

H2O PA FLOOD CONTROL

Program Guidelines | September 2019



Table of Contents

- Section I Statement of Purpose**1
- Section II Eligibility**1
 - A. Eligible Applicants1
 - B. Eligible Projects1
 - C. Eligible Uses of Funds1
- Section III Program Requirements**2
 - A. Applicant Cost Share Requirements2
 - B. Planning and Permit Requirements2
 - C. Other Requirements2
 - D. Fees3
- Section IV Grants**3
- Section V Application Procedures**4
- Section VI Application Evaluation**4
- Section VII Procedures for Accessing Funds**5
- Section VIII Program Inquiries**5

- Appendix I Supplemental Information**6
- Appendix II Authorized Resolution**8

Section I – Statement of Purpose

The H2O PA Flood Control Program was established under the Act of July 9, 2008 (P.L.908, No. 63) (32 P.S. §694.101, et. seq.), known as the H2O PA Act, and authorizes the Commonwealth Financial Authority to provide single-year or multi-year grants to the commonwealth, independent agencies, municipalities, or municipal authorities for flood control projects.

Section II – Eligibility

A. Eligible Applicants

Any of the following entities may apply for a grant for the purpose of Flood Control Projects:

1. **The Commonwealth** – The Commonwealth of Pennsylvania.
2. **An Independent Agency** – A board, commission, or other agency or officer of the commonwealth which is not subject to the policy, supervision, and control of the Governor. The term does not include a state-affiliated entity, any court or other officer or agency of the Unified Judicial System, the General Assembly and its officers and agencies, a state-related institution, a political subdivision, or a local, regional, or metropolitan transportation authority.
3. **A Municipality** – Includes any city, township, borough, town, county, or home rule.
4. **A Municipal Authority** – Includes an authority created by a municipality pursuant to the Act known as the "Municipal Authorities Act."

B. Eligible Projects

Eligible H2O PA projects are those which involve the construction, improvement, repair, or rehabilitation of all or part of a flood control system. Types of flood control projects may include channel improvements, compacted earth levees, concrete channels, concrete floodwalls, detention dams, non-structural measures, or any combination of these project types. Major repairs or rehabilitation of an existing flood protection project would also be eligible.

C. Eligible Use of Funds

H2O PA funds may be used by the applicant to pay for any of the following project costs:

1. Construction, improvement, expansion, repair, or rehabilitation of all or part of a flood control system.
2. Installation of security measures.
3. Design and engineering costs. Maximum 10% of grant award.
4. Inspection costs.
5. Permit Fees.

6. Costs to secure appropriate bonds and insurance.
7. Project contingencies associated with the construction project are limited to 5% of the actual construction costs. No other contingencies shall be included as eligible project costs.
8. Administrative costs of the applicant that are necessary to administer the H2O PA grant. Administrative costs will include advertising, legal, and audit costs as well as documented staff expenses. Administrative costs shall not exceed 2% of the H2O PA grant and any amount over 2% cannot be included as match for this program.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, lobbying, fines, application preparation fees, and costs incurred prior to the approval of H2O PA grant funds.

Section III – Program Requirements

A. Applicant Cost Share Requirements

An eligible applicant shall provide easements and rights-of-way, relocation of buildings and utilities, alterations or rebuilding of inadequate bridges, and operation and maintenance of the completed project.

B. Planning and Permit Requirements

All recipients of H2O PA funding are required to demonstrate in the application that the project has secured planning and permit approvals for the project from the federal, state, and local governments and that the project generally is in compliance with county or local comprehensive plans as evidenced by a letter from the appropriate local planning agency.

C. Other Requirements

1. Conflicts of Interest

An officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on any action of the applicant concerning the project nor participate in the deliberations of the applicant concerning the project.

2. Nondiscrimination

No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

3. Project Records

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The Authority requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. Pennsylvania Prevailing Wage Act

All of the construction work associated with the project may be subject to the Pennsylvania Prevailing Wage Act, as determined by the Pennsylvania Department of Labor and Industry.

5. Proof of Notification

The applicant must provide proof that the county and host municipality or municipalities have been notified about the intended project.

6. Certification of Expenses

The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the Authority. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditures of the H2O PA Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

7. Bidding Requirements

Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement.

8. Guideline Provisions

The H2O PA guidelines provisions may be modified or waived by the Authority unless otherwise required by law.

D. Fees

The Commonwealth Financing Authority charges a \$100 non-refundable application fee for H2O PA Program applications. The application fee must be paid electronically by credit or debit card or electronic check through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

Section IV – Grants

1. Grants shall be awarded to eligible applicants for projects with a total cost of \$500,000 or more.
2. Grants shall not exceed a total of \$20,000,000 for any project.
3. No money shall be authorized or distributed for any project within a city or county of the first or second class, other than those projects described in the Pennsylvania Gaming Economic Development and Tourism fund, until such time as an amount equal to \$750,000,000 has been authorized and distributed from the H2O PA Program for projects outside of a city or county of the first or second class.

4. Commencement of work prior to receiving Authority approval will result in the project being ineligible for funding consideration.
5. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section V – Application Procedures

To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at www.esa.dced.state.pa.us. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405. Once submitted, please print two (2) copies of the application, including the required supplemental information, and mail to:

PA Department of Community and Economic Development
Site Development Office
H2O PA – Flood Control Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Please reference the application ID number on any documents sent with the signature page.

Section VI – Application Evaluation

All applications for financial assistance will be reviewed by the Authority in conjunction with the Department of Community and Economic Development and the Department of Environmental Protection to determine eligibility of the proposed project as well as the competitiveness of the proposal. Applications are evaluated on a competitive basis using the following criteria:

1. The number of municipalities that will potentially benefit from the project.
2. The history of flooding in the area to be served by the flood control project.
3. The number of homes, businesses, and/or industrial sites that will benefit from a project.
4. The cost-effectiveness of the flood control project.

Eligible H2O PA projects must show that a severe flood problem exists within a municipality and the cost of providing flood protection can be economically justified when compared to the benefits a project provides in reduced flood damages.

5. Whether the project will improve the ability of the eligible applicant to come into compliance with Federal and State statutes, regulations, or other standards.
6. Whether the eligible applicant has secured any required planning and permit approvals for the project from the Department of Environmental Protection.
7. Whether the project is consistent with any applicable county or local comprehensive plans.
8. Project readiness showing engineering analysis and the necessary documentation to take the project into construction.
9. The ability of the applicant to finance the project.

Section VII – Procedures for Accessing Funds

Upon approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.

Section VIII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Site Development Office
H2O PA – Flood Control Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245
Fax (717) 772-3581
E-mail: ra-dcedsitedvpt@pa.gov

These guidelines can also be accessed online at dced.pa.gov

Appendix I – Supplemental Information

H2O PA

In addition to completing the Department of Community and Economic Development Single Application for Assistance, please include the following items when applying for a grant under H2O PA:

Exhibit 1: Project Description

Provide an engineering feasibility study conducted by a registered professional engineer that includes the following information: (a) a detailed description of the problem area along with a flood inundation map outlining the extent of the flood area; (b) the number and name of the municipalities that will potentially benefit from the project; (c) a detailed breakdown of the number of structures (homes, businesses, and industrial sites) that have experienced flood damage to include the number of times the structures have been flooded, the type and depth of flooding (basement or first floor), and the amount of damage sustained per flood event; (d) a detailed hydrologic analysis listing the recommended flood discharges for a series of annual events such as the 2-year, 5-year, 10-year, 25-year, 50-year, 100-year, 500-year, and a discussion on which hydrologic methods were considered and why the recommended discharges were selected; (e) an updated cross-sectional survey of the waterway and floodplain; (f) a simulated computer model using the U.S. Army Corps of Engineer’s Hydrologic Engineering Center’s River Analysis System (HECRAS) verifying the flood inundation limits for a 100-year flood discharge; (g) information on the cost effectiveness, annual maintenance (ease of and cost), and constructability of the project; and (h) an annotated sketch that shows how the project will impact (change) the flood plain limits shown on the current FEMA Flood Insurance Mapping.

Exhibit 2: Cost Estimate

A detailed estimate for the total project cost. The estimate must be prepared, signed, and dated by an engineer or other qualified professional and should be accompanied where appropriate by copies of the signed bid/quotations, contractor estimates, sales agreements or other documentation that verify project cost estimates

Exhibit 3: Construction Drawings

A set of construction drawings showing project details including but not limited to plans, profiles, payment section, structural details, erosion and sedimentation control plan, miscellaneous details, and traffic control plan.

Exhibit 4: Technical Specifications

A complete set of technical specifications addressing each construction item. These specifications, if applicable, should adhere to guidelines specified in the following: PennDOT 408 manual and ACI, ASTM, and AASHTO specifications.

Exhibit 5: Land Acquisition

Copies of land acquisition drawings showing property boundaries and the various property easements (both temporary and permanent) required to construct the project. Include the individual signed easements for each property.

Exhibit 6: Permits

Proof of all state, federal, and local planning and permit approvals.

Exhibit 7: Matching Funds Commitment

Provide funding commitment letters from all other project funding sources (including equity commitments).

- Funding commitments or term sheets provided by lending institutions must include the term, rate, and collateral conditions, and must be signed and dated.
- Funding commitments of equity from the applicant or private third party must be signed and dated (indicating the amount of funds being committed) and be accompanied by documentation (such as audited financial statements) showing the ability to commit such funds.

Exhibit 8: Planning Letter

A letter from the appropriate planning agency certifying that the proposed project complies with the comprehensive land use plans.

Exhibit 9: Resolution

For public sector applicants, provide a resolution duly adopted by the applicant's governing board formally requesting the grant, designating an official to execute all documents, describing briefly the project scope, and identifying the grant amount (see Appendix II for a Sample Resolution).

Exhibit 10: Notifications

For all applicants, provide copies of notifications provided to county and municipal governing bodies advising them of the proposed project.

Send 2 copies of completed application with all supplemental information and attachments to:

PA Department of Community and Economic Development
Site Development Office
H2O PA – Flood Control Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

If you have any questions on completing the application, please call the Center for Business Financing at (717) 787-7120.

Appendix II – Authorized Official Resolution

Be it RESOLVED, that the _____ (Name of Applicant) of _____ (Name of County) hereby request an H2O PA grant of \$ _____ from the Commonwealth Financing Authority to be used for _____.

Be it FURTHER RESOLVED, that the Applicant does hereby designate _____ (Name and Title) and _____ (Name and Title) as the official(s) to execute all documents and agreements between the _____ (Name of Applicant) and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, _____, duly qualified Secretary of the _____ (Name of Applicant), _____ (Name of County) _____, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the _____ (Governing Body) at a regular meeting held _____ (Date) and said Resolution has been recorded in the Minutes of the _____ (Applicant) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the _____ (Applicant), this _____ day of _____, 20____.

Name of Applicant

County

Secretary