

Safeguarding Tomorrow Revolving Loan Fund Program

Overview for Interested Entities

2024



FEMA

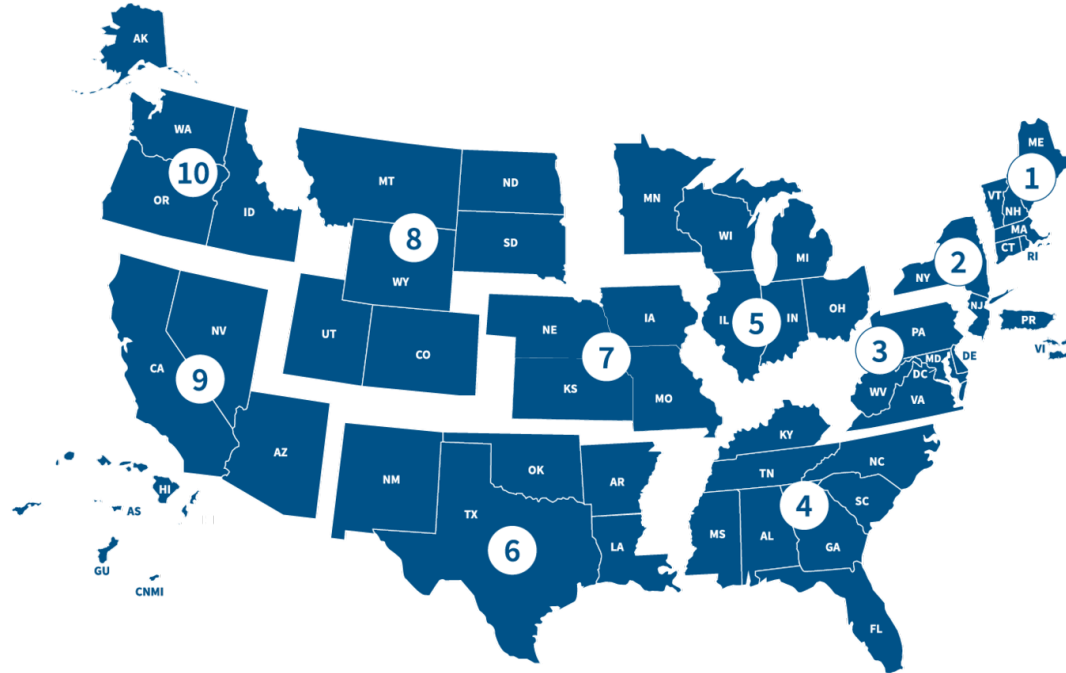
Agenda

- Program Basics
- Considerations for Establishing a Revolving Loan Fund
- Technical Assistance



Program Basics

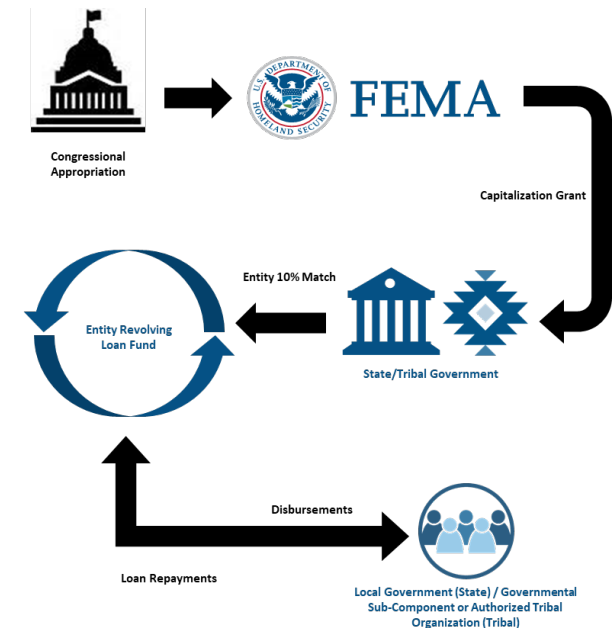
Eligible Entities



- All 50 States
- The District of Columbia, Puerto Rico, the US Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands
- Federally recognized Tribal governments that have received a direct major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act

Safeguarding Tomorrow RLF Program Overview

- FEMA provides funding via a capitalization grant
 - The participating entity contributes 10% of the capitalization grant into an established entity loan fund
- The entity loan fund provides assistance to local governments to expedite eligible mitigation activities in their communities with greater flexibility and autonomy
- The lender entity is responsible for monitoring project progress and loan repayment from local communities
 - As local governments repay loans, these funds can be utilized for new loans
- FEMA will monitor the use of funding through reporting mechanisms and audits



Capitalization Grant versus Entity Loan Fund

	Capitalization Grant	Entity Loan Fund Grant
Funding Recipients	Entities	Local governments
Administration	Administered by FEMA according to federal statutory requirements and best practices	Administered by the eligible entity according to the grant agreement and its FEMA-approved Intended Use Plan
Agreement(s)	Grant agreement between FEMA and an eligible entity	Loan agreements between the entity and loan recipient (local governments) with a maximum interest rate of 1%
Repayment	The entity will not repay FEMA for grant funds received, but must comply with federal oversight of grant management requirements	Loan recipient must pay back the funds in accordance with the eligible entity's requirements

Allowable Uses and Funding Limitations

Allowable Uses

Activities that mitigate the impact of natural hazards

Non-federal cost-share requirements for other Hazard Mitigation Assistance programs

Zoning and land use planning

Mitigation planning

Building code adoption and enforcement

Technical assistance to loan recipients

Funding Limitations

- Loans cannot be equal to or more than \$5 million
- No more than 10% of a capitalization grant can be used for loans for zoning and land use planning changes
- No more than 10% of a capitalization grant can be used for loans for mitigation planning
- Technical assistance to loan recipients is limited by the administrative costs limits, and cannot exceed 5% of a capitalization grant



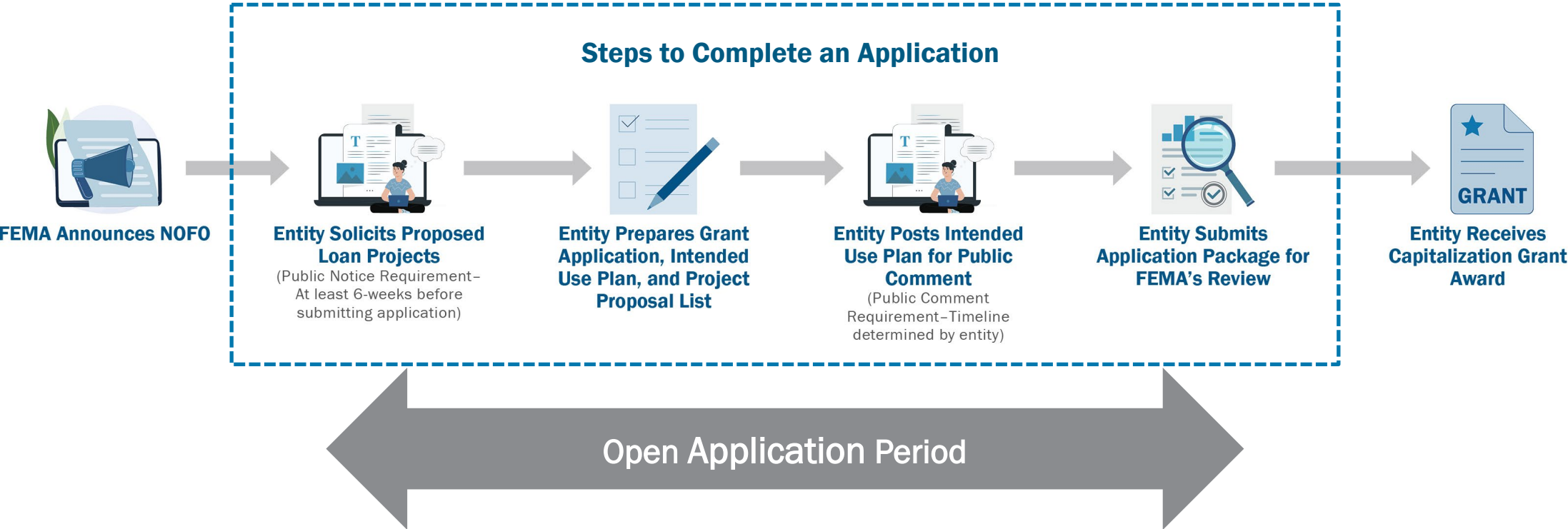
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Capitalization Grant Application Requirements Checklist

- To be eligible for a grant award, an eligible entity must fulfill the following statutory requirements:
 - Have a FEMA-approved State or Tribal **Hazard Mitigation Plan**
 - **Issue a public notice of no less than (6) weeks** in length inviting hazard mitigation project proposals from local governments that result in a Project Proposal List
 - Develop a complete capitalization **grant application package**, including a **Project Proposal List** documenting projects that the entity is interested in funding with loans
 - Post the entity-developed Intended Use Plan for **public comment** prior to submitting the application
 - **Establish a Revolving Loan Fund** from which the entity's emergency management agency has authority to manage the Safeguarding Tomorrow RLF program
 - Determine how the **entity cost match (10% contribution)** will be met



Preparing for the Capitalization Grant Application Timeline



Considerations for Establishing a Revolving Loan Fund

Entity Loan Funds – Statutory Requirements

Programmatic Administration

- **Must** be administered by the agency responsible for emergency management, who **must** keep control of:
 - Applying for a capitalization grant
 - Establishing entity program priorities
 - Carrying out oversight activities

Financial Administration

- **May** be combined with the financial administration of any other revolving fund established by the entity, **if**:
 - Documentation demonstrating partnership with the entity's emergency management agency is provided
 - The partnering loan fund is also under the authority of the entity
 - Amounts tied to the program are accounted for separately from other amounts in the entity loan fund

Determining Entity Loan Fund Structure

FEMA

Establish program criteria based on statutory requirements

Review entity application materials for completeness and compliance

Entity

Establish the entity's emergency management agency's programmatic authority

Determine if financial administration will be delegated to another agency

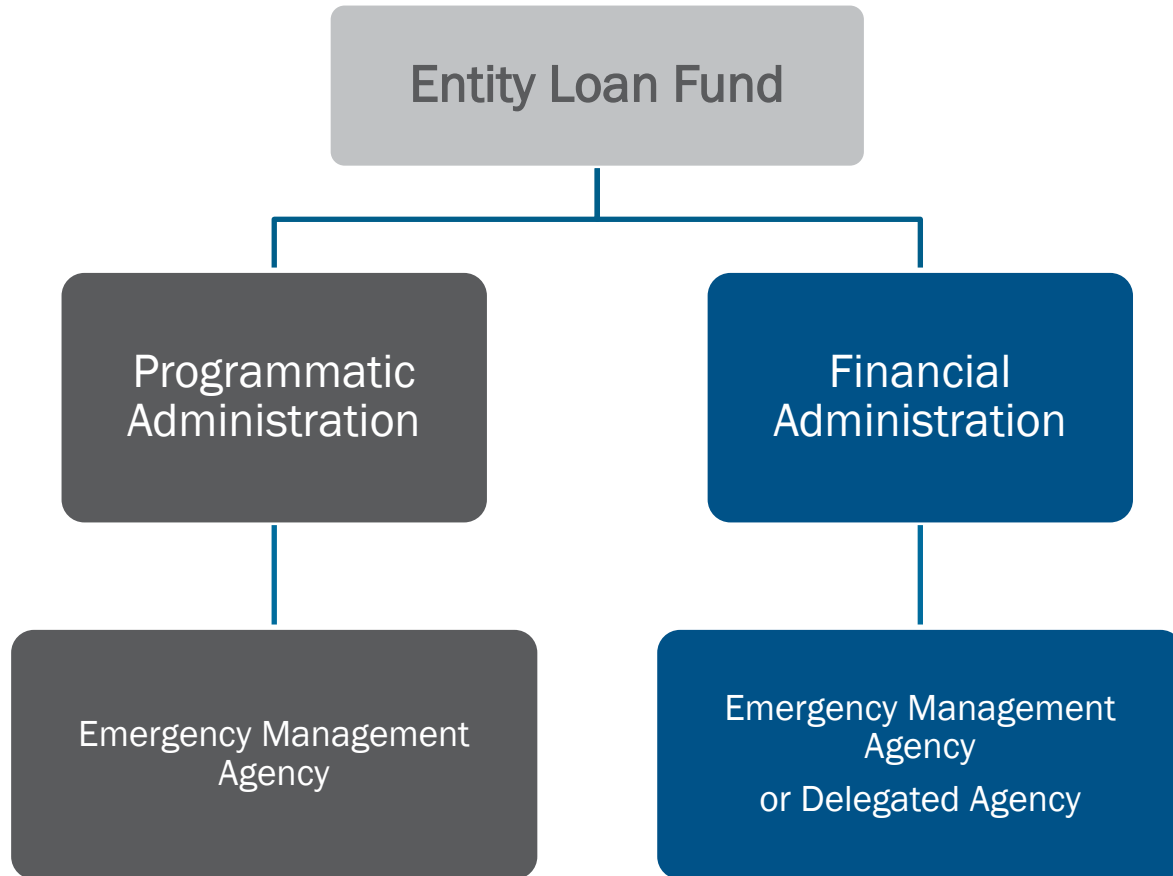
Local Government

Review entity's Intended Use Plan during public comment period

Coordinate with entity offices responsible for programmatic and financial administration



Entity Loan Funds – Structure Scenarios



- Eligible Scenarios

- Emergency Management Agency fully administers entity loan fund
- Emergency Management Agency manages programmatic administration, but delegates financial administration

- Ineligible Scenarios

- Emergency Management Agency fully delegates programmatic and financial administration
- Emergency Management Agency delegates to a financial institution not under the authority of the entity

Technical Assistance

Technical Assistance

<https://www.fema.gov/grants/mitigation/storm-rlf>

FEMA-STORMRLF@fema.dhs.gov



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