



**FEMA**

JUL 8 2009

MEMORANDUM FOR: FEMA Regional Administrators  
FEMA Acting Regional Administrators  
Region I-X

Transitional Recovery Office Directors  
Federal Coordinating Officers

FROM:

Deborah S. Ingram  
Acting Deputy Assistant Administrator  
for Mitigation

SUBJECT:

Use of Hazard Mitigation Grant Program (HMGP) funding  
For Reconstruction Grant Pilot Activities in Coastal High  
Hazard Areas, or Velocity Zones (V-Zones)

This memorandum provides clarification for implementing HMGP Mitigation Reconstruction Grant Pilot (Pilot) in Coastal High Hazard Areas (CHHA), also known as V-zones with regard to consideration of New Construction prohibitions and allowances in these areas.

FEMA's regulations implementing Executive Order 11988, Floodplain Management, prohibit the Agency from funding new construction in V-zones that is not functionally dependent on water or does not facilitate an open space use. The definition of new construction at 44 CFR 9.4 includes "the replacement of a structure or facility which has been totally destroyed." For Pilot projects, a structure is considered "totally destroyed" when it has been damaged by the event to a threshold of 90 percent or more of its replacement value. FEMA may fund reconstruction activities that include the purposeful demolition and removal of remaining elements of a damaged structure to allow for the reconstruction of a similar size structure for the same functional use.

For Pilot activities located in the V-zone, FEMA will require a certification from the applicant or local jurisdiction that the structures were not "totally destroyed" based on the definition above. This certification should be based upon available damage data, which could include substantial damage determinations, Residential Substantial Damage Estimator data, Individual Assistance data, National Flood Insurance Program claims data, photographs, or other data as available. The certification must detail the basis for this determination. FEMA is available to provide technical assistance to the applicant or

local jurisdiction in making these determinations as required. This requirement is applicable to all Pilot activities located in V-zones at the time of approval, regardless if funds had been obligated prior to the date of this memo.

All projects must meet all floodplain management requirements, codes and standards for V-zones as established in FEMA regulations, as well as any more restrictive State and local floodplain management standards and all other applicable program eligibility requirements. Eligible Pilot projects cannot exceed the initial structure's square footage by more than 10%.

This memorandum supersedes the December 2, 2008 clarification "Use of HMGP funding for Reconstruction Grant Pilot Activities in Coastal High Hazard Areas, or 'V-zones'." If you have any questions or need additional information, please contact Jomar Maldonado, Acting Environmental Officer at (202) 646-2741. For questions with regard to HMGP, please contact Mike Grimm, Acting Director, Risk Reduction Division, at (202)-646-2878.