

Coastal Storm Damage Mitigation Fund Guidelines

FY 2024-2025

Administered by: N.C. Department of Environmental Quality (DEQ) Division of Water Resources (DWR), 1617 Mail Service Center, Raleigh, N.C., 27699-1611. Contact Kevin Hart at Kevin.Hart@deq.nc.gov or (919) 707-3607.

Who is Eligible: Units of local government

Application Deadlines: Complete applications must be sent via email to Kevin.Hart@deq.nc.gov on or before 5:00PM on Jan. 24, 2025. Applications are not considered accepted until applicants receive confirmation of receipt.

Funding Source/Documents: [G.S. 143-215.73M](#); [S.L. 2023-134](#); [15A NCAC 01T.0300](#)

Eligible Purposes and Cost-Share Percentages: Session Law [S.L. 2023-134](#) allocated \$10,000,000 to DWR's Coastal Storm Damage Mitigation Fund to be used to provide grants to units of local government during the 2024-2025 fiscal year. Per [G.S. 143-215.73M](#), any project funded by revenue from the Fund must be cost-shared with non-State dollars on a basis of at least one non-State dollar for every one dollar from the fund. Per [G.S. 143-215.73M](#) the Fund may only be used for costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.

Ineligible Costs: The following costs will not be paid with State Coastal Storm Damage Mitigation funds nor used to provide the local share:

- Indirect or overhead costs of the municipality, such as rent, telephone service, and general administrative support.
- Salaries and other expenses of elected officials, whether incurred for purposes of project direction, execution, or legislation.
- Costs incurred for fines, penalties, legal fees, or litigation costs (including but not limited to litigation of a permit, penalty, enforcement action, or contract dispute).
- Any activities related to a terminal groin and its accompanying beach fill project permitted pursuant to G.S. 113A-115.1 ([S.L. 2011-387](#)).
- Projects currently in a legal or permit appeal process are ineligible for funds from the Coastal Storm Damage Mitigation Fund.

Additional Requirements:

Applicants may submit applications for more than one project but must submit a separate (and complete) application for each project.

Application Submittal:

[Application Spreadsheet \(MS Excel\)](#) - Applications must be completed and returned via email to Kevin Hart at Kevin.Hart@deq.nc.gov.

Conflict of Interest Policy – Project Sponsors must provide the local government's conflict of

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interest policy. An example of a Conflict of Interest policy can be found on the [WRDGP website](#). This policy shall be on the Project Sponsor's letterhead. ([G.S. 143C-6-23](#))

All Conflict of Interest Policies must:

- 1) apply to management employees and members of its board of directors or other governing body.
- 2) apply to any grants involving State funds.
- 3) address situations in which individuals in #1 may directly or indirectly benefit from the disbursement of State funds (excluding any benefit they receive by virtue of their position as a disbursing officer of the grant).
- 4) include actions to be taken by the grantee or individual to avoid conflicts of interest and the appearance of impropriety.
- 5) be filed with the State prior to grant fund disbursement.

No Conflict of Interest Certification – DWR may require an applicant to provide certification that it complies with the requirements and prohibitions set forth in G.S. § 14-234, has and complies with its own duly executed conflict of interest policy, and has conducted a reasonable inquiry and concluded that it does not have any actual or apparent conflict of interest with respect to the project for which it has applied. ([G.S. 143C-6-23](#))

Project Maps –The applicant must submit a map or maps showing, at minimum, the following information relevant to the proposed project includes sand placement, or other activities landward of Mean High Water:

1. project site plan and borrow area locations;
2. upland ownership of property, indicating federal, State, local, or private ownership;
3. approximate location of Mean High Water; and the first line of stable and natural vegetation (FLSNV), the Static Vegetation Line (if applicable), or Development Line (if applicable) and the long-term oceanfront erosion rates as determined by the NC Division of Coastal Management.

If the project is a sand source study the map or maps should show general locations of potential sand source and potential nourishment. The maps should indicate upland ownership of the property indicating federal, State, local or private ownership.

Engineering Studies and Post-Project Monitoring

The applicant must submit engineering studies that have been completed for the project and plans for standardized pre- and post-project monitoring.

Beach Nourishment Permit Application or Copy of Approved Permit

The applicant must include in its application all permit applications and issued permits that relate to the project. The applicant has an ongoing obligation to provide DWR copies of permit applications and issued permits as promptly as possible.

No overdue Tax Debts

The Project Sponsor must provide a certification of no overdue tax debts. The certification must be

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certified by the board chair and a second authorizing official. A copy of the form may be found on the [WRDGP website](#)

Additional Information

DWR may request and the applicant may submit additional information, including, but not limited to, letters of support, discussion of relevant nearby projects, studies, inventories, analysis, or planning documents related to the proposed project. Relevant information will be considered as part of the funding review process.

Note: It is the applicant's responsibility to ensure the application submitted to DWR is accurate and complete. Erroneous or incomplete information in an application may prevent a project from being recommended for grant funding and may delay processing of contracts and funds for approved projects.

Funding Selection Criteria

All applications will be evaluated to determine if the proposed beach nourishment activity meets the minimum requirements and then ranked on a relative basis according to the six funding selection criteria listed below. Each element of the funding selection criteria is rated using the following numerical evaluation to assess the degree that the application meets the criteria:

High - 5 points

Medium - 3 points

Low - 1 point

Does not meet criteria (a resource or factor is present, but the proposal has been evaluated as having no value or not having the intended benefit) - 0 points

The funding selection criteria are as follows:

1. Environmental Benefits/ Mitigation Measures

- Improves the ecological function of the beach and dune system.
- Restores degraded dune habitat.
- Restores habitat used by threatened or endangered species.
- Project is designed to avoid significant adverse impacts to threatened and endangered species and fish, shellfish & wildlife resources.

2. Social Benefits

- Protects existing or historic public recreation areas.
- Improves public accessibility to the beach.
- Provides or enhances full and complete public access.

3. Economic Benefits

- Protects public property or infrastructure, or historic or culturally significant structures.
- Protects economically important land uses.
- Reduces potential storm damage to private property.

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4. Expected Useful Life of Project

- Anticipated life expectancy of project benefits.
- Time to complete project and time required for stabilization of beach in years.
- Longevity of previous nourishment projects.
- Project has a long-term nourishment plan in place.

5. Financial Resources

- Availability of funds to complete the project.

6. Project Efficiency

- Incorporates project efficiencies through regional planning at the County level or through the involvement and cooperation of two or more local governments.
- Incorporates the beneficial use of clean, beach quality dredged material from the navigation channels within the nearshore, beach or inlet shoal system.
- Readiness to proceed based on the project phase, status of the permit, local funding source, construction easements, and construction schedule.

Post Grant Funding Award

After DWR issues the applicant an award notice, the applicant must enter into a grant contract with DEQ for DEQ to begin distributing grant funds. Any changes to the scope of the project or project budget after submission of a grant application will require the written approval of the DWR Grant Administrator and will likely require a DEQ contract amendment. In seeking DWR approval, the grantee must submit, at a minimum, a justification for any proposed changes, revised scope of work narrative, and a revised budget. Unapproved changes to the project scope or budget shall not be eligible for and may result in additional reductions to funding.

In order to execute a contract, the applicant will need to submit an updated application and resolution with the awarded amount if different than the amount requested, and a request for appropriations form.

The official resolution shall state the amount of state aid requested and accept the applicant's responsibilities. The resolution shall be signed by a representative of the project sponsor with signatory authority. The resolution shall include the following commitments:

1. Assuming full obligation for payment of the balance of project costs.
2. Obtaining all necessary state and federal environmental permits.
3. Complying with all applicable laws governing the award of contracts and the expenditure of public funds by local governments.
4. Supervising construction of the project to assure compliance with permit conditions and to assure safe and proper construction in accordance with approved plans and specifications.
5. Obtaining appropriate easements, rights-of-way or suitable spoil disposal areas that may be necessary for the construction and operation of the project without cost or obligation to the State.

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6. Assuring that the project is open for use by the public on an equal basis with limited restrictions (if on public property).
7. Holding the State harmless for any damages that may result from the construction, operation, and maintenance of the project.
8. Accepting responsibility for operation and long-term maintenance of the completed project.

A DEQ grant contract is considered 'fully-executed' once it has been signed by both a signatory authority of the grantee and DEQ Financial Services. A copy of the fully-executed contract will be provided to the grantee after being signed by DEQ.

Local governments shall use or expend the State funds only for the purposes for which they were appropriated by the General Assembly. Unexpended State funds shall be returned to the State in accordance with law.

State funds may not be used to reimburse a grantee for a project that has been or will be fully reimbursed with federal funds. If a project receives State funds and subsequently receives federal funds, the Grantee must return any State funds that have become federally reimbursable to the Office of State Budget and Management within 90 calendar days of the municipality receiving federal reimbursement.

Project Sponsor Obligation – Environmental Permitting

The applicant/grantee is responsible for complying with applicable federal and State laws, including obtaining and complying with all applicable permits.

Contract Duration & Extension Requests

Grant contracts for funds appropriated under Session Law [Session Law 2023-134](#) will have a term of two years. Grantees may request a one-year extension. A request for an extension must be submitted in writing on official letterhead and include the following information:

1. Justification for the extension request
2. Summary of the current project status
3. Anticipated project schedule moving forward

A request for an extension must be submitted 45 days prior to the contract expiration date and must be submitted via email to Kevin Hart at Kevin.Hart@deq.nc.gov. Extension requests that are approved by DWR require a grant contract modification.

Payments

Payments will be made on a quarterly basis. To receive payment, a letter that includes the contract number and requested payment must be submitted to Kevin Hart at Kevin.Hart@deq.nc.gov.

Project Close-Out

The grantee shall notify the DWR Grant Administrator upon project completion and provide DWR

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with the most recent set of permits, as-built/record, post-surveys in Adobe PDF format prior to the project close-out.

The DWR Grant Administrator may schedule a close-out inspection of the completed project with a representative of the grantee. This inspection will verify that the project was implemented in accordance with the information provided in the grant application, along with the approved plans and specifications.