IOWA HOMELAND SECURITY AND EMERGENCY MANAGEMENT DIVISION

STATE OF IOWA
ADMINISTRATIVE PLAN
FOR THE
HAZARD MITIGATION GRANT PROGRAM
SECTION 404

DR-1763

This plan supersedes previous versions.

TABLE OF CONTENTS

I. Introduction....02

II. General....02

III. Authorities and References....03

IV. Staffing and Assignment of Responsibilities....04
- A. Staffing....04
- B. Responsibilities....05
  - 1. State Hazard Mitigation Officer....05
  - 2. Mitigation Finance Officer....06
  - 3. State Hazard Mitigation Grant Coordinating Officer....07
  - 4. Hazard Mitigation Project Officer....08
  - 5. Mitigation Administrative Support....08
  - 6. State Fiscal Office....08
  - 7. State Hazard Mitigation Team....09

V. Grantee Management and Administrative Costs....10
- A. General....10
- B. Program Budget for Non-Direct Management Costs....10
- C. Program Budget for Direct Management Costs....11
- D. For Declarations Issued Prior to November 13, 2007....12
- E. Management Cost Funding Oversight....12

VI. Eligibility....12
- A. Applicant Eligibility....13
- B. Project Eligibility....13
- C. Eligible Activities....14

VII. Procedures for Identification and Notification of Applicants....14
- A. Identification....14
- B. Notification....15

VII. Program Administration....15
- A. Submission of State Application for Section 404 Funding....15
- B. Initial Application Process....16
- C. Technical Assistance....17
- D. Reviewing, Ranking and Selecting Projects....17
- E. Project Initiation....19
- F. Grant Management....19

IX. Plan Review and Update....23

X. List of Attachments....23

I INTRODUCTION

The Governor of the State of Iowa has designated the Homeland Security and Emergency Management Division (HSEMD) as the state agency responsible for the management and administration of the Hazard Mitigation Grant Program (HMGP) on a day-to-day and emergency basis. The purpose of this Plan is to establish the organization, policies, and procedures to be used by HSEMD to manage and administer the HMGP for the Presidential Disaster Declaration1763 (signed on May 27, 2008 hereinafter referred as DR 1763).

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (hereinafter referred to as the Stafford Act) was passed on November 23, 1988, amending Public Law 93-288, the Disaster Relief Act of 1974. The Stafford Act includes Section 404, which established the HMGP. The purpose of the HMGP is to assist states in funding mitigation opportunities that are consistent with the State's hazard mitigation plan as required by Section 322 of the Stafford Act and are implemented subsequent to a Presidential Disaster Declaration.

In December 1993, the Hazard Mitigation and Relocation Act amended Section 404 to increase the amount of HMGP funds made available and the federal cost share to 75%. This amendment also encouraged the use of property acquisition and other non-structural flood mitigation measures.

On October 30, 2000, Public Law 106-390 enacted the Disaster Mitigation Act of 2000 (hereinafter referred to as DMA 2000). The DMA 2000 amended the Stafford Act to authorize a program for pre-disaster mitigation, to streamline the administration of disaster relief, to control the federal costs of disaster assistance, and for other purposes. HSEMD's administration of the HMGP will be in accordance with DMA 2000.

The Standard State Mitigation Plan required by Section 322 of the Stafford Act, as amended by the DMA 2000, was approved by FEMA Region VII on September 18, 2007. The State's Standard Plan was approved as an Enhanced State Mitigation Plan on December 18, 2007

II GENERAL

Hazard mitigation is any sustained action taken to reduce or eliminate long-term risk to human life and property from natural hazards and their effects. Such measures shall be identified following the evaluation of natural hazards under Section 322 of the Stafford Act and shall be subject to approval by the Regional Administrator.

A. The Federal Emergency Management Agency (FEMA) will authorize HMGP funding to the HSEMD in accordance with Section 404 of the Stafford Act and 44 CFR Part 206.432.

   1. The total federal funds authorized for the HMGP shall not exceed 20% of the total estimated federal assistance (excluding administrative costs) for major disaster declaration 1763 in accordance with 44 CFR Part 206.432(b).

   2. All mitigation measures approved under the State's grant will be subject to the cost sharing provisions established in the FEMA-State Agreement. FEMA may contribute up to 75 percent of the cost of measures approved under the HMGP.

B. The non-federal share of projects may exceed the federal share. The excess may be provided from a combination of state, local, or private funding sources. However, Section

404 funds cannot be used as a substitution or replacement to fund projects or programs that are available under other federal authorities, except for circumstances of extraordinary threat, nor can they be used as a match for other federal grants unless allowed by the authorizing statute.

C. In approving grant assistance for restoration of facilities under the Public Assistance Program, the Regional Administrator may authorize or require cost-effective hazard mitigation measures not required by applicable standards. These measures are separate and not a part of those covered by Section 404 of the Stafford Act.

D. The State of Iowa Homeland Security and Emergency Management Division is the Grantee, and this Plan establishes the administrative procedures for the HMGP within Iowa.

E. Subgrantees may include: State and local governments; certain private non-profit organizations; and Indian tribes or other tribal organizations (see ELIGIBILITY section of this Plan for clarification).

F. The hazard mitigation measures must meet certain minimum criteria (see ELIGIBILITY section of this Plan for details).

III AUTHORITIES AND REFERENCES

A. Federal

1. Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended
2. Hazard Mitigation & Relocation Assistance Act (December 1993)
3. 44 CFR Part 9, Floodplain Management and Protection of Wetlands
4. 44 CFR Part 10, Environmental Considerations
5. 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
6. 44 CFR Part 14, Administration of Grants: Audits of State and Local Governments
7. 44 CFR Part 25, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs
8. 44 CFR Part 60, Criteria for Land Management and Use
9. 44 CFR Part 61, Insurance Coverage and Rates
10. 44 CFR Part 62, Sale of Insurance and Adjustment of Claims
11. 44 CFR Part 63, Implementation of Section 1306(c) of the National Flood Insurance Act of 1968
12. 44 CFR Part 64, Communities Eligible for the Sale of Insurance
13. 44 CFR Part 65, Identification and Mapping of Special Hazard Areas
14. 44 CFR Part 66, Consultation with Local Officials
15. 44 CFR Part 67, Appeals from Proposed Flood Elevation Determinations
16. 44 CFR Part 68, Administrative Hearing Procedures
17. 44 CFR Part 70, Procedure for Map Correction
18. 44 CFR Part 72, Procedures and Fees for Processing Map Changes
19. 44 CFR Part 73, Implementation of Section 1316 of the National Flood Insurance Act of 1968
20. 44 CFR Part 75, Exemption of State-Owned Properties Under Self-Insurance Plan
21. 44 CFR Part 80, Property Acquisition and Relocation for Open Space
22. 44 CFR Part 201, Mitigation Planning

23. 44 CFR Part 206, Federal Disaster Assistance
24. 44 CFR Part 207, Management Costs
25. National Environmental Policy Act (NEPA)
26. National Historic Preservation Act (NHPA)
27. Executive Order 11988, Floodplain Management
28. Executive Order 11990, Protection of Wetlands
29. Executive Order 12612, Federalism
30. Executive Order 12898, Environmental Justice for Low Income and Minority Populations
31. Single Audit Act of 1984 and Single Audit Act Amendments of 1996
32. Freedom of Information Act (FOIA)
33. State Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book (FEMA, January 2008)
34. Local Multi-Hazard Mitigation Planning Guidance (FEMA, July 2008)
35. State and Local Mitigation Planning How-to Guides (FEMA 386-1, 386-2, 386-3, 386-4, 386-5, 386-6, 386-7, 386-8, 386-9
36. FY-2009 HMA Program Guidance
37. HMGP Compendium
38. HMGP Desk Reference (FEMA 345)
39. Property Acquisition Handbook for Local Communities (FEMA 317, October 1998)
40. FEMA BCA Toolkit
41. Design and Construction Guidance for Community Shelters (FEMA 361, July 2000)
42. Taking Shelter from the Storm: Building a Safe Room Inside Your House (FEMA 320, 2nd Edition, March 2004)
43. Office of Management and Budget (OMB) Circulars A-94 and A-133
44. 2 CFR Parts 215 (A-110), 220 (A-21), 230 (A-122), 225 (A-87)
45. Federal Acquisition Regulations (FAR) Subpart 32.1

B. State

1. State of Iowa Constitution
2. Code of Iowa, Chapter 29C Disaster Services and Public Disorders
3. State of Iowa Emergency Operations Plan
4. State of Iowa's Section 322 State Hazard Mitigation Plan

IV STAFFING AND ASSIGNMENT OF RESPONSIBILITIES

Organizational Structure for Program Staffing

The Administrator of the HSEMD or his/her designee, serves as the Governor's Authorized Representative (GAR). The Administrator of the HSEMD will recommend to the Governor for appointment a State Coordinating Officer (SCO) and a State Hazard Mitigation Officer (SHMO). The SHMO is the official who has overall responsibility for the coordination, implementation and administration of the HMGP. The SHMO monitors compliance with federal requirements and involves appropriate federal, state, and local governments in the pre- and post-disaster hazard mitigation program activities.

A. Staffing

The staffing pattern will be flexible and capable of expansion, depending upon the estimated number of applicants for the HMGP and upon the type of disaster. At a minimum, the staff will consist of the State Hazard Mitigation Officer (SHMO), a Mitigation Finance Officer (MFO), a State Hazard Mitigation Grant Coordinating Officer (SHMGCO), HSEMD's Grants Bureau Chief, and appropriate members of the State Hazard Mitigation Team (SHMT). If operational needs require it, administrative support or additional staff may be added to supplement the MFO position. Pursuant to 44 CFR 206.437(b)(2) the GAR has identified John Wageman as the SHMO for this disaster declaration.

If necessary, the GAR will hire or assign staff to assist the SHMO and provide program support. This staff may be provided in the form of contractual services. The need for such hires will be determined by the SHMO throughout the operation and may vary from start to completion. Attachment A—Staffing Pattern reflects the staffing pattern for the hazard mitigation operation during a Presidential Disaster Declaration through the life-cycle implementation of the HMGP.

B. Responsibilities

1. State Hazard Mitigation Officer (SHMO)

The SHMO serves as team leader of the HMGP and has the overall management responsibility for the program. He/she is the state official who is ultimately responsible for ensuring that the State properly carries out its Section 404 and Section 322 responsibilities subsequent to a Presidential Disaster Declaration. In this regard, the GAR/SCO/SHMO will monitor the activities of the SHMT.

The SHMO shall:

a. Ensure Iowa's 404 Administrative Plan is updated, outlining how the State will administer the HMGP.

b. Ensure potential applicants are notified of the program and receive the assistance to which they are eligible. (See Attachment B – Public Notice)

c. Ensure an initial application and any necessary supplemental applications, including Standard Form 424 (SF 424), are prepared for GAR/SCO review and signature in a timely manner. (Refer to Section VIII.A.2)

d. Ensure technical assistance is provided to potential applicants and/or eligible Subgrantees.

e. Ensure the distribution of financial assistance to eligible Subgrantees is done in a timely manner and in accordance with existing procedures.

f. Ensure approved projects are monitored to completion in federally required time frames.

g. Ensure Subgrantee accounts are monitored and in compliance with 44 CFR, Part 13.

h. Ensure appropriate state agencies are represented on the SHMT, are involved as necessary with the Hazard Mitigation Survey Team (HMST), and assist in the development of the Section 322 Plans.

i. Ensure participation of the appropriate state agencies that are needed to review selected mitigation measures.

2. Mitigation Finance Officer (MFO)

The MFO shall:

a. Maintain Iowa's 404 Administrative Plan which outlines how the State will administer the HMGP, and, on order, implement the Plan after a Presidential Disaster Declaration.

b. Compile and analyze financial information contained in grant applications.

c. Implement procedures to establish a record keeping system to document financial information. Review payment requests to determine/validate eligible costs against the Subgrantee's approved scope of work and budget and applicable cost principles.

d. Prepare balance sheets and detailed expenditure tracking for each grant recipient as well as other reports to summarize the current and projected financial status of the HMGP.

e. Review pay requests and source documentation to ensure compliance with approved scopes of work and budgets. Coordinate with State Fiscal Office (SFO) to initiate disbursements, financial revisions, request to decrease and close out the Letter of Credit, closing out the accounts (deobligations) and processing bills for collection. (See Attachment D - Processing and Funding).

f. Implement a tracking system to ensure grant recipient compliance with applicable state and federal requirements.

g. Modify all necessary forms to be completed by each grant recipient.

h. Coordinate the implementation of the HMGP accounting and fiscal control procedures to be used by each grant recipient.

i. Monitor the status of approved grants for processing time extension requests, appeals, and grant closeouts.

j. Implement a system for departmental accounting to document the use of administrative and managerial funds applicable to the HMGP.

k. Draft Grant Agreements between HSEMD and Subgrantees and conduct HMGP grant award meetings with grant recipients, and also provide technical assistance to the Subgrantees.

l. Monitor hazard mitigation grants to ensure compliance with the 44 CFR, Part 13, Part 201 Interim Final Rule, and Part 206 (Subparts M and N) Interim Final Rule and the Single Audit Act.

m. Review, recommend, and submit amendments to a Subgrantee's approved hazard mitigation grant to FEMA Region VII.

n. Conduct HMGP grant closeout meetings with grant recipients and appropriate federal and state agencies.

o. Compile financial information on open hazard mitigation grants and submit progress and financial reports to FEMA Region VII in a timely manner.

p. Assist and provide financial information to other hazard mitigation staff, public assistance staff, state auditors, federal auditors, and local auditors as needed.

3. State Hazard Mitigation Grant Coordinating Officer (SHMGCO)

A SHMGCO may be hired or designated to assist the SHMO to carry out the program coordination, implementation and administration. The SHMGCO will accomplish the necessary program work required of the State to deliver the HMGP to eligible Subgrantees as tasked by the SHMO.

The SHMGCO shall:

a. Implement a process for identifying potential hazard mitigation grants and prioritizing those grants.

b. Coordinate with the SHMO in determining the composition of the HMST and scheduling activities.

c. Notify potential applicants of the program and brief them with appropriate handout materials on elements of the program. (See Attachment C - Applicant Briefing)

d. Coordinate with State Public Assistance officials to ensure that they understand the involvement of the hazard mitigation effort in the Public Assistance Program to avoid duplicating activities.

e. Prepare and submit the initial HMGP applications and any supplemental applications per federal requirements. (Refer to Section VIII.A.2)

f. Provide technical assistance to potential applicants and/or eligible Subgrantees in developing and submitting applications and completing project requirement through out the grant performance period.

g. Determine the cost-effectiveness of potential hazard mitigation grants.

h. Coordinate with other hazard mitigation staff members.

i. Assist with mitigation planning and activities at the state and local levels.

j. Coordinate activities with appropriate state agencies and involve them in meeting Section 322 requirements.

k. Involve the appropriate local agencies, especially the local Emergency Management Coordinators, in the implementation of mitigation initiatives.

4. Hazard Mitigation Project Officer (HMPO)

The HMPO(s) shall:

a. Provide technical assistance to potential applicants and/or eligible Subgrantees in developing and submitting applications and completing project requirement through out the grant performance period.

b. Assist in developing and modifying hazard mitigation application materials.

c. Assist in identifying potential HMGP projects.

d Serve as a liaison between potential applicants and/or eligible Subgrantees and FEMA Region VII.

e. Review hazard mitigation applications to determine project eligibility.

f. Determine the cost effectiveness of potential hazard mitigation projects.

g. Review, recommend, and submit Subgrantee hazard mitigation applications to FEMA Region VII.

h. Notify Subgrantees of FEMA's and the State's determination of project eligibility.

i. Prepare written correspondence to local, state, and federal entities as needed.

j. Assist communities with local mitigation planning.

4. Mitigation Administrative Support

a. Responsible for providing administrative support to the Mitigation Section, including maintaining supply and equipment inventories and state vehicle fleet records.

b. Responsible for time and attendance reporting.

c. Responsible for submitting travel claims by mitigation staff.

d. Responsible for in-processing of new personnel.

5. State Fiscal Office (SFO)

Iowa Department of Public Defense SFO shall:

a. Coordinate with MFO to process State warrants to Subgrantees and enter disbursements into the State's financial management system.

b. Maintain financial records of all disbursements to Subgrantees and prepare fiscal documents for processing the final claims and closing the files (accounts).

6. State Hazard Mitigation Team (SHMT)

The SHMT functions on both a day-to-day and disaster basis. Its ongoing responsibilities and work activities are delineated in the State Hazard Mitigation Plan. The SHMT is authorized to request participation from local governments, federal government, and private industry as needed.

a. Primary Iowa Hazard Mitigation Team

Team members include representatives from the following state agencies who shall participate in all SHMT activities:

Department of Public Defense - Emergency Management Division
Department of Natural Resources
Department of Transportation
Department of Economic Development
Department of Cultural Affairs
Department of Public Safety

b. Secondary Iowa Hazard Mitigation Team

Team members include representatives from the following state agencies who shall be called upon on an as-needed basis to provide information and assistance to the Primary Iowa Hazard Mitigation Team:

Department of General Services
Department of Public Health
Department of Agriculture & Land Stewardship
Department of Commerce
Department of Management
Department of Revenue and Finance
Department of Education
Department of Justice
Department of Workforce Development
Governor's Office

When a disaster occurs, the SCO and SHMO determine which member agencies must be activated for involvement in implementing the Stafford Act's Section 404 and Section 322 requirements. This may include participating in HMST activities, identifying potential hazard mitigation projects, assisting in the development of the Section 322 Plan, serving on a selection and review committee for HMGP projects, and providing technical assistance to eligible Subgrantees.

V GRANTEE MANAGEMENT AND ADMINISTRATIVE COSTS

A. General

Consistent with the staffing plan and responsibilities delineated in the previous section of this State Administrative Plan, Iowa Homeland Security and Emergency Management Division (HSEMD) serves as the State Grantee agency overseeing all HMGP grant management and administrative activities. Generally, activities begin at the conduct of the State and Joint Preliminary Damage Assessment (PDA) and the approved federal declaration through final grant closeout and audits. Management costs provided in this paragraph and in B and C below are only applicable for HMGP declarations dated November 13, 2007 and forward.

B. Program Budget for Non-Direct Management Costs

Non-Directly Chargeable Management Costs are defined as Management Costs including indirect costs, administrative expenses and any other expenses not directly chargeable to a specific project that are reasonably incurred by the state or sub-grantee in administering and managing the HMGP grant award.

Non-Direct Management Costs are limited to costs related to the administration of the HMGP and will be properly documented in accordance with 44 CFR §207.8(f) and 13.22. These management costs are based on a 4.89 percentage rate of the Federal share of projected eligible program costs for financial assistance pursuant to sections 404 of the Stafford Act 42 U.S.C. 5170c, but not including direct Federal assistance.

The dollar amount provided to the Grantee (HSEMD) for management costs for a single declaration shall not exceed $20,000,000, except as described in §207.5(d) and (e).

Upon notification of the preliminary lock-in amount for HMGP management costs based on the Federal share of the projected eligible program costs for financial assistance at that time and within 120 days of the date of declaration, the Grantee (HSEMD) will submit an initial management cost funding request to the FEMA Region VII Administrator. If extraordinary circumstances exist, FEMA may approve a request by the Grantee (HSEMD) to submit support documentation after 120 days. This initial request will provide an estimate of the total cost for all applicable non-directly chargeable management and administrative expenditures over the anticipated HMGP performance period through closeout and final financial reporting. This request will be developed in the form of a spending plan and budget estimate and submitted using an HMGP project narrative, as directed in §207.7(c)(2). This request will include:

1. Consistent with this State Administrative Plan, a description of activities, personnel requirements, and other costs for which the Grantee will use non-direct management cost funding provided under this part;

2. Consistent with this State Administrative Plan, the Grantee's plan for expending and monitoring these funds and ensuring sufficient funds are budgeted for grant closeout; and

3. A statement providing clarification that the Grantee Agency (HSEMD) will provide 0% and $0 for pass-through funds to Subgrantees for non-directly chargeable management costs provided under Part 207.

FEMA will work with HSEMD to approve or reject this request within 30 days of FEMA receipt. If rejected, HSEMD will have 30 days to resubmit the request for reconsideration and approval.

The Grantee (HSEMD) may request to change the amount of the lock-in or the cap or extend the time period before the lock-in with the review and approval of the FEMA Regional Administrator and the FEMA Chief Financial Officer, as described in §207.5(d) and (e).

Non-Direct Management and Administrative Costs - Interim Funding Request.
If HSEMD can justify a bona fide need for an additional obligation of management cost funds at 6 months, the Grantee may submit a request to the Regional Administrator. Any interim obligations by FEMA must be approved by the Chief Financial Officer and will not exceed an amount equal to 10 percent of the 6- month lock-in amount, except in extraordinary circumstances.

Non-Direct Management and Administrative Costs- Final Funding Request.
Upon notification of the final lock-in amount, HSEMD must submit a final management cost funding request to the Regional Administrator. Any necessary revisions to supporting documentation must be attached to the final funding request.

C. Program Budget for Direct Management Costs

Any costs that can be directly attributable to a project (at the Grantee or Subgrantee levels) will continue to be added directly to the HMGP application. FEMA will continue to reimburse administrative or project management costs that can be properly documented and directly charged to an approved HMGP application.

1. Grantee. HSEMD will develop and submit a Direct Management Cost funding request to the Regional Administrator. This request will provide an estimate of the total costs for all applicable directly chargeable management and administrative expenditures over the anticipated HMGP performance period. This request will be developed in the form of a spending plan and budget estimate and submitted via an HMGP project narrative, as described in §207.7(c)(2). This request will include a description of activities, personnel requirements, and other costs for which the Grantee will require direct management cost funding.

2. Subgrantee. When requested by the Subgrantee, the direct costs associated with management and administration of the HMGP grant will continue to be included in the Subgrantee's HMGP application as part of the project cost. The scope of work and/or budget must identify Management Costs as a part of the cost estimate portion of the HMGP application. The Subgrantee is not required to include management costs as a part of the scope of work and cost estimate. All Direct Management and Administrative costs included in an approved Subgrant will be monitored and closed out consistent with all other costs in accordance with the procedures delineated in this Administrative Plan.

D. For HMGP Declarations prior to November 13, 2007, administrative cost funding shall be in accordance with §207.9.

E. Management Cost Funding Oversight

1. General. The Grantee (HSEMD) has primary responsibility for grants management activities and accountability of funds provded for management costs are required by 44 CFR Part 13, especially §13.20 and §13.36. The Grantee is responsible for ensuring that Subgrantees meet all program and administrative requirements.

2. Period of Availability. For DR-1763, the Grantee may expend management cost funds for allowable costs for a maximum of eight (8) years from the date of the Disaster Declaration or 180 days after the latest performance period of a non-management cost HMGP project narrative, whichever is sooner.

3. The period of availability may be extended only at the written request of the Grantee, with the recommendation of the Regional Administrator, and with the approval of the Chief Financial Offier. The Grantee must include a justification in its request for an extension, and must demonstrate that there is work in progress that can be completed within the extended period of availability. In no case will an extended period of availability allow more than 180 days after the expiration of any performance period extensions granted under HMGP for project completion. FEMA will deobligate any funds not liquidated by the Grantee in accordance with §13.23.

4. Reporting Requirements. The Grantee will provide quarterly progress reports on management cost funds to the Regional Administrator as required by the FEMA-State Agreement, §206.438(c), and §13.40.

5. Closeout. The Grantee has primary responsibility for the closeout tasks associated with both the program and subgrantee requirements. Complying with each program's performance period requirement, the Grantee must conduct final inspections for projects, reconcile Subgrantee expenditures, resolve negative audit findings, obtain final reports from Subgrantees and reconcile the closeout activities of Subgrantees with HMGP grant awards.

6. Audit requirements. Uniform audit requirements in §13.26 will apply to all assistance.

7. Document Retention. In compliance with State of Iowa law and procedures and with §13.42, Grantee must retain records, including source documentation to support expenditures/costs incurred for management costs, for three (3) years from the date of submission of the final HMGP Financial Status Report to FEMA. The Grantee is responsible for resolving questioned costs that may result from audit findings during the record retention period and retuning any disallowed costs from ineligible activities.

VI ELIGIBILITY

Subgrantees must have a FEMA approved DMA 2000 compliant mitigation plan to receive federal funding for mitigation projects under the HMGP. The plan must identify the specific hazard mitigation project as a feasible mitigation measure. If the Subgrantee's approved grant is to

develop or update a Local Hazard Mitigation Plan, the Plan must be adopted by the Subgrantee and be approved by FEMA Region VII prior to their planning grant closing.

44 CFR Subpart N, §206.434(b)(2) states that 'Regional Directors may grant an exception to this requirement in extraordinary circumstances, such as in a small and impoverished community when justification is provided. In these cases, a plan will be completed within 12 months of the award of the project grant. If a plan is not provided within this timeframe, the project grant will be terminated, and any costs incurred after notice of the grant's termination will not be reimbursed by FEMA.'

A. Applicant Eligibility

Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the Grantee for the use of the funds provided. The following Subgrantees are eligible to apply for the HMGP within Iowa:

1. State and local governments

2. Private non-profit organizations or institutions that own or operate a private non-profit facility as defined in §206.221(e)

3. Indian tribal governments or authorized tribal organizations

B. Project Eligibility

To be eligible for the HMGP, a project must meet the federal minimum project criteria listed below. In addition to the federal criteria, the State of Iowa may consider other basic criteria when evaluating potential HMGP projects.

1. Be in conformance with Iowa's Hazard Mitigation Plan developed as a requirement of Section 322 of the Stafford Act, and be in conformance with the Local Mitigation Plan as provided above.

2. Have a beneficial impact upon the designated disaster area, whether or not located in the disaster area. Eligible applicants will be solicited from all 99 counties in Iowa in accordance with the FEMA-State Agreement.

3. Be in conformance with 44 CFR, Part 9, Floodplain Management and Protection of Wetlands, and 44 CFR, Part 10, Environmental Considerations.

4. Solve a problem independently or constitute a functional portion of a solution where there is assurance that the project as a whole will be completed. Projects that merely identify or analyze hazards or problems are not eligible.

5. Be cost-effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. The Subgrantee must demonstrate this by documenting that the project does the following:

   a. Addresses a problem that has been repetitive or a problem that poses a significant risk to public health and safety if left unsolved.

b. Will not cost more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disasters were to occur. Both costs and benefits will be computed on a net present value basis.

c. Has been determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options.

d. Contributes, to the extent practicable, to a long-term solution to the problem it is intended to address.

e. Considers long-term changes to the areas and entities it protects, and has manageable future maintenance and modification requirements.

C. Eligible Activities

1. Up to 7% of the State's HMGP grant may be used to develop State, tribal, and/or local mitigation plans to meet the planning criteria outlined in 44 CFR, Part 201.

2. Projects may be of any nature that will result in protection to public or private property. Activities for which implementation has already been initiated or completed are not eligible for funding. Eligible projects include, but are not limited to:

a. Structural hazard control or protection projects;

b. Construction activities that will result in protection from hazards;

c. Retrofitting of facilities to include the construction of tornado shelters;

d. Property acquisition/relocation, as defined in 44 CFR 206.434 (e) and 80.11

e. Development of state or local mitigation standards;

f. Development of comprehensive hazard mitigation programs with implementation as an essential component;

g. Development or improvement of warning systems.

3. Up to 5% of the State's HMGP grant funds may be set-aside for the State's use on mitigation measures at its discretion in accordance with FEMA Policy Memorandum (September 19, 1996) Subject: Policy: Five Percent Hazard Mitigation Grant Program Initiatives. These measures are often difficult to evaluate against traditional cost effectiveness and eligibility criteria.

VII PROCEDURE FOR IDENTIFICATION AND NOTIFICATION OF APPLICANTS

A. Identification

It is the State's responsibility to ensure that potential applicants for the HMGP are identified. This is primarily accomplished by the SHMO through the following means:

1. Information acquired during the Preliminary Damage Assessment (PDA).

2. Consultation between the SHMO and the SHMT.

3. Review of the previously developed Section 322 Plan.

4. Consultation between the SHMO and FEMA HMO.

5. Through the activities of the SHMT or the HMST.

6. Information provided by the Damage Survey Teams.

7. Outreach efforts conducted by state and federal hazard mitigation staff.

B. Notification

The State is responsible for ensuring that potential applicants are notified of the availability of Section 404 funding and of program requirements. The method to be used in notifying applicants will be determined by the SHMO for each disaster but will normally include the following:

1. The SHMO or designated representative will present information on the HMGP at the applicant briefing(s) in conjunction with the Public Assistance briefing(s). The local Emergency Management Coordinators, acting as agents for all Public Assistance applicants in their respective counties, can be instrumental in the identification and notification of potential HMGP applicants.

2. A press release describing the program may be developed and issued at the discretion of the SHMO and FEMA HMO.

3. Announcement of HMGP Funds availability through:
   a. E-mail to potential applicants, County Emergency Management Coordinators, Councils of Government.
   b. HSEMD monthly newsletter.
   c. HSEMD website.

VIII PROGRAM ADMINISTRATION

A. Submission of State Application for Section 404 Funding

1. In accordance with the 44 CFR, Part 206.436, HMGP project applications and amendments to approved projects must be submitted to the Regional Administrator within 12 months of the disaster declaration. The State may request the Regional Administrator to extend the application time limit by 30 to 90 day increments, not to exceed a total of 180 days. Justification must be included with each extension request.

2. The application materials that the GAR will forward to FEMA will include the following:

a. A Standard Form 424 (SF-424, Application for Federal Assistance).

b. Federal Form 20-16A (FF 20-16A, Assurances--Non-Construction Programs) or a Federal Form 20-16B (FF 20-16B, Assurances—Construction Programs).

c. A recapitulation that identifies the project(s) for which funding is requested. This will contain any pertinent project management information not included in this Plan, a break-out of Subgrantees, justification for selection, and the specific mitigation measures for which funding is requested.

d. Each Subgrantee's Application will be included in the State's Application. Information required for each sub application will include the following:

1) Name of Subgrantee

2) State or local contact for the measure

3) Location of the project

4) Description of the proposed measure and alternatives considered

5) Cost estimate for the proposed measure and alternatives considered

6) Analysis of the project's cost-effectiveness and substantial risk reduction consistent with 44 CFR, Section 206.434(c)

7) Work schedule

8) Detailed Budget

9) Environmental information consistent with 44 CFR, Part 9, Floodplain Management and Protection of Wetlands, and 44 CFR, Part 10, Environmental Considerations

3. If the State identifies additional appropriate hazard mitigation measures following submission of initial applications for Section 404 funds, the State will amend the submission by submitting a supplement in accordance with the established deadlines.

B. Initial Application Process

1. Applicants for Section 404 Project funding will submit a Notice of Interest (NOI) declaring their intent to apply to the SHMO by the established deadline. At a minimum, the NOI will include the name of the applicant, a brief description of the proposed project(s) including time frames for completion, title of Local Hazard Mitigation Plan and date of FEMA plan approval, mitigation measure from the approved plan that corresponds with the proposed project, approximate cost of the proposed project, and its precise location.

HSEMD will review NOI's to determine which applicants will be selected to complete a full HMGP application. The review will consider the level of funding available under the HMGP; how the proposed project fits within an overall plan for development and/or hazard

mitigation in the community, disaster area, or State; and how the project addresses mitigation for the current disaster. Applicants will be expected to complete and submit their full application within 270 days of the disaster declaration. The exact cut-off date will be announced later in the period. Applicants should be encouraged, however, to correspond with the SHMO early in the period to discuss their potential projects. Applications must be signed by, and submitted by, the authorized representative of the governmental subdivision.

2. Applicants for Local Hazard Mitigation Plan planning grants will submit an application to the SHMO by the established deadline. In accordance with 44CFR 206.434 (d), the state intends to use up to 7% of its HMGP grant to fund the development or update of local mitigation plans and/or the State Hazard Mitigation Plan.

C. Technical Assistance

If an applicant requires technical assistance in the course of applying for and/or implementing a hazard mitigation project, he/she should contact the SHMO. SHMT agencies will conduct environmental and floodplain management reviews in accordance with agency statutory responsibilities. The SHMO will call upon appropriate agencies from the SHMT to provide such assistance.

D. Reviewing, Ranking, and Selecting Projects

1. The State's hazard mitigation staff will review the applications to ensure that adequate information has been provided and that the project meets the minimum eligibility requirements as stated in Section VI of this Plan. The State's hazard mitigation staff will be responsible for contacting the applicant to obtain any necessary additional information. (See Attachment D - Processing and Funding Mitigation Projects)

2. The SHMO will convene a Review Panel consisting of HSEMD's hazard mitigation staff whose responsibility will be to prioritize or rank the projects in accordance with the criteria listed below based on the level of detail and documentation contained in the Subgrantee's application.

3. Projects will be ranked after consideration of the following criteria:

   a. Measures that best fit within an overall plan for development and/or hazard mitigation in the community, disaster area, or state.

   b. Measures that, if not taken, will have a severe detrimental impact on the applicant, such as potential loss of essential services, damage to critical facilities, or economic hardship on the community.

   c. Measures that have the greatest potential impact on reducing future disaster losses.

   d. Measures that are designed to accomplish multiple objectives, including damage reduction, environmental enhancement, and economic recovery.

   e. Measures that provide the greatest benefit of avoided damages as documented by a FEMA approved Benefit Cost Analysis (BCA) methodology.

4. Property Acquisition projects are the State's priority for HMGP 1763. Projects being considered for funding under this disaster will be funded in the following order:

   a. Acquisition/demolition of primary owner/occupied property that are certified as substantially damaged or condemned due to flooding

   b. Acquisition/demolition of rental property occupied at the time of the flood event as the renters primary residential property certified as substantially damaged or condemned due to flooding

   c. Acquisition/demolition of secondary or recreational property certified as substantially damaged or condemned due to flooding

   d. Acquisition/demolition of commercial property certified as substantially damaged or condemned due to flooding

   e. Vacant lots that are contiguous to properties meeting the above descriptions will be considered, if deemed beneficial to the project as a whole

   f. Alternate properties and/or properties that are not funded will be stacked for funding consideration should funds become available. The State will give consideration to modifying the above criteria in situations where the applicant demonstrates an overall property acquisition plan that includes specific acquisition target areas in the community that are particularly vulnerable to future flood events. Subgrantees with HMGP awards meeting the above criteria may include, with prior approval from HSEMD and FEMA Region VII, pre-identified properties in the project when there is a cost underrun or a withdrawn property. These properties will be included by the priorities established above contingent upon (1) sufficient funds in the subgrantee budget and (2) the time required to complete the project as a whole must not exceed the activity completion date established from the subgrant. These properties must be pre-identified in the original application and meet all HMGP eligibility requirements. When these additional properties require time beyond the established activity completion date, a written extension request with justification must be submitted to HSEMD a minimum of sixty (60) days prior to the end of the activity completion date. No extension of the overall HMGP grant will be allowed to provide for the inclusion of pre-identified properties.

5. Other eligible project types may be considered for funding, should sufficient funding be available to fully fund the above identified priorities.

6. In addition to the above selection criteria, the Review Panel will take into account the applicant's level of interest and demonstrated degree of commitment to hazard mitigation actions and programs. The subgrantee application is an important component of the selection process.

Following the review, the Review Panel, or the SHMO on behalf of the panel, will make a formal recommendation to the GAR as to which projects should be selected for funding and the order in which they should be funded.

The SHMO will ensure all applicants are notified of the decisions made by the Sate relative to their proposed projects. For those projects that have been selected, the SHMO will determine if the applicant still intends to carry out the project and if it would carry out the project with the level of funding tentatively approved.

E. Project Initiation

1. After FEMA Region VII's actions on Iowa's hazard mitigation application(s), the SHMO will ensure all applicants are notified of the disposition of their respective projects.

2. If the project has been approved, the Grantee will provide a grant agreement that details the conditions and requirements of the grant to the Subgrantee. The grant agreement must be signed by both the GAR and the Subgrantee prior to commencing work on the approved project or planning subgrant.

F. Grant Management

The HSEMD has the responsibilities of grant management and accountability of funds in accordance with the 44 CFR, Part 13, Uniform Administrative Requirements for Grants, Cooperative Agreements to State and Local Governments, and 44 CFR Part 206. Approved Subgrantees for Section 404 funding are accountable to HSEMD and FEMA for funds awarded them.

1. HSEMD's Grants Bureau Chief will manage the Letter of Credit issued by FEMA and place Section 404 funds that have been obligated by FEMA for approved projects into a special account for the program.

2. Allowable costs will be governed by the 44 CFR, Section 13.22.

3. HSEMD will implement a record keeping, and financial tracking system for each grant awarded based upon the approved scope of work. HSEMD will also monitor and evaluate each grant awarded for adherence to the scope of work.

4. Subgrantees will submit progress reports (Figure 3) to HSEMD. The quarterly reporting periods end on March 30, June 30, September 30, and December 30. The MFO will specify the due dates for these reports. HSEMD will ensure review and summarization of these reports. The reports will be forwarded to FEMA Region VII's mitigation staff and the FEMA Regional Administrator will be notified accordingly. The reports will indicate the status and completion date for each measure funded. Any problems or circumstances affecting completion dates, scope of work, or project costs which are expected to result in noncompliance with the approved grant conditions will also be described in the report. HSEMD will ensure a final report is prepared with a complete assessment of project accomplishment(s). This report will be submitted per FEMA requirements.

5. Subgrantees will maintain financial records and receipts necessary to document all their expenditures relative to their projects.

6. Audits

   a. HSEMD and each Subgrantee shall ensure that audits are conducted in accordance with the Single Audit Act, Single Audit Act Amendments of 1996 (effective July 1, 1996), OMB Circular A-133 (as amended) and 44 CFR Part 14..

   b. HSEMD's Grants Bureau Chief will review audits for the Grantee and Subgrantee and report any problems to the SHMO, GAR and FEMA. The GAR will direct the SHMO/MFO or HSEMD's Grants Bureau Chief to take the appropriate or required action.

   c. If FEMA elects to conduct a federal audit of the HMGP, the Grantee and Subgrantee will cooperate as necessary.

7. The SHMO, in coordination with the MFO, will ensure the review of funding requests, time extension requests, cost overruns, and appeals are completed. The SHMO will also coordinate project close-outs. Following the SHMO's review/action on the above items, they will be forwarded to the GAR for his/her approval and, as required, submitted to FEMA.

   a. Disbursal of HMGP Funds.

      1) Payments to Subgrantees are based on eligible expenditures that are specifically related to the approved grant budget and scope of work. The Subgrantee has two options available to them when requesting payments from HSEMD. Subgrantees can request **Reimbursement** for allowable expenditures already paid, or request an **Advance** for expenditures expected to be paid within 30 days. Subgrantee can be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures established by HSEMD, to minimize the time elapsing between the transfer of the funds and disbursement by the Subgrantee.

      2) Payments shall be limited to the documented cash requirements submitted by the Subgrantee. The Subgrantee must submit a completed Mitigation Payment Request Form (Figure 1) and provide supporting documentation of eligible project costs to receive payment of funds.

         - **Reimbursement** requests must include payment verification (i.e. paid invoices, receipts, payroll records with personnel activity reports, cancelled checks, general ledger print outs, etc.).
         - **Advance** payment requests must include a detailed cost estimate (i.e. invoices, quotes, or other document). Payment verification documents (same documents required for a Reimbursement request) for the advance must be submitted to HSEMD within 30 days after the advance, and before future advances are made.

3) No more than thirty (30) days should elapse between the date of receipt of a warrant and pay out of the funds by the Subgrantee. All supporting documentation must be submitted to HSEMD immediately following the Subgrantee's pay out of the funds.

4) The MFO will review the requests and supporting documentation. The requests will then be forwarded to the GAR or GAR's designee (the SHMO) along with a recommendation for approval or disapproval.

5) If the request is approved, disbursement documentation will be prepared and forwarded to the SHMO for concurrence and signature, then sent to the SFO for processing.

6) If the request is denied, the Subgrantee will be advised, in writing, and given the reason for the denial.

7) The final payment requires FEMA Region VII's approval. Once all closeout procedures have been completed, the Grantee will provide written notification to FEMA Region VII accordingly.

b. Time Limits and Extensions.

1) Time Limits

Generally, projects must begin within 90 days of FEMA's approval and be completed within 3 years from the date of FEMA's grant award to the State. This deadline can be extended if necessary, but only in unusual circumstances.

2) Time Extensions

If a Subgrantee is unable to complete a project by the end of the activity completion timeframe (3 years from the date of FEMA's grant award to the State), the Subgrantee must provide written notification to the SHMO immediately to request a time extension. The request should explain why the completion deadline will not be met, what project work remains, and a probable date for project completion. After reviewing the time extension request, the State must submit a formal written request to the Regional Administrator. The request must be made no later than 60 days prior to the expiration of the activity completion timeframe and must include a justification for the extension. FEMA Region VII may extend the activity completion timeframe by one year if it is determined that unusual circumstances exist.

c. Cost Overruns

1) Subgrantees will be required to notify the SHMO, in writing, as soon as they determine that they will have a cost overrun. The letter should include the dollar amount of the overrun, the reason for the overrun, and

provide appropriate justification and documentation (invoices, copies of contracts, pictures, etc.) to support the additional costs.

2) The SHMO will evaluate each cost overrun. If the evaluation indicates that the cost overrun is justified, and if funds are available, the SHMO may recommend (to the GAR) approval of the cost overruns.

3) Cost overruns which can be met without additional federal funds, or which can be met with offsetting cost underruns on other projects, need not be submitted to the Regional Administrator for approval, so long as the full scope of work on all affected projects can still be met.

4) The SHMO will make a recommendation to the GAR on all cost overruns that exceed grant program capabilities. The SHMO will forward all such cost overrun requests, along with his/her recommendation and supporting documentation, to the FEMA Region VII Administrator. The Regional Administrator will notify the SHMO in writing of the final determination made on the overrun.

d. Appeals

1) An eligible Subgrantee may elect to appeal the decision made by the State or FEMA on its project.

2) Such appeals must be submitted in writing to/through the GAR and contain new or additional information which justifies reconsideration.

3) The Subgrantee's appeal must be submitted within 60 days after receipt of the notice of the action being appealed.

4) Upon receipt of an appeal from a Subgrantee, the SHMO will ensure appropriate review of the material submitted and ensure appropriate actions are taken in accordance with the 44 CFR, Section 206.440.

e. Project Completion and Close-out

1) When all the work on an approved project has been completed, the Subgrantee will notify HSEMD in writing. The written notification will include documentation for unpaid expenditures.

2) The SHMO will have the documentation reviewed to ensure that all claims and costs are eligible and that work performed is in compliance with the approved project application.

3) The MFO will submit a closeout package to FEMA Region VII's hazard mitigation staff to close out the projects. FEMA has the authority to approve/deny the Subgrantee's final request for disbursement.

4) The SHMO will make a recommendation to the GAR with regard to authorizing final payment of the federal share of the grant.

5) Once the final federal payment has been made, the MFO will close the Subgrantee's file. When all projects have been completed and all files closed, HSEMD's Grants Bureau Chief will close out the Letter of Credit. The MFO will then prepare a final report indicating project closeout and notify FEMA Regional Headquarters.

IX PLAN REVIEW AND UPDATE

Updates, Amendments, Reviews

Following a Presidential Disaster Declaration, the SHMO, through the GAR, will ensure that any required updates, amendments, or revisions to the Plan are prepared in order to meet current policy guidance or changes in the administration of the Hazard Mitigation Grant Program. The Plan will then be submitted to FEMA Region VII for approval.

Article I. X LIST OF ATTACHMENTS

Attachment A – Staffing Pattern
Attachment B – Public Notice
Attachment C – Applicant Briefing
Attachment D – Processing and Funding of Mitigation Projects
Attachment E – HMGP Applications
Attachment F – HMGP Definitions
Figure 1 – Mitigation Payment Request Form
Figure 2 – Grant Agreement (Sample)
Figure 3 – Progress Report Form