



## Safeguarding Tomorrow Revolving Loan Fund *Frequently Asked Questions*

### **What is the Safeguarding Tomorrow Revolving Loan Fund?**

The Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act became law on Jan. 1, 2021. This Act authorizes the Federal Emergency Management Agency (FEMA) to provide capitalization grants for eligible entities to make funding decisions and award loans directly to local communities. Eligible entities are states, eligible federally recognized tribes, territories, and the District of Columbia. These revolving loan funds provide hazard mitigation assistance for local governments to reduce risks from natural hazards and disasters.

### **What has Florida Done So Far?**

The State of Florida and the Division of Emergency Management (Division) intend to apply for a capitalization grant from FEMA to establish a revolving loan fund that will fund hazard mitigation projects.

- The Governor's Recommended Budget included the following to establish a revolving loan program: proposed legislation, authority for funds, funds for match and authority to use it, and funding for staff.
- Begin application process including gathering information to develop the project proposal list and Intended Use Plan.
- Coordinated with other revolving loan programs, states, and FEMA to learn best practices.

### **What is the Difference Between this and other FEMA Mitigation Programs?**

The Safeguarding Tomorrow RLF will allow expanded project eligibility. FEMA will not limit or restrict project types beyond the limitations in statute. Additionally, projects funded under the RLF will not require a benefit-cost analysis (unless loan funds are being used as match for a FEMA Hazard Mitigation Assistance (HMA) program). However, an Environmental and Historic Preservation review will still be required. Another difference is that this program allows states to make funding decisions and award loans directly.

### **Who is Eligible to Apply?**

Eligible entities under this program include states, eligible federally recognized tribes, territories, and the District of Columbia. These eligible entities may apply to FEMA to receive a capitalization grant to establish a revolving loan fund program.

Those eligible to apply to the state for a loan under this program include local governments. Local governments must have adopted their respective county Local Mitigation Strategy plan. Individuals are not eligible to apply.

### **What can Loan Funds be Used for?**

Allowable uses of funds include Mitigation Activities, Non-Federal Cost-Share, Local Government Technical Assistance, and Entity Administrative Costs. These allowable uses are defined in the Notice of Funding Opportunity and included below.



# STORM RLF – FAQ

## Mitigation Activities:

- Costs associated with projects or activities that mitigate the impacts of natural hazards including:
  - Drought and prolonged episodes of intense heat;
  - Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms;
  - Wildfires;
  - Earthquakes;
  - Flooding;
  - Shoreline erosion;
  - High water levels; and
  - Storm surges.
- Building code adoption and enforcement of the latest published editions of the relevant building codes, specifications, and standards for the purpose of protecting the health, safety, and general welfare of the building's users against disasters and natural hazards.
- Local government implementation of zoning and land use planning changes focused on:
  - The development and improvement of zoning and land use codes that incentivize and encourage low-impact development, resilient wildland-urban interface land management, conservation areas adjacent to floodplains, implementation of watershed or greenway master plans, and reconnection of floodplains;
  - The study and creation of agricultural risk compensation districts where there is a desire to remove or set-back levees protecting highly development agricultural land to mitigate for flooding, allowing agricultural producers to receive compensation for assuming greater flood risk that would alleviate flood exposure to population centers and areas with critical national infrastructure;
  - The study and creation of land use incentives that reward developers for greater reliance on low impact development stormwater best management practices, exchange density increases for increased open space and improvement of neighborhood catch basins to mitigate urban flooding, reward developers for including and augmenting natural infrastructure adjacent to and around building projects without reliance on increased sprawl, and reward developers for addressing wildfire ignition; and
  - The study and creation of an erosion response plan that accommodates river, lake, forest, plains, and ocean shoreline retreating or bluff stabilization due to increased flooding and disaster impacts.

## Non-Federal Cost-Share:

Loan funds may also be used by local governments to satisfy non-federal cost-share requirements for other FEMA Hazard Mitigation Assistance (HMA) grant programs, such as the Hazard Mitigation Grant Program, Hazard Mitigation Grant Program Post Fire, Building Resilient Infrastructure and Communities and Flood Mitigation Assistance grant programs.

To align with the timelines for these programs, entities are encouraged to list all possible cost share loans in their application materials to allow options to award loans to those projects. An entity should list any potential projects where a loan may be utilized for this purpose in the project proposal list that is submitted with its capitalization grant application.



# STORM RLF – FAQ

## Local Government Technical Assistance:

Entities may provide technical assistance to local governments applying for and receiving loans. Technical assistance provided by entities to local governments shall not exceed 5% of the capitalization grant the entity received.

## Entity Administrative Costs:

Entities may use a portion of the capitalization grant for costs associated with administering their revolving loan fund. The statute requires entity loan fund administrative costs shall not exceed the following limits,; \$100,000 per year; 2% of the capitalization grants made in that fiscal year; or 1% of the value of the entity loan fund, whichever is greatest.

## What will the Loan Terms Be?

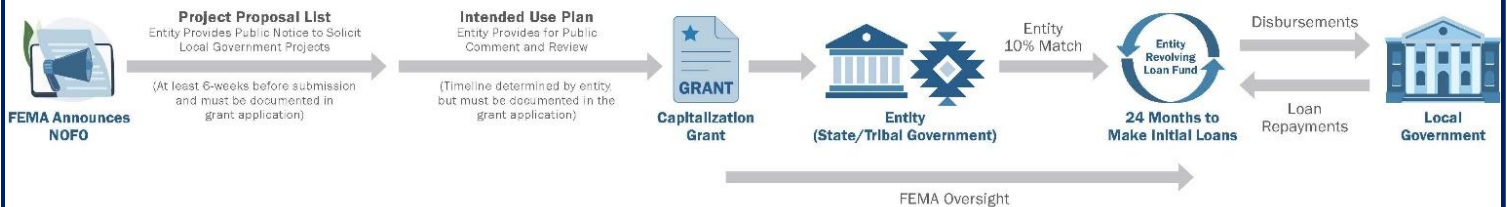
- Loans will be made at an interest rate of not more than 1 percent.
- Loan repayment will commence not later than 1 year after project completion.
- Loan repayment will be complete no later than 20 years after the date the project is completed, or 30 years after the date the project is completed for projects in a low-income geographic area as defined in 42 USC Section 5135 (m)(5).
- Loan recipient must establish a dedicated source of revenue for repayment.

## Next Steps

Communities interested in applying for a loan must complete the form [here](#).

The Division will develop a project proposal list based on feedback from this Public Notice, for use in the state application for a capitalization grant. The Division will develop an Intended Use Plan which will be made available for public comment. The Division will apply to FEMA for the capitalization grant by April 28, 2023.

### FEMA's Safeguarding Tomorrow Revolving Loan Fund Program



[www.fema.gov/sites/default/files/graphics/fema\\_storm-program-phases-process-flow.jpg](http://www.fema.gov/sites/default/files/graphics/fema_storm-program-phases-process-flow.jpg)

## Questions

Questions may be directed to the State Hazard Mitigation Officer Laura Dhuwe at [Laura.Dhuwe@em.myflorida.com](mailto:Laura.Dhuwe@em.myflorida.com).

Additional Information is available on the Division and FEMA websites:

- Division website: [www.floridadisaster.org/dem/mitigation/safeguarding-tomorrow-through-ongoing-risk-mitigation-storm-revolving-loan-fund/](http://www.floridadisaster.org/dem/mitigation/safeguarding-tomorrow-through-ongoing-risk-mitigation-storm-revolving-loan-fund/)
- Florida Project Proposal Form: [www.surveymonkey.com/r/rlfproposals](http://www.surveymonkey.com/r/rlfproposals)
- FEMA's website: [www.fema.gov/grants/mitigation/storm-rlf](http://www.fema.gov/grants/mitigation/storm-rlf)