



Guidance

Hazard Mitigation Grant Program

FEMA-1660-DR-AZ



HMGP Guidance

Application and Project Management



Section 404 of the Stafford Act
44 CFR 206N

Arizona Division of Emergency Management
5636 E McDowell Road, Phoenix, Arizona 85008-3495
(602) 244-0504 | 1-800-411-2336 | www.dem.state.az.us

February 2007



Guidance

Hazard Mitigation Grant Program

FEMA-1660-DR-AZ



Introduction

Hazard mitigation is one of the four cornerstones of the Federal Emergency Management Agency's (FEMA) emergency management structure (the other three are preparedness, response, and recovery). One of FEMA's tools for carrying out hazard mitigation is the Hazard Mitigation Grant Program (HMGP), a federally funded, state-administered program that assists in the development and implementation of qualified hazard mitigation projects.

According to FEMA, hazard mitigation is defined as any sustained action taken to reduce or eliminate long-term risk to people and property from natural hazards and their effects. The HMGP is designed to specifically address both discrete and repetitive losses, with emphasis on repetitive losses. Damages (including loss of life and disruption of services) caused by a single, one-time event are discrete losses, whereas damages arising more than once caused by similar events are considered repetitive losses.

Upon a Presidential Disaster Declaration, funding becomes available for the HMGP. This funding is 7.5% of the total amount spent on disaster relief associated with the declaration. The state becomes the "grantee" of the HMGP funds and funded applicants are referred to as "subgrantees." The Arizona Division of Emergency Management (ADEM) is the state agency charged with administering HMGP.

Because people who are unfamiliar with the area will likely be reviewing the application, maps, photographs, and solid descriptions (both quantitative and qualitative) are essential assets that enable the reviewer to visualize the project, its location, and what you are trying to accomplish. Keeping these attachments labeled and organized is vital.

The purpose of this document is to guide you through the application process; as such, it is organized into five basic sections: Frequently Asked Questions, HMGP Responsibilities, Funding Processes, Eligibility Criteria, and Project Selection.



Guidance

Hazard Mitigation Grant Program

FEMA-1660-DR-AZ



Table of Contents

| | |
|--|----|
| Introduction..... | i |
| Table of Contents..... | ii |
| Frequently Asked Questions (FAQ) | 1 |
| Assignment of Responsibilities..... | 3 |
| Funding Processes..... | 5 |
| Eligibility Criteria..... | 7 |
| Project Selection | 10 |
| Contact Information..... | 11 |

Frequently Asked Questions (FAQ)

What is the Project Title?

The project title is the name given to the project by the applicant. The title usually gives some information about the location and/or type of project (and even the hazard addressed), e.g., Doodlebug Road Flood Erosion Protection.

What is the Disaster Number?

Each time the President declares a disaster, a number is given to distinguish it from other disasters. An example disaster number is FEMA-1586-DR-AZ. Once a project is approved, it receives additional coding based on the disaster number, e.g., 1660-8-2R.

Where do I find the FIPS Number?

The Federal Information Processing Standard (FIPS) Number is a number assigned to the state, the county, and your community for identification by the federal government. A list of Arizona FIPS codes is included on the Application CD.

What information should be included in the project description (scope of work)?

This section of the application is designed to explain to the reviewer what has happened, or what may soon happen if mitigation measures are not undertaken to improve the situation. Both direct and indirect damages may be considered here as part of the problem. Using a problem, tools, results format may be helpful.

Example: Since 1972, the riverbank has eroded approximately 68 feet to the present position, only 8 feet from the roadway. Erosion continues with each storm event, and at the current rate is destroying two feet per year. If no action is taken, the road and several dwellings will be lost within four years. To prevent further erosion, 50 feet of gabions filled with 10" rock will be installed along the riverbank. This measure is designed to protect to the 250-year flood.

What are indirect damages?

Indirect damages include hardship; loss of access to homes, property, public buildings, and businesses; loss of wages; additional miles traveled because of detours; safety issues (e.g., extended times emergency vehicles must travel to respond to emergencies), etc. Keep in mind that indirect damages cannot be included in the Benefit-Cost Analysis.

Frequently Asked Questions (FAQ), Continued

How much information is needed when estimating the cost of the proposed project?

The project cost estimate should be as accurate as possible, including a detailed, itemized list of all of the expected costs for all of the alternatives. If possible and appropriate, costs for all of the following services should be included (contingency costs are ineligible):

- Project Management
- Comprehensive Study
- Site Acquisition
- Construction
- Labor
- Equipment
- Staffing
- Transportation
- Materials/Supplies

What types of alternatives should be included?

A list of possible alternatives should follow the proposed mitigation project. The alternatives should all accomplish the project objective. Alternatives do not have to be a completely new concept, but can be a variation of a theme. One alternative should always be a no-action alternative.

For example:

Alternative 1: Elevate three houses located downstream of the culvert to protect against the 25-year flood. Design life of 30 years.

Alternative 2: Raise the road 2 feet for 500 yards to allow for floodwater detention and control the flow downstream for a 25-year flow. Design life 25 years.

Alternative 3: Enlarge the existing 18” culvert to 24” to accommodate the 25-year flood and eliminate the backwater effect. Design life of the culvert is 50 years.

Alternative 4: No Action

There is a section in the application that asks you to justify (explain) why the proposed action was chosen over the alternatives, whether it be complexity, financial issues, or community participation.

Frequently Asked Questions (FAQ), Continued

How do I find out if my community participates in (and is in good standing with) the National Flood Insurance Program (NFIP)?

You can obtain this information from your community's floodplain manager or from the county flood control district. A floodplain map with the project location indicated should be included in the application.

How much environmental and other documentation do I need to supply with my application?

The more information you supply, the faster your application can be processed. Application reviews are slowed down, and sometimes rejected, if the information requested is not readily available to the reviewer.

Does it matter what datum I use when I enter the latitude and longitude of the project location?

Yes. The datum defines the shape of Earth, and the origin and orientation of the coordinate systems used for mapping. Latitude and longitude coordinates may vary wildly when placed on a map that uses a different datum than that from which the measurement was taken. The most common datums used for HMGP projects are WGS 84, NAD 83, and NAD 27. If your lat/lon is derived from a different datum, you will need to do a coordinate conversion to one of the three listed above.

What is decimal degree?

Decimal degrees give the latitude and longitude coordinates as one number for each. An example is 39.56789°N (latitude), 109.87654°W (longitude). Because we are in the western hemisphere, technically the longitude should be a negative number (i.e., -109.87654°). If your coordinates are in ddmms.s format (i.e., 39°52'35.54") you will need to convert them into decimal degrees for the application.

What is the benefit-cost analysis and must I have one?

The BCA is FEMA's method of measuring the cost-effectiveness of a project, and is basically a ratio of the project's benefits to the project costs. The ratio must be equal to or greater than 1.0 to be considered cost-effective. Not all projects require a BCA. Examples include plans and flood barriers for road crossings. Contact the HMGP Program Manager if you are uncertain as to whether you must have a BCA.

Assignment of Responsibilities

In order for HMGP to be successfully executed, responsibilities have been assigned at the subapplicant, state, and federal levels. Technically, those who apply for HMGP funding are called subapplicants; however, for ease of referral, from here forward, subapplicants will be referred to as applicants, and the applicant will be referred to either as “the State” or “ADEM.”

(Sub)Applicant

In order to be eligible, the first and foremost qualifying requirement is that the applicant be in possession of an approved local multi-hazard mitigation plan that proposes both short- and long-term solutions to reduce future damages. Those entities without a mitigation plan should contact the State/Local Mitigation Planner for assistance.

Applicants are responsible for identifying and prioritizing projects within their jurisdictions and submitting complete applications for individual projects to ADEM Mitigation for funding consideration. The applicant must include project-specific maps and photographs, and basic environmental information.

Additionally, applicants are responsible for coordinating with participating homeowners and businesses that will benefit from the grant to develop the application. This may mean providing documentation of community buy-in, or letters from homeowners indicating their willingness to participate in the project, etc.

The applicants manage implementation of the approved project, and are responsible for funding the project and requesting reimbursement. Applicants must also ensure that all HMGP requirements, applicable federal, state, and local laws and standards, including compliance with NFIP, are followed.

Applicants are required to maintain accounting records of the project costs, and maintain all documents related to the project for three years from the date that FEMA closes out the project.

State

The Arizona Division of Emergency Management (ADEM) is assigned the responsibility of administering HMGP, and managing the overall program within the State. The ADEM Mitigation Office will ensure that the State has a FEMA-approved State Hazard Mitigation Plan and current HMGP Administrative Plan, establish funding priorities and select projects for funding based on these priorities.

Mitigation is also responsible for developing and publishing grant guidance, funding criteria, and application forms, in addition to soliciting qualified proposals from eligible applicants through Applicant Briefings, workshops, and other methods.

Assignment of Responsibilities, Continued

Once HMGP funds have been established for a Presidentially Declared Disaster, the Mitigation Office will establish deadlines for applications, forward recommendations for funding to FEMA for final approval, and may withdraw projects from consideration, as necessary.

ADEM serves as the grantee (the entity to whom FEMA obligates, or earmarks and dispenses, money) and the Mitigation Office administers the grant, reimburses subgrantees, monitors the progress of projects, and submits quarterly reports to FEMA indicating the status and completion date for each approved project

Federal

FEMA is the ultimate authority for the HMGP, and establishes minimum criteria for project eligibility (these criteria may be found on the Eligibility Checklist on the Application CD). FEMA Region IX will keep ADEM apprised of the anticipated amount of available funding, review the Mitigation Office's recommendations for projects to be funded, and has final approval authority for funding of all projects.

FEMA is responsible for preparing all environmental review documents related to the submitted projects, **using information supplied by the applicant.**

FEMA will also review the quarterly reports submitted by ADEM and follow up on issues as necessary.

Funding Processes

(Sub)Applicant

The applicant's share of project costs may be composed of applicant-generated revenue and private sector resources (loans, etc.). In some situations other state grant funds and Community Development Block Grant (CDBG) funds can be used as part of the local match.

Applicant contributions can also be in the form of documented in-kind services. Volunteer labor and materials, actual in-house labor, and equipment costs are just some of the types of in-kind services that may be considered as part of the applicant's share. Administrative costs are separate from the project costs and should not be included in the grant request.

Because HMGP is essentially a grant reimbursement program, applicants should have sufficient resources to begin the project prior to reimbursement. Additionally, any costs incurred before project approval are ineligible for reimbursement.

Applicants are responsible for submitting quarterly progress reports for each project to the state. These reports include information such as project status, cost overruns and underruns, and issues that could result in noncompliance with the grant conditions.

State

ADEM has primary responsibility for project management and accountability of funds, and must ensure that applicants meet program and administrative requirements. In addition, ADEM processes requests for advances and funds reimbursements.

ADEM is also responsible for submitting combined progress reports and financial status reports quarterly for all open projects under HMGP to FEMA.

Federal

HMGP funding is based on 7.5% of the federal expenditures under *all* categories of the Public Assistance and the Individual Assistance programs, less administrative costs. Project costs are shared on a 75 percent federal, 25 percent non-federal basis.

Once ADEM receives formal project approval from FEMA, the funds will be obligated for the project.

Funding Processes, Continued

Administrative Costs

To help defray the costs of requesting, obtaining, and administering federal assistance, additional administrative monies are made available to ADEM (grantee) and applicants (subgrantees) per the formulae outlined in the table below.

- ❖ for the first \$100,000 of net eligible costs, 3% of such costs
- ❖ for the next \$900,000 of net eligible costs, 2% of such costs
- ❖ for the next \$4,000,000 of net eligible costs, 1% of such costs
- ❖ for the next \$5,000,000 of net eligible costs, 0.5% of such costs

Documentation

The importance of both accurate and proper documentation cannot be over-emphasized. It is extremely important that local governments initiate proper record keeping before, during, and immediately after any FEMA funded mitigation project. Someone knowledgeable enough to start keeping records should be designated immediately after you have received your HMGP grant.

Without proper record keeping, subgrantees could lose substantial sums of money when claims for reimbursement cannot be justified. At the very least, improper or inadequate record keeping will cause untold hours of extra administrative work and unnecessary expense and delays to the reimbursement process. Your project's records will also serve as the basis for your quarterly reports to the State and the final audit.

All records must be kept for three years from the date of the final closeout of the project. These records must be available to the State and FEMA and anytime during the three years.

Eligibility Criteria

In order for a project to be eligible for funding, it must meet both state and federal criteria. If, after reviewing these criteria, questions remain regarding project eligibility, the applicant should contact the HMGP Program Manager. There is no appeals process available for projects determined to be *ineligible* for HMGP. Ineligible types of projects include retrofitting places of worship, projects in progress, and major flood control projects.

Federal Criteria

In order to meet the federal requirements noted in 44 CFR 206.434, a project must:

- ❑ solve the problem it is intended to address.
- ❑ be located in a community participating in, and in good standing with, the National Flood Insurance Program (NFIP).
- ❑ meet all applicable federal, state, and local permit requirements, and “not contribute to or encourage development in the floodplain, wetlands, or other hazardous areas,” and support environmental justice (Federal Executive Orders 11988, 11990 and 12898).
- ❑ be cost effective in that it:
 - addresses a problem that has been repetitive, or a specific problem that poses a significant risk if left unsolved.
 - will not cost more than the anticipated value of the reduction in both damages and subsequent negative impacts to the area, if future disasters were to occur.
 - has been determined to be the most practical, effective and environmentally sound alternative after consideration of a range of options.
 - contributes, to the extent practical, to a permanent or long-term solution of the problem it is intended to address.
 - considers long-term changes to the areas and initiates it protects, and has manageable future maintenance and modification requirements.

Eligibility Criteria, Continued

State Criteria

In addition to the above criteria, a project must also support the general hazard mitigation objectives contained in the Federal Register on February 26, 2002. 44 CFR Parts 201 and 206 establish planning criteria for states, local communities and funding. Specifically, these projects should:

- ❑ show adoption of a local hazard mitigation plan, or when a plan will be adopted.
- ❑ protect lives and reduce public risk.
- ❑ reduce the level of disaster vulnerability to existing structures.
- ❑ reduce the number of vulnerable structures through acquisition, relocation, or flood proofing.
- ❑ avoid future inappropriate development in areas vulnerable to disasters.
- ❑ solve a problem independently, or function as a beneficial part of an overall solution with assurance that the whole project will be completed.
- ❑ provide a cooperative, multi-jurisdictional solution to reduce future disaster damage.
- ❑ provide a long-term mitigation solution.
- ❑ restore or protect natural resources, recreation, open spaces, and other environmental values.
- ❑ develop and implement comprehensive programs, standards, and regulations that reduce disaster damage.
- ❑ increase public awareness of natural hazards, preventative measures, and emergency responses to disasters.
- ❑ upon completion have affordable operation and maintenance costs.

Eligibility Criteria, Continued

Project Criteria

Besides meeting state and federal criteria, successful HMGP project applications must also document in-depth development of at least two viable alternatives, one of which may be the No Action alternative. Both alternatives must be fully developed and discussed in order for the application to be considered. The Proposed Action alternative (the recommended project) must have been determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options.

Additionally, public involvement in the development and selection of the alternatives, especially with those individuals who may be impacted by the project (which are requirements under the National Environment Policy Act (NEPA)) must be documented. Applications that do not have this documentation, especially those that affect property owners, will be ineligible.

NOTE: Due to NEPA requirements and guidance from the President's Council on Environmental Quality (CEQ), **projects that have been started or completed prior to approval will not be eligible for funding.**

Eligible types of projects include:

- ❑ structural hazard control or projects
- ❑ construction activities that will result in protection from hazards
- ❑ retrofitting of facilities
- ❑ certain property acquisitions or relocations
- ❑ development of state and local mitigation standards
- ❑ development of comprehensive hazard mitigation programs with implementations as an essential component

Project Selection

Applications submitted to ADEM are subjected to three phases of activity. The first is the review process, which determines whether a project is eligible; the second is prioritization of projects; and the third is submittal of the top-ranking projects to FEMA for consideration of funding. Projects that successfully pass through these phases undergo review (eligibility and environmental) by FEMA, who then makes the final decision as to whether or not the project is approved.

Review and Prioritization Process

Once an application is submitted, ADEM reviews it to ensure the project is eligible and meets federal, state, and local requirements. (A project eligibility checklist is included in the application package to assist applicants in determining whether their projects are eligible before filling out and submitting an application.) All applicants will be notified whether their project application passes this threshold. There is no appeal of ADEM's determination of ineligibility.

Projects that pass this phase are then ranked (prioritized) to determine the order in which projects will be considered for submission. Ranking will include consideration based on meeting the federal and state criteria as outlined earlier in this document (including 44 CFR 206.435b), objectives and criteria outlined in the State of Arizona All Hazard Mitigation Plan and the prioritization process described in the HMGP Administrative Plan. The amount of available funding is also taken into consideration.

The top-ranking projects will be submitted to FEMA for funding consideration; some projects may be held in reserve in case FEMA determines another project is ineligible; and others may not be recommended for funding.

Submittal to FEMA

ADEM will submit selected projects to FEMA for funding consideration. FEMA will examine the submitted application package and make a determination as to whether the individual projects will be funded. FEMA will notify ADEM of the results; in turn, ADEM will notify the individual applicants of FEMA's decision.

ADEM will conduct an Award Briefing with those applicants whose projects are funded in order to discuss reporting requirements, the process for requesting reimbursement, and information on administrative costs, in addition to general grant management information.

ADEM will notify applicants of projects that are either not approved or not funded, and include specific criteria for appealing FEMA's decision.

Contact Information

Arizona Division of Emergency Management

Mitigation Office

5636 E McDowell Rd
Phoenix, AZ 85008-3495

Main: (800) 411-2336

Main: (602) 244-0504

Mitigation Fax: (602) 392-7538

State Hazard Mitigation Officer (SHMO)

Darlene Trammell

(602) 231-6254

darlene.trammell@azdema.gov

HMGP Program Manager

Mimi Diaz

(602) 231-6349

mimi.diaz@azdema.gov

State/Local Mitigation Planner

Sue Wood

(602) 392-7518

sue.wood@azdema.gov