

# Grants ICC Pilot Program

The Flood Insurance Reform Act of 2004 (FIRA 2004) at Title I, Section 105 provides guidance to FEMA and the National Flood Insurance Program (NFIP) to expand the Increased Cost of Compliance (ICC) coverage of the Standard Flood Insurance Policy (SFIP) from a compliance-based insurance benefit to one that implements measures consistent with land use and control. As a result of the FIRA 2004 ICC provision FEMA established a pilot program, called the Grants ICC Pilot Program, to work in conjunction with the Severe Repetitive Loss (SRL) program.

Grants ICC benefits are available, with certain limitations, to residential severe repetitive loss structures mitigated with SRL funds, regardless of whether recent flood damage has occurred and regardless of the flood zone in which the building is located. This payment is intended to provide a portion of the required non-Federal cost share for which the policyholder is responsible associated with floodproofing, elevating, relocating, or demolishing a structure.

## **Grants ICC Claim Eligibility, Pre-Award**

Grants ICC benefits are limited to structures that meet all of the following qualifications:

1. Validated residential severe repetitive loss structures;
2. Severe repetitive loss structures currently insured by the NFIP that have been continuously insured by the same policyholder beginning 6 months prior to the opening of the SRL application period;
3. Severe repetitive loss structures with NFIP insurance policies that have been transferred to the NFIP Special Direct Facility (SDF);
4. Severe repetitive loss structures that have been approved for a FEMA SRL program grant;
5. Severe repetitive loss structures owned by policyholders who have assigned the ICC benefits to the applicable Grantee or Subgrantee;
6. The benefit cannot exceed the lesser of the required non-Federal cost share for which the policyholder is responsible, the maximum ICC coverage available, or the covered actual cost of eligible ICC activities; and
7. Structures that are not already in compliance with the applicable local floodplain ordinance.

## **Grants ICC Claim Reimbursement, Post-Award**

This is a brief overview of the Grants-ICC process after work is completed, and the community seeks reimbursement of the insurance benefit. This process is not finalized and it may adjust after the initial implementation.

- The local community grant personnel will provide a packet to FEMA Risk Insurance containing:
  1. Documentation provided by the Grantee (State) certifying the per property Federal/nonfederal shares. This certification determines the proper reimbursement and ensures the ICC reimbursement does not exceed nonfederal share from the project application.
  2. Final invoices with line-item cost breakdown showing that the project has been completed

3. Acquisition:
  - A. Photographs of the property showing the structure before and after demolition or relocation
  - B. Letter from the community stating the project is complete and in compliance with local floodplain management requirements
  
4. Elevation and Mitigation Reconstruction:
  - A. Complete elevation certificate showing the first floor elevation of the structure prior to elevation
  - B. Photographs of the property showing the structure before and after elevation
  - C. Letter from the community stating the project is complete and in compliance with local floodplain management requirements
  - D. Certificate of occupancy or equivalent, documenting that the mitigation activity meets the state and/ or local elevation requirements  
Complete elevation certificate showing the structure elevated above the BFE or qualifying community established elevation
  
- **If the property is outside of the SFHA the community will need to provide additional information:**
  - Documentation regarding how the community established elevation was determined,
  - Documentation that the elevation of the property is below the community established elevation,
  - Relevant portions of the floodplain ordinance to support the community established elevation, and
  - Certification that the community established elevation is enforced uniformly to structures in their community within those specific areas where the BFE is not established by a FEMA approved Flood Insurance Study (FIS) or Flood Insurance Rate Map (FIRM)
  
- **When this information is compiled:**
  - Email this packet to the Regional SRL point of contact
    - *This step will be modified in the near future due to changes being implemented by FEMA HQ Risk Insurance*
  - Include the eGrants subapplication/subgrant number
  - Include contact information for the homeowner, local mitigation grant official, local FPA, and information helpful for reimbursement
  
- **Payment:**
  - When all reviews are complete and data is provided the Special Direct Facility will issue payment to the local community (consistent with the Assignment of Coverage D form)
  
- **Other suggestions, rules of thumb, and interesting facts:**
  - The Grants-ICC process is an NFIP function/process, not a mitigation grant process
  - Properties should be submitted one at a time on an individual property basis
  - Only qualifying final invoices will be paid with Grants-ICC funds
  - Grants-ICC is paid to the community