

Hazard Mitigation Grant Program Policy for Using Greenspace Grant as Matching Funds

The Hazard Mitigation Grant Program (HMGP) is a program of the Federal Emergency Management Agency that helps to remove frequently flooded improvements from the floodplain, thus ending the repeated federal payment of flood hazard insurance. Federal funds, subject to a non-federal match of 25%, help acquire the structure and land. Following acquisition, 100% federal funds are used to remove the structure and restore the site. The land remains in local governmental ownership, subject to a permanent conservation easement that prohibits improvements except for recreational facilities such as trails and restrooms.

Several counties have asked if state greenspace grant funds can be used to match HMGP funds. Removing repeatedly flooded improvements and permanently protecting the land make good fiscal sense, and these actions advance the statutory goal of flood protection. However, the greenspace statute defines the term “greenspace” as permanently protected land and water “that is in its undeveloped, natural state or that has been developed only to the extent consistent with, or is restored to be consistent with” one of nine stated goals. Repeatedly flooded improvements on property slated for HMGP restoration are inconsistent with the goal for flood protection. Such property—at least within the footprint of the improvements—requires restoration before greenspace funds may be used to acquire it.

State greenspace funds are in short supply, relative to the need for greenspace protection. At OCGA §36-22-7(6), the statute requires the county to identify sources of funding other than state funds. The Department has issued this guidance to help local governments use state funds to leverage HGMP funds and thus to help acquire property that includes non-complying improvements.

To use greenspace funds as the non-federal match for HMGP funds, the local government must have the proposed acquisition appraised both with and without the presence of such improvements. State greenspace funds may be applied to the purchase price, not to exceed the fair-market value of the property less the non-complying improvements. If the appraised value of the land including such improvements were \$100,000, but without improvements were \$60,000, the local government could spend up to \$60,000 of its state greenspace funds toward the purchase. If, however, the repeatedly flooded improvements are an economic liability rather than an asset, the property may appraise at a higher value without the improvements than with them. In this case, the acquisition must include at least some HGMP funds.

In summary, a county that wishes to acquire property that includes non-complying improvements may certainly use state greenspace grant funds to do so, but non-greenspace funds must be used to acquire and remove those improvements.