
award. Contributions of cash, in-kind services or materials, or any combination thereof, may be accepted as part of the non-Federal cost share. For **FMA**, not more than one half of the non-Federal contribution may be provided from in-kind contributions.

In general, HMA funds may be used to pay up to 75 percent of the eligible activity costs. The remaining 25 percent of eligible activity costs are derived from non-Federal sources. Exceptions to the 75 percent Federal and 25 percent non-Federal share (see Table 3) are:

- ◆ **PDM** – Small impoverished communities may be eligible for up to a 90 percent Federal cost share. For information about small impoverished communities, see [Part VIII B.2](#).
- ◆ **RFC** – FEMA may contribute up to 100 percent Federal funding to implement activities for subapplicants meeting the requirements for increased Federal share of costs. For information about the requirements, see [Part VIII D.2](#).
- ◆ **FMA and SRL** – Up to 90 percent Federal cost share is available for the mitigation of severe repetitive loss properties for any Applicant that has a Repetitive Loss Strategy in its approved State or Tribal (Standard or Enhanced) Mitigation Plan and has taken actions to reduce the number of repetitive loss properties. For information about the Repetitive Loss Strategy, see [Parts VIII C.2](#) and [E.3](#).
- ◆ **Insular areas including American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands** – FEMA automatically waives the non-Federal cost share when the non-Federal cost share for the entire grant is under \$200,000, not an individual subgrant. If the non-Federal cost share for the entire grant is \$200,000 or greater, FEMA may waive all or part of the cost share. Such a waiver is usually consistent with that provided for Public Assistance provided under the disaster declaration. If FEMA does not waive the cost share, the insular area must pay the entire cost share amount, not only the amount over \$200,000.
- ◆ **SRL mitigation reconstruction projects** – In some cases, the percentage of non-Federal funds may exceed 25 percent in order to cover total project costs because of the cap on the Federal contribution for such projects. See [Part IX D.5](#) for additional cost share guidance for this project type.

Cost share requirements also extend to management costs with the following exceptions:

- ◆ For **HMGP**, there is no additional cost share requirement for management costs because available HMGP management costs are calculated as a percentage of the Federal funds provided.
- ◆ Under **PDM**, only Indian Tribal Grantees meeting the definition of a small impoverished community are eligible for a non-Federal cost share of 10 percent for management costs. All other Grantees have a 25 percent non-Federal cost share requirement, regardless of the cost share for any subgrants under the grant.

See [Part VIII A.7](#) for further information about HMGP cost share requirements and [Part IV E.6](#) for further information on funding restrictions for management costs.

Table 3: Cost Share Requirements

Programs	Mitigation Activity Grant (Percent of Federal/Non-Federal Share)	Management Costs (Percent of Federal/Non-Federal Share)	
		Grantee	Subgrantee
HMGP	75/25	100/0	-/-*
PDM	75/25	75/25	75/25
PDM – subgrantee is small impoverished community	90/10	75/25	90/10
PDM – Tribal grantee is small impoverished community	90/10	90/10	90/10
FMA	75/25	75/25	75/25
FMA – severe repetitive loss property with Repetitive Loss Strategy	90/10	90/10	90/10
RFC	100/0	100/0	100/0
SRL	75/25	75/25	75/25
SRL – with Repetitive Loss Strategy	90/10	90/10	90/10

*Subapplicants should consult their State Hazard Mitigation Officer (SHMO) for the amount or percentage of HMGP subgrantee management cost funding their State has determined to be passed through to subgrantees.

HMA Federal funds, or funds used to meet HMA cost share requirements, may not be used as a cost share for other Federal funds.

B.1 Federal Funds Allowed to Be Used as Non-Federal Cost Share

In general, the non-Federal cost share requirement may not be met with funds from other Federal agencies; however, authorizing statutes explicitly allow some Federal funds to be used as a cost share for other Federal grants. Federal funds that are used to meet a non-Federal cost share requirement must meet the purpose and eligibility requirements of both the Federal source program and the HMA grant program. Examples of Federal funds that generally can be used as a non-Federal cost share are:

- ◆ Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds;
- ◆ Department of the Interior Bureau of Indian Affairs funds;
- ◆ Appalachian Regional Commission funds;
- ◆ Funds derived from Title III of the Secure Rural Schools and Community Self-Determination Act of 2000; and
- ◆ Department of Health and Human Services Indian Health Service funds.

Federal loan payments, such as U.S. Department of Agriculture (USDA) Farm Service Agency loans and U.S. Small Business Administration (SBA) loans, may be used as non-Federal cost share.

B.2 Increased Cost of Compliance as Non-Federal Cost Share

The NFIP Increased Cost of Compliance (ICC) claim payment from a flood event may be used to meet the non-Federal cost share requirements, so long as the claim is made within the timeframes allowed by the NFIP. ICC payments can only be used for costs that are eligible for ICC benefits; for example, ICC cannot pay for property acquisition, but can pay for structure demolition or relocation. In addition, Federal funds cannot be provided where ICC funds are available; if the ICC payment exceeds the required non-Federal share, the Federal funding award will be reduced to the difference between the cost of the activity and the ICC payment.

If an ICC payment is being used as a subapplicant's non-Federal cost share, the NFIP policyholder must assign the claim to the subapplicant. However, only that part of the ICC benefit that pertains to the project can be assigned to the subapplicant. The NFIP policyholder can only assign the ICC benefit to the subapplicant; in no case can the policyholder assign the ICC benefit to another individual. Steps for the assignment of ICC coverage are available at <http://www.fema.gov/business/nfip/iccdmw.shtm>.

C. Restrictions

C.1 Non-Discrimination Compliance

In accordance with Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act, all HMA programs are administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status. In addition, Federal assistance distributed by State and local governments is to be implemented in compliance with all applicable laws.

Applicants and subapplicants must ensure that no discrimination is practiced. Applicants and subapplicants must consider fairness, equity, and equal access when prioritizing and selecting project subapplications to submit with their grant application. Subapplicants also must ensure fairness and equal access to property owners and individuals that benefit from mitigation activities.

C.2 Conflict of Interest

Applicants and subapplicants must avoid conflicts of interest. Subapplicants must comply with the procurement guidelines at 44 CFR Part 13.36, which require subapplicants to avoid situations in which local officials with oversight authority might benefit financially from the grant disbursement. Applicants must comply with guidelines for awarding and administering subgrants as stated in 44 CFR Part 13.37.

C.3 Duplication of Programs

FEMA will not provide assistance for activities for which it determines the primary or more specific authority lies with another Federal agency or program. Other programs and authorities should be examined before applying for HMA funding. HMA funds are not intended to be used

as a substitute for other available program authorities. Available program authorities include other FEMA programs (e.g., Individual Assistance and Public Assistance) and programs under other Federal agencies, such as the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers (USACE) and the Natural Resources Conservation Service. FEMA may disallow or recoup amounts that duplicate other authorities.

For additional information about duplication of programs (DOP) for wildfire mitigation projects, see [Part IX B.2](#).

C.4 Duplication of Benefits

HMA funds cannot duplicate or be duplicated by funds received by or available to Applicants, subapplicants, or project participants from other sources for the same purpose, such as benefits received from insurance claims, other assistance programs (including HMA programs), legal awards, or other benefits associated with properties or damage that are or could be subject of litigation. FEMA will treat benefits that are reasonably available as a duplication of benefits (DOB), even if the benefits were not sought or received. Individuals or entities must notify the Grantee and FEMA of all benefits that they receive or anticipate from other sources for the same purpose, and must seek all such benefits available to them. The total amount of eligible costs will be reduced by the amount of available benefits prior to calculating the required cost share. The cost share is based on the total eligible costs after DOB deductions have been made. Duplications can occur at any time and FEMA must be reimbursed for benefits identified or received after an award.

For additional information on DOB for property acquisition and structure demolition or relocation projects, see [Part IX A.14.4](#).

D. General Program Requirements

D.1 Eligible Activities

In order to be eligible, activities must meet all requirements referenced in this guidance. Eligible activities for HMA fall into the following categories:

- ◆ Mitigation projects (all HMA programs);
- ◆ Hazard mitigation planning (HMGP, PDM, and FMA programs); and
- ◆ Management costs (all HMA programs).

Table 4 summarizes eligible activities that may be funded by the HMA programs. Detailed descriptions of these activities follow the table in [Part III, D.1.1](#), [D.1.2](#), and [D.1.3](#).

Table 4: Eligible Activities by Program

Eligible Activities	HMGP	PDM	FMA	RFC	SRL
1. Mitigation Projects	√	√	√	√	√
Property Acquisition and Structure Demolition	√	√	√	√	√
Property Acquisition and Structure Relocation	√	√	√	√	√
Structure Elevation	√	√	√	√	√
Mitigation Reconstruction					√
Dry Floodproofing of Historic Residential Structures	√	√	√	√	√
Dry Floodproofing of Non-residential Structures	√	√	√	√	
Minor Localized Flood Reduction Projects	√	√	√	√	√
Structural Retrofitting of Existing Buildings	√	√			
Non-structural Retrofitting of Existing Buildings and Facilities	√	√			
Safe Room Construction	√	√			
Infrastructure Retrofit	√	√			
Soil Stabilization	√	√			
Wildfire Mitigation	√	√			
Post-Disaster Code Enforcement	√				
5% Initiative Projects	√				
2. Hazard Mitigation Planning	√	√	√		
3. Management Costs	√	√	√	√	√

Additional information regarding eligible projects for HMGP is included in [Part VIII A.8](#) and [A.9](#); for FMA, see [Part VIII C.3](#); for RFC, see [Part VIII D.1](#); and for SRL, see [Part VIII E.1](#).

Costs for eligible activities must be necessary and reasonable as required by 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments, 44 CFR Part 13.22, applicable program regulations, and this guidance.

The following activities are not eligible as stand-alone activities but are eligible only when included as a functional component of eligible mitigation activities:

- ◆ For **HMGP** and **PDM** generators and/or related equipment purchases (e.g., generator hook-ups) when the generator directly relates to the hazards being mitigated and is part of a project (the 5% initiative allows for the stand-alone purchase of generators);
- ◆ Real property or easements purchases required for the completion of an eligible mitigation project. For safe room projects, no real property or easement purchase is eligible; and
- ◆ Studies that are integral to the development and implementation of a mitigation project, including hydrologic and hydraulic, engineering, or drainage studies.

D.1.1 Mitigation Projects

This section briefly describes the mitigation projects eligible under one or more of the five HMA programs. Table 4 summarizes the eligibility of the following project types for each program:

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- ◆ **Property Acquisition and Structure Demolition** – The acquisition of an existing at-risk structure and, typically, the underlying land, and conversion of the land to open space through the demolition of the structure. The property must be deed-restricted in perpetuity to open space uses to restore and/or conserve the natural floodplain functions. For property acquisition and structure demolition projects, see [Part IX A](#).
 - ◆ **Property Acquisition and Structure Relocation** – The physical relocation of an existing structure to an area outside of a hazard-prone area, such as the Special Flood Hazard Area (SFHA) or a regulatory erosion zone and, typically, the acquisition of the underlying land. Relocation must conform to all applicable State and local regulations. The property must be deed-restricted in perpetuity to open space uses to restore and/or conserve the natural floodplain functions. For property acquisition and structure relocation projects, see [Part IX A](#).
 - ◆ **Structure Elevation** – Physically raising an existing structure to an elevation at or above the Base Flood Elevation (BFE) or higher if required by FEMA or local ordinance. Structure elevation may be achieved through a variety of methods, including elevating on continuous foundation walls; elevating on open foundations, such as piles, piers, posts, or columns; and elevating on fill. Foundations must be designed to properly address all loads, be appropriately connected to the floor structure above, and utilities must be properly elevated as well. FEMA encourages Applicants and subapplicants to design all structure elevation projects in accordance with the American Society of Civil Engineers (ASCE) 24-05 *Flood Resistant Design and Construction*. For additional information about the NFIP and structure elevation projects, see [Part X C.1](#).
 - ◆ **Mitigation Reconstruction** – The construction of an improved, elevated building on the same site where an existing building and/or foundation has been partially or completely demolished or destroyed. Mitigation reconstruction is only permitted if traditional structure elevation cannot be implemented and for structures outside of the regulatory floodway or coastal high hazard area (Zone V) as identified by the existing best available flood hazard data. Activities that result in the construction of new living space at or above the BFE will only be considered when consistent with the Mitigation Reconstruction requirements. Such activities are only eligible under the **SRL** Pilot program. For additional information about mitigation reconstruction projects, see [Part IX D](#).
 - ◆ **Dry Floodproofing** – Techniques applied to keep structures dry by sealing the structure to keep floodwaters out. For all dry floodproofing activities, FEMA encourages Applicants and subapplicants to design all dry floodproofing projects in accordance with ASCE 24-05 *Flood Resistant Design and Construction*.
 - **Dry Floodproofing of Historic Residential Structures** is permissible only when other techniques that would mitigate to the BFE would cause the structure to lose its status as defined a Historic Structure in 44 CFR Part 59.1.
 - **Dry Floodproofing of Non-residential Structures** must be performed in accordance with NFIP Technical Bulletin 3-93, *Non-Residential Floodproofing—Requirements and Certification*, and the requirements pertaining to dry floodproofing of non-residential structures found in 44 CFR Parts 60.3(b)(5) and (c)(4).

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- ◆ **Minor Localized Flood Reduction Projects** – These projects may include the installation or modification of culverts and floodgates, minor floodwall systems that generally protect an individual structure or facility, stormwater management activities such as creating retention and detention basins, and the upgrade of culverts to bridges. These projects must not duplicate the flood prevention activities of other Federal agencies and may not constitute a section of a larger flood control system.
 - For **FMA**, **RFC**, and **SRL** at least 50 percent of the structures directly benefiting from this mitigation activity must be NFIP-insured. For **RFC** and **SRL**, these projects must primarily benefit RFC or SRL structures, respectively. Documentation must be provided in the subapplication that identifies all structures that will benefit from this mitigation activity.
 - ◆ **Structural Retrofitting of Existing Buildings** – Modifications to the structural elements of a building to reduce or eliminate the risk of future damage and to protect inhabitants. The structural elements of a building that are essential to protect in order to prevent damage include foundations, load-bearing walls, beams, columns, structural floors and roofs, and the connections between these elements.
 - ◆ **Non-structural Retrofitting of Existing Buildings and Facilities** – Modifications to the non-structural elements of a building or facility to reduce or eliminate the risk of future damage and to protect inhabitants. Non-structural retrofits may include bracing of building contents to prevent earthquake damage or the elevation of heating and ventilation systems.
 - ◆ **Safe Room Construction** – Safe room construction projects are designed to provide immediate live safety protection for people in public and private structures from tornado and severe wind events, including hurricanes. For HMA, the term “safe room” only applies to extreme wind (combined tornado and hurricane) residential, non-residential, and community safe rooms; tornado community safe rooms; and hurricane community safe room. This type of project includes retrofits of existing facilities or new safe room construction projects, and applies to both single and multi-use facilities. For additional information, see [Part IX C](#).
 - ◆ **Infrastructure Retrofit** – Measures to reduce risk to existing utility systems, roads, and bridges.
 - ◆ **Soil Stabilization** – Projects to reduce risk to structures or infrastructure from erosion and landslides, including installing geo-textiles, sod stabilization, installing vegetative buffer strips, preserving mature vegetation, decreasing slope angles, and stabilizing with rip rap and other means of slope anchoring. These projects must not duplicate the activities of other Federal agencies.
 - ◆ **Wildfire Mitigation** – Projects to mitigate the risk to at-risk structures and associated loss of life from the threat of future wildfire through:
 - **Defensible Space for Wildfire** – Projects creating perimeters around homes, structures, and critical facilities through the removal or reduction of flammable vegetation. For additional information, see [Part IX B.3.1](#).

- **Application of Ignition-resistant Construction** – Projects that apply ignition-resistant techniques and/or non-combustible materials on new and existing homes, structures, and critical facilities. For additional information, see [Part IX B.3.2](#).
- **Hazardous Fuels Reduction** – Projects that remove vegetative fuels proximate to the at-risk structure that, if ignited, pose significant threat to human life and property, especially critical facilities. For additional information, see [Part IX B.3.3](#).
- ◆ **Post-Disaster Code Enforcement** – Projects designed to support the post-disaster rebuilding effort by ensuring that sufficient expertise is on hand to ensure appropriate codes and standards, including NFIP local ordinance requirements, are utilized and enforced. For additional information, see [Part VIII A.8](#).
- ◆ **5% Initiative Projects** – These projects provide an opportunity to fund mitigation actions that are consistent with the goals and objectives of the State and local Hazard Mitigation Plans and meet all HMGP program requirements, but for which it may be difficult to conduct a standard BCA to prove cost effectiveness. For additional information, see [Part VIII A.10](#).

D.1.2 Hazard Mitigation Planning

Mitigation plans are the foundation for effective hazard mitigation. A mitigation plan is a demonstration of the commitment to reduce risks from natural hazards and serves as a guide for decisionmakers as they commit resources.

The mitigation planning process includes hazard identification and risk assessment leading to the development of a comprehensive mitigation strategy for reducing risks to life and property. The mitigation strategy section of the plan identifies a range of specific mitigation actions and projects being considered to reduce risks to new and existing buildings and infrastructure. This section includes an action plan describing how identified mitigation activities will be prioritized, implemented, and administered.

Planning activities funded under HMA are designed to develop State, Tribal, and local mitigation plans that meet the planning requirements outlined in 44 CFR Part 201. A mitigation planning subgrant award must result in a mitigation plan adopted by the jurisdiction(s) and approved by FEMA prior to the end of the POP.

For **FMA**, funds shall only be used to support the flood hazard portion of State, Tribal, or local multi-hazard mitigation plans to meet the criteria specified in 44 CFR Part 201. Funds are only available to support these activities in communities participating in the NFIP.

For links to mitigation planning and risk assessment resources, see [Part X C.2](#).

D.1.3 Management Costs

Management costs are any indirect costs, administrative expenses, and other expenses not otherwise accounted for that are reasonably incurred by a Grantee or subgrantee in administering a grant or subgrant award.

Eligible Applicant or subapplicant management cost activities may include:

- ◆ Solicitation, review, and processing of subapplications and subgrant awards;

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- ◆ Providing technical assistance to subapplicants regarding Engineering Feasibility, BCA, and Environmental Planning and Historic Preservation (EHP) documentation;
 - ◆ Geocoding mitigation projects selected for further review;
 - ◆ Delivery of technical assistance (e.g., plan reviews, planning workshops, training) to support the implementation of mitigation activities;
 - ◆ Managing grants (e.g., quarterly reporting, closeout);
 - ◆ Technical monitoring (e.g., site visits, technical meetings);
 - ◆ Purchase of equipment, per diem and travel expenses, and professional development that is directly related to the implementation HMA programs; and
 - ◆ Staff salary costs directly related to performing the activities listed above.

For **PDM**, **FMA**, **RFC**, and **SRL**, management costs will only be awarded in conjunction with project or planning grants and subgrants. For more information regarding management costs for **HMGF**, see [Part VIII A.4](#). For a link to more geocoding information, see [Part X C.3](#).

D.2 Ineligible Activities

Subapplications that propose ineligible activities will be removed from consideration for funding. The following list provides examples of activities that are not eligible for HMA funding:

- ◆ Projects that do not reduce the risk to people, homes, neighborhoods, structures, or infrastructure;
- ◆ Projects that are dependent on another phase of a project(s) in order to be effective and/or feasible (i.e., not a stand-alone mitigation project that solves a problem independently or constitutes a functional portion of a solution.);
- ◆ Projects for which actual physical work such as groundbreaking, demolition, or construction of a raised foundation has occurred prior to award. Projects for which demolition and debris removal related to structures proposed for acquisition or mitigation reconstruction has already occurred may be eligible when such activities were initiated or completed under the FEMA Public Assistance program to alleviate a health or safety hazard as a result of a disaster;
- ◆ Projects constructing new buildings or facilities with the exception of safe room construction and SRL mitigation reconstruction;
- ◆ Projects that create revolving loan funds;
- ◆ Activities required as a result of negligence or intentional actions, or the reimbursement of legal obligations such as those imposed by a legal settlement, court order, or State law;
- ◆ Projects located in a Coastal Barrier Resource System (CBRS) Unit, or in an Otherwise Protected Area;
- ◆ Activities on Federal lands or associated with facilities owned by another Federal entity;

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- ◆ Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, and erosion projects related to beach nourishment or re-nourishment;
 - ◆ Projects for hazardous fuels reduction in excess of 2 miles from structures;
 - ◆ Projects that address unmet needs from a disaster that are not related to mitigation;
 - ◆ Retrofitting facilities primarily used for religious purposes, such as places of worship (or other projects that solely benefit religious organizations). A place of worship may, however, be included in a property acquisition and structure demolition or relocation project provided that the project benefits the entire community, such as when the whole neighborhood or community is being removed from the hazard area;
 - ◆ Projects that only address man-made hazards;
 - ◆ Projects that address operation, deferred or future maintenance, repairs, or replacement (without a change in the level of protection provided) of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, replacement of obsolete utility systems, bridges, and facility repair/rehabilitation);
 - ◆ Projects to do the following:
 - Landscaping for ornamentation (trees, shrubs, etc);
 - Site remediation of hazardous materials (with the exception eligible activities such as, the abatement of asbestos and/or lead-based paint and the removal of household hazardous wastes to an approved landfill);
 - Water quality infrastructure;
 - Address ecological or agricultural issues;
 - Protection of the environment and/or watersheds;
 - Forest management;
 - Prescribed burning or clear-cutting;
 - Creation and maintenance of fire breaks, access roads, or staging areas; and
 - Irrigation systems;
 - ◆ Mapping, flood studies, and planning activities, such as plan revisions/amendments or risk assessments, when they do not result in a FEMA-approved hazard mitigation plan;
 - ◆ Studies not directly related to the design and implementation of a proposed mitigation project; and
 - ◆ Preparedness measures and response equipment (e.g., response training, electronic evacuation road signs, interoperable communications equipment).

For further information on ineligible wildfire mitigation projects, see [Part IX B.4](#).