarify the need for the mitigation project.
- **Reduced Capacity Certification** – Provide certification that the proposed activities can not be funded under the FMA program, and an explanation why the State or community can not meet the non-Federal match, or lacks the capacity to manage the activities under the FMA program.
- **Mitigation Plan Information:** Indicate whether the State/Indian tribe/territory is covered by a FEMA-approved State/Indian Tribal Standard or Enhanced hazard mitigation plan; if applicable, indicate whether the local entity in which the project is located is covered by a FEMA-approved Indian Tribal/local hazard mitigation plan; and describe how the proposed project is consistent with the goals, objectives, and priorities identified in any existing hazard mitigation plans. Provide reference to planning documents (*i.e.*, section and page number).
- **Scope of Work** – Describe the objectives, methodology, feasibility, outcomes, resources, deliverables, and benefits of the proposed project, including the hazard(s) to be mitigated, and location of project (*e.g.*, appropriate sections of FIRM), and engineering design, feasibility and effectiveness for relocation projects.
- **Activity Information** – Identify the type of activity proposed (*e.g.*, acquisition and demolition or acquisition and relocation).
- **Properties** – Provide a list of properties to be mitigated. For each property, provide the address, latitude and longitude, NFIP repetitive loss number, Market Value, and BCA. In addition, provide a letter of interest or from the owner of each property identified.

- **Schedule** – Provide timeframes to complete each project task (*e.g.*, survey, appraisal, permitting, inspection requirements, site preparation), and significant milestones throughout the entire performance period (See *Section 1.10, Performance Period*);
- **Cost Estimate**– Provide all anticipated and potential costs for each proposed project activity. Provide an Approved Indirect Cost Agreement, if applicable. Include URA, if applicable.
- **Cost-Effectiveness Information**– Provide complete BCA and documentation for each property, including damage history, methodology used for the event frequency determination, and all BCA’s to support property Benefit-Cost Ratios.
- **Environmental/Historic Preservation Review** -- Provide a description of Environmental/Historic Preservation impacts and the alternatives considered prior to deciding upon the project.
- **Maintenance Schedule and Costs** – Provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance.
- **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.
- **Property Acquisition Statement of Assurances** – Provide signed statement of agreement with certain assurances required for projects involving property acquisition (See FEMA’s RFC website for a model statement of assurances: <http://www.fema.gov/government/grant/rfc/index.shtm>).

2.9 FEMA REVIEW & RANKING

2.9.1 ELIGIBILITY & COMPLETENESS 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, properties and costs (See *Section 1.4, Eligible Activities and Associated Costs*);
- Completeness of Scope of Work;
- Completeness of the Cost Estimate and consistency with the Scope of Work;
- Demonstrated Reduced Capacity of State or community (See *Section 1.3.4.4, Reduced Capacity Requirement*);
- State/Indian Tribal planning requirements are met, and consistency of mitigation projects with the Applicant’s State/Indian Tribal hazard mitigation plan;
- Feasibility and effectiveness of mitigation projects, including complete supporting documentation;
- Benefit-cost ratio of 1.0 or greater for the proposed mitigation project;

- Technical accuracy, complete supporting documentation, and source credibility of the BCA information for each property; and
- Supporting documentation and inclusion of appropriate environmental mitigation measure and historic property treatment measures in the Cost Estimate.

Project subapplications that do not satisfy the eligibility and completeness requirements will be removed from consideration.

2.9.2 BENEFIT-COST TECHNICAL REVIEW

FEMA will conduct a Benefit-Cost Technical Review for a detailed and comprehensive review of the BCAs for mitigation projects. The Benefit-Cost Technical Review will be based on the documentation provided in the project subapplication. Project subapplications **MUST** demonstrate cost-effectiveness through a Benefit-Cost Ratio of 1.0 or greater.

During both the Eligibility and Completeness and Benefit-Cost Technical Reviews, FEMA may contact Applicants or subapplicants to request additional information or clarification on BCA documentation submitted in the subapplication. However, Applicants/subapplicants must provide any information requested from FEMA to support the BCA within a specific timeframe identified in the request. At no time after the application deadline may the Applicant / subapplicant submit information that is not requested by FEMA.

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. FEMA will determine the reasonableness, credibility, and accuracy of all BCAs by reviewing each data point of the BCA in three key areas:

- 1) **Technical Accuracy:** FEMA has established a series of review criteria for each combination of hazard and analysis type (engineering data or frequency-damage). The key data points of greatest influence differ depending upon the hazard being addressed and the chosen methodology. The BCA review methodology associates higher weight to data points of greater importance;
- 2) **Supporting Documentation:** Every data point in the BCA should be clearly documented and included in the project application. Deviations from standard procedures, guidance, techniques, or FEMA default values should be thoroughly explained and documented. The BCA review methodology associates higher scores to better documentation of data derivation methods and assumptions in the project application. Projects not adequately documented may be removed from consideration; and
- 3) **Source Credibility:** The more technical the data and the more it influences the outcome of the BCA, the more emphasis the Benefit-Cost Technical Review panel will place on the credibility of its source. Data used in the BCA should be from a reliable source (*i.e.*, licensed engineer, architect, or appropriate local official).

BCAs that are technically correct and thoroughly documented will be validated. However, when insufficient or conflicting information is provided in the project subapplication, FEMA may contact the Applicant to verify any correctable information. **Applicants must provide any information requested from FEMA to support the BCA within a specific timeframe**

identified in the request. The Benefit-Cost Technical Review panel may prepare a new, technically correct and defensible BCA(s) to calculate a BCR for the project. The panel will prepare new BCA(s) as follows:

- Resolve conflicting information between the application, support data, and BCA(s);
- 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 BCAs; and
- Remove unsubstantiated benefits from the BCA(s).

Projects where BCRs are inadequately documented or where critical data or sources appear unreasonable may be removed from consideration.

2.9.3 NATIONAL RANKING

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

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

2.10 FEMA PRE-AWARD ACTIVITIES

FEMA will work with Applicants who have approved project subapplications to implement required pre-award activities prior to grant award. FEMA may, at its discretion, request information or documentation from Applicants to support certain project subapplications as part of pre-award activities. Applicants must respond to requests for information from the FEMA Regional Offices regarding their project subapplications within the specified timeframe. Applicants with project subapplications selected for award will be notified of the date by which all pre-award activities must be completed.

2.10.1 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

The subapplicant must submit documentation that the subapplicant has consulted the US 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.

2.10.2 GEOCODING REQUIREMENTS

FEMA will work with Applicants to ensure that geocoding information is provided prior to award, including individual property information on properties mitigated.

2.10.3 ENVIRONMENTAL/HISTORIC PRESERVATION COMPLIANCE REQUIREMENTS

FEMA will complete the environmental/historic preservation compliance review for projects approved for award as part of pre-award activities. Certain projects are of a nature that environmental/historic review can be accomplished with the information provided in the subapplication. Other projects may require some additional review, or extensive review. FEMA will often request that the Applicant and subapplicant work with FEMA in the review process. FEMA will complete the environmental/historic preservation compliance review for projects as part of pre-award activities. Subgrantees shall not initiate grant activities until FEMA has completed the environmental/historic preservation review. 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.

2.11 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 FEMA mitigation 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 Region with appropriate documentation that shows any changes in the status of a property (*e.g.*, elevation certificate). This form, along with the transmittal sheet or other document signed by an authorized community official, must be submitted for each property mitigated with RFC funds prior to closeout. Form AW-501 and instructions for completing and submitting the Form are available on FEMA's web page, <http://www.fema.gov/government/grant/rfc/index.shtm> or from the Regional Offices (See *Section 1.14, Regional Contact Information*).

SECTION 3 TECHNICAL ASSISTANCE RESOURCES

FEMA will provide technical assistance to both Applicants and subapplicants by answering general questions about the RFC program as well as providing general technical assistance related to project subapplications. FEMA will also provide technical assistance regarding the application process. FEMA encourages Applicants and subapplicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

3.1 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. Standard hours of operation are 9 a.m. to 5 p.m. Eastern Time. Hours may be extended during the application period.

3.2 PROJECT TECHNICAL ASSISTANCE

FEMA will provide technical assistance to both Applicants and subapplicants by answering general questions about the RFC program at all times, and by providing technical assistance related to specific project subapplications after the application period opens. FEMA will also provide technical assistance regarding the application process. FEMA will provide general technical assistance to both Applicants and subapplicants related to project Engineering Feasibility, BCA, and Environmental/Historic Preservation compliance during the application period. FEMA encourages Applicants and subapplicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

3.3 ENGINEERING FEASIBILITY TECHNICAL ASSISTANCE

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

To assist Applicants and subapplicants with developing project proposals, the following guidance documents are available on FEMA's web site at <http://www.fema.gov/government/grant/rfc/index.shtm>, or from the Regional Offices (See *Section 1.14, Regional Contact Information*):

- For the documentation of their proposed projects, a Sample Engineering Case Study for acquisition projects. The case study provides examples of the information needed for

proposed mitigation projects and highlights the importance of the Scope of Work and Cost Estimate sections of the project subapplication as they relate to documentation for the engineering and feasibility review. The case study is not a sample application and should only be used as guidance.

- To assist Applicants applying for funding under FEMA's mitigation grant programs Procedures for Developing Scopes of Work for five common flood project types. The purpose of these documents is to provide guidance to Applicants and subapplicants regarding collection of the administrative and technical data that FEMA requires.
- *Property Acquisition Handbook for Local Communities* (FEMA 317) provides a "how to" guide to help communities work through property acquisition (also referred to as "buyout").

3.4 BENEFIT-COST ANALYSIS TECHNICAL ASSISTANCE

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

FEMA will provide technical assistance on the BCA data needs and documentation requirements during the application period. The BCA technical assistance provided to potential Applicants and subapplicants may cover:

- 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; and
- How to prepare detailed Cost Estimates.

During both the Eligibility and Completeness and Benefit-Cost Reviews, FEMA may contact Applicants or subapplicants to request additional information or clarification on BCA documentation in the subapplication.

3.5 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 on FEMA's website at:
<http://www.fema.gov/plan/ehp/index.shtm>.

In addition, an eLearning Tool 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. Although developed for the Pre-Disaster Mitigation (PDM) grant program, the eLearning Tool may be utilized for all of FEMA's mitigation grant programs. The eLearning Tool also highlights Environmental/Historic Preservation considerations that may need to be addressed in other parts of the project subapplication, such as the Scope of Work 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 FEMA web page: <http://www.fema.gov/plan/ehp/elearning/index.shtm>.

FEMA also offers training related to Environmental/Historic Preservation online through the National Emergency Training Center Virtual Campus. This interactive, computer-based, independent study course is designed to provide the user with the basic background and practical knowledge needed to participate in FEMA's Environmental/Historic Preservation Review process; help the user understand how the Environmental/Historic Preservation Review process applies to various projects proposed under FEMA's programs; and, provide the resources necessary for the user to accomplish Environmental/Historic Preservation responsibilities. The Independent Study course, IS 253, includes interactive knowledge checks, case studies, and resource materials. Please visit the FEMA website at: <http://training.fema.gov/EMIWeb/IS/is253.asp> for more information about the online course or contact your FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

3.6 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 phone: 1-866-222-3580 or e-mail: enghelpline@dhs.gov; bchelpline@dhs.gov; and ehhelpline@dhs.gov, respectively, and a representative will respond within two (2) business days.