



Safeguarding Tomorrow RLF Program – Intended

Program Support Material

*Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund
(Safeguarding Tomorrow RLF) Program – Intended Use Plan Template*

December 2022



FEMA

This page intentionally left blank

Table of Contents

| | |
|---|-----------|
| Directions for Completing the Intended Use Plan | 1 |
| I. Introduction..... | 2 |
| 1.1. Status of the Entity Safeguarding Tomorrow Revolving Loan Fund..... | 2 |
| 1.2. Updates for Fiscal Year Safeguarding Tomorrow Revolving Loan Fund | 2 |
| II. Uses of the Entity Safeguarding Tomorrow Revolving Loan Fund..... | 4 |
| 2.1. Entity Program Objectives | 4 |
| 2.2. Entity Program Goals..... | 4 |
| 2.2.1. Connection to Other Plans and Goals | 4 |
| 2.2.2. Mitigation and Resiliency Goals | 4 |
| 2.2.3. Short-Term Entity Safeguarding Tomorrow Revolving Loan Fund Goals | 5 |
| 2.2.4. Long-Term Entity Safeguarding Tomorrow Revolving Loan Fund Goals | 5 |
| 2.3. Entity Program Priorities..... | 6 |
| 2.3.1. Increase Resilience and Reduce Risk..... | 6 |
| 2.3.1.1. Hazard Mitigation..... | 6 |
| 2.3.1.2. Zoning and Land-Use Planning | 7 |
| 2.3.1.3. Building Code Adoption and Enforcement..... | 7 |
| 2.3.1.4. Administrative and Technical Assistance | 7 |
| 2.3.2. Partnerships | 8 |
| 2.3.3. Regional Impacts..... | 8 |
| 2.3.4. Major Economic Sectors and National Infrastructure..... | 8 |
| 2.4. Cost Share..... | 8 |
| III. Criteria and Method for Distribution of Funds..... | 10 |
| 3.1. Loan Management Information..... | 10 |
| 3.2. Criteria and Method for Loan Distribution | 10 |
| 3.3. Creating a Project Proposal List | 11 |
| 3.3.1. Prioritization Methodology | 11 |
| 3.3.2. Tie-Breaking Procedure..... | 11 |
| 3.3.3. Project Proposal List | 11 |

| | | |
|-------------------------|--|-----------|
| IV. | Financial Management..... | 12 |
| 4.1. | Financial Status of the Entity Safeguarding Tomorrow Revolving Loan Fund..... | 12 |
| 4.2. | Financial Terms of Loans..... | 12 |
| 4.2.1. | Standard Loans..... | 12 |
| 4.2.2. | Loans for Low-Income Geographic Areas or Underserved Communities | 12 |
| 4.3. | Loan Disbursements..... | 12 |
| V. | Entity Program Management..... | 14 |
| 5.1. | Local Capacity Development | 14 |
| 5.2. | Environment and Historic Preservation Compliance | 14 |
| VI. | Public Participation | 15 |
| 6.1. | Public Meetings and Comment Activities..... | 15 |
| VII. | Audits and Reporting | 16 |
| 7.1. | Compliance with Federal Reporting Requirements | 16 |
| 7.2. | Publication of Information | 16 |
| 7.3. | Loan Recipient Auditing and Reporting..... | 16 |
| Appendix A..... | | 17 |
| A.1. | Loan Application Process | 17 |
| A.2. | Financial Planning Methodology | 17 |
| Appendix B | | 18 |
| B.1. | Loan Distribution Methodology | 18 |
| Appendix C..... | | 19 |
| C.1. | Project Proposal List Prioritization Methodology | 19 |
| Appendix D..... | | 20 |
| D.1. | Additional Information..... | 20 |

Directions for Completing the Intended Use Plan

The Intended Use Plan provides information to potential loan recipients and other interested parties about goals for the entity loan fund, the criteria for the distribution of loans, and the process for management of the loan fund.

FEMA will review the Intended Use Plan to ensure it is developed in accordance with the requirements outlined in 42 United States Code (U.S.C.) Section 5135(g): Grants to entities for establishment of hazard mitigation revolving loan funds. Entities will be required to update their Intended Use Plan on an annual basis to ensure continued compliance with statutory requirements.

Each section contains prompts to help the entity with submitting all required information for the required Intended Use Plan. Each answer should contain, when applicable, contextual information, description and rationale, and relevant supporting information. The information in italics is there as a guide to help construct your answers. All italicized content in the Intended Use Plan Template should be deleted prior to submitting the plan to FEMA.

As entities prepare their Intended Use Plans and develop the project proposal lists, they should use evidence-based, best-available climate data sets, information resources, and decision-support tools, including Federal resources, to identify current and future climate risks over the expected service life of the respective projects included in their project proposal lists.. Climate projections, emission scenarios, or other suitable scenario conditions should be specified based on the project’s service life and an entity’s risk tolerance, as appropriate and available. Entities should document how their planned project design and operations are resilient to any identified current and future climate risks.

Useful resources may include: [Climate.gov \(https://www.climate.gov/\)](https://www.climate.gov/), NOAA’s [Sea Level Rise Viewer \(https://coast.noaa.gov/slr/#/layer/slr\)](https://coast.noaa.gov/slr/#/layer/slr), U.S. [Climate Resilience Toolkit \(https://toolkit.climate.gov/#climate-explorer\)](https://toolkit.climate.gov/#climate-explorer), [National Risk Index for Natural Hazards \(https://www.fema.gov/flood-maps/products-tools/national-risk-index\)](https://www.fema.gov/flood-maps/products-tools/national-risk-index) for information on place-based vulnerabilities and current and historical natural hazard exposure, [Drought.gov \(https://www.drought.gov/\)](https://www.drought.gov/), [HEAT.gov \(https://heat.gov/\)](https://heat.gov/), [Wildfire Risk to Communities, National Climate Assessment \(https://nca2018.globalchange.gov/\)](https://nca2018.globalchange.gov/), and [Climate Mapping for Resilience and Adaptation \(CMRA\) \(https://resilience.climate.gov/\)](https://resilience.climate.gov/).

I. Introduction

1.1. Status of the (Entity Name) Safeguarding Tomorrow Revolving Loan Fund

Provide information about the following items:

- *Summary of Intended Use Plan Purpose, including the fiscal year it covers*
- *Entity agency responsible for emergency management and oversight of programmatically administering the fund*
- *Body in charge of financially administering the fund (if financial administration is combined as described below)*
- *Any other entity, agency, or other party involved in administering the fund*

If the entity intends to combine the financial administration of the entity loan fund with the financial administration of another revolving loan fund established by the entity and not associated with the Safeguarding Tomorrow RLF Program, provide the following:

- *Describe how the capitalization grant, entity share, repayment of loans, and interest earned on amounts in the entity loan funds will be separately accounted for.*
- *Describe how the agency responsible for emergency management would remain in control of establishing assistance priorities and carrying out oversight activities.*
- *Provide the name of the other revolving loan fund(s) with which financial administration would be combined.*

1.2. Updates for Fiscal Year (YEAR) Safeguarding Tomorrow Revolving Loan Fund

NOTE: If this is the first Intended Use Plan prepared by the entity, this section is not necessary.

Provide information that addresses the following prompts:

- *Provide a summary of updates about the fund management that the entity has established.*
 - *Provide any information about capacity development initiatives adopted by the entity.*
 - *Provide updates about the use(s) of funds since the last capitalization grant.*
-

- *Determine if there have been any updates to the interest rate of the loans. If so, provide rationale for the interest rate change.*

II. Uses of the Entity Safeguarding Tomorrow Revolving Loan Fund

The following sections allow entities the space to describe how the use of funds will align with the Safeguarding Tomorrow RLF eligible activities. Entities should complete information in the following subsections, where relevant to their use of funds within their entity loan fund.

2.1. Entity Program Objectives

Describe the objectives of the entity loan fund.

- *How will the entity loan fund provide loans to local governments most in need of financing assistance?*
- *How will the entity loan fund support hazard mitigation projects and activities to reduce risks from natural hazards for homeowners, businesses, nonprofit organizations, and communities by decreasing the loss of life and property, the cost of insurance, and federal disaster payments?*

2.2. Entity Program Goals

2.2.1. Connection to Other Plans and Goals

Describe the integration of entity planning efforts, including entity hazard mitigation plans and other programs and initiatives relating to mitigation of major disasters carried out by such entity per 42 United States Code Section 5135(g)(2)(A).

2.2.2. Mitigation and Resiliency Goals

Provide information about the mitigation and resiliency benefits the entity intends to achieve per 42 United States Code Section 5135(g)(2)(B), such as:

- *Reducing future damage and loss associated with hazards*
 - *Reducing the number of severe repetitive loss structures and repetitive loss structures in the entity*
 - *Decreasing the number of insurance claims in the entity from injuries resulting from major disasters or other natural hazards*
-

- *Increasing the rating under the National Flood Insurance Program’s Community Rating System (CRS) for communities in the entity*

2.2.3. Short-Term Entity Safeguarding Tomorrow Revolving Loan Fund Goals

Include a list of short-term goals that will guide the decision-making for the entity loan fund per 42 United States Code, Section 5135(g)(2)(G). Entities may define their specific short-term goals according to the needs of the entity or local communities. Short-term goals may include outputs and outcomes that can be measured during the period of performance.

The following prompts may support creation of short-term goals:

- *How will the entity loan fund support recipients with completing projects?*
- *How will the entity loan fund efficiently disburse loans to recipients?*
- *How will the entity loan fund monitor and evaluate recipient project implementation?*
- *How will the entity coordinate with low-income geographic areas and underserved communities? Refer to **Appendix D** for more information and definitions of these topics.*
- *How will the entity identify and arrange projects that advance program priorities quickly and efficiently?*

2.2.4. Long-Term Entity Safeguarding Tomorrow Revolving Loan Fund Goals

Include a list of long-term goals that will guide the decision-making for the entity loan fund per 42 United States Code Section 5135(g)(2)(G). Entities may define their specific long-term goals according to the needs of the entity or local communities. Long-term goals may include outputs and outcomes that can be measured during the period of performance, the advancement of construction and implementation in phasing, coordination with recipients, etc.

The following prompts may support creation of long-term goals:

- *How will the entity loan fund be managed to maintain a perpetual source of funds for future eligible uses?*
 - *What are the financial metrics the entity will use to ensure the fund is efficiently managed and effective in perpetuity?*
 - *How will the entity loan fund continue to prioritize projects effectively and transparently?*
 - *How will the entity coordinate with local communities to ensure a consistent pipeline of eligible projects are submitted and ready for funding?*
-

- *How will the entity promote equity for low-income geographic areas and underserved communities throughout the life of the entity loan fund?*
- *How will the entity strategically align current and future assets with local projects in need of funding? What mechanisms will be included to ensure effective use of capitalization grants and revolving income?*
- *How will the entity maintain compliance with federal requirements of the loan fund?*
- *How will the entity support recipients in complying with federal requirements?*

2.3. Entity Program Priorities

Complete the following sections using information from the development of your Project Proposal List.

2.3.1. Increase Resilience and Reduce Risk

How will the entity loan fund support projects that increase resilience and reduce risk of harm to natural and built infrastructure per 42 United States Code Section 5135(d)(3)(A)? The following subsections offer potential actions to increase resilience and reduce risk.

2.3.1.1. HAZARD MITIGATION

Provide information that addresses the following prompts:

- *How will the entity administer loans to support hazard mitigation planning efforts per 42 United States Code Section 5135(f)(1)(B)?*
- *How will the entity loan fund be used to support local hazard mitigation activities that reduce the impacts of natural hazards per 42 United States Code Section 5135(f)(3)? Include which hazards the entity plans to address. Eligible natural hazards mitigated may include:*
 - *Drought and prolonged episodes of intense heat*
 - *Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms*
 - *Wildfires*
 - *Earthquakes*
 - *Flooding, including the construction, repair, or replacement of a nonfederal levee or other flood control structure*
 - *Shoreline erosion*

- *High water levels*
- *Storm surges*

2.3.1.2. ZONING AND LAND-USE PLANNING

If loan fund will include projects for zoning and land-use planning, provide information that addresses the following prompts:

- *How will the entity loan fund be used to implement zoning and land-use planning changes per 42 United States Code Section 5135(f)(4)? The following bullets display authorized types of use for zoning and land use.*
 - *Development and improvement of zoning and land-use codes to incentivize and encourage low-impact development, resilient wildland–urban interface land management and development, natural infrastructure, green stormwater management, conservation areas adjacent to floodplains, implementation of watershed or greenway master plans, and reconnection of floodplains*
 - *Study and creation of agricultural risk compensation districts where there is a desire to remove or set-back levees protecting highly developed agricultural land to mitigate for flooding, thereby 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*
 - *Study and creation of land-use incentives that reward developers for greater reliance on low-impact development stormwater best management practices, thereby exchanging 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*
 - *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*

2.3.1.3. BUILDING CODE ADOPTION AND ENFORCEMENT

If the fund will be used to support building code adoption and enforcement, provide information that addresses the following prompt:

- *How will the entity loan fund be used to support building code enforcement and development per 42 United States Code Section 5135(f)(5)?*

2.3.1.4. ADMINISTRATIVE AND TECHNICAL ASSISTANCE

If applicable, provide information that addresses the following prompts:

- *How will the entity loan fund be used to pay the administrative costs for establishing and implementing the entity loan fund per 42 United States Code Section 5135(f)(6)(A)?*
- *What is the anticipated percentage of funding for this fiscal year that will be used as administrative costs?*
- *How will the entity loan fund be used for technical assistance to recipients per 42 United States Code Section 5135(f)(6)(B)?*
- *What is the anticipated percentage of funding for this fiscal year that will be used for technical assistance?*

2.3.2. Partnerships

How will the entity loan fund involve a partnership between two or more eligible entities to carry out a project or similar projects per 42 United States Code Section 5135(d)(3)(B)?

2.3.3. Regional Impacts

How will the entity loan fund support projects that consider regional impacts of hazards on river basins, river corridors, micro-watersheds, macro-watersheds, estuaries, lakes, bays, and coastal regions and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland–urban interface per 42 United States Code Section 5135(d)(3)(C)?

2.3.4. Major Economic Sectors and National Infrastructure

How will the entity loan fund support projects that increase the resilience of major economic sectors or critical national infrastructure, including ports, global commodity supply chain assets (located within an entity or within the jurisdiction of local governments, insular areas, and Indian tribal governments), power, and water production and distribution centers, and bridges and waterways essential to interstate commerce per 42 United States Code Section 5135(d)(3)(D)? Reference [FEMA's Community Lifelines resources \(https://www.fema.gov/emergency-managers/practitioners/lifelines\)](https://www.fema.gov/emergency-managers/practitioners/lifelines) to inform the content.

2.4. Cost Share

An entity loan fund may provide a loan to a local government for its non-federal cost share requirement of a grant under one of FEMA's HMA grant programs, provided that the use is otherwise in accordance with all applicable legal and programmatic requirements. An applicant should list any potential projects where a loan may be utilized for this purpose in the project proposal list submitted with its application. Federal funds that are used to meet the non-federal cost-share requirement must meet the purpose and eligibility requirements of both the relevant HMA grant program and the Safeguarding Tomorrow RLF program. Local governments interested in using loan funding as matching funds for a HMA grant should work with the applying entity to understand funding priorities, ensure the project is captured in the entity's Intended Use Plan and project proposal list,

and to align loan funding with project and grant timelines. Entities are not limited in the percentage of funding that can be dedicated for this eligible use of funds by loan recipients.

If applicable, provide information that addresses the following prompts:

- *How will the entity loan fund be used to support loan recipients paying the cost share for federal and nonfederal grants? What is(are) the name(s) of the other grant program(s) for which the loans will provide matching funds?*

III. Criteria and Method for Distribution of Funds

3.1. Loan Management Information

Provide the following information:

- *What is the availability of financial assistance from the entity loan fund per 42 United States Code Section 5135(g)(2)(C)?*
- *What is the loan application process for financial assistance from the entity loan fund per 42 United States Code Section 5135(g)(2)(C)?*
- *How will the entity use financial planning to ensure funding is available in the future?*
- *What does the entity's short-, medium-, and long-term financial projections look like?*

*NOTE: If available, provide detailed loan application process and/or financial planning methodology and supporting materials in **Appendix A** and include a reference in your explanation above.*

3.2. Criteria and Method for Loan Distribution

Provide the following information:

- *What are the entity's criteria and methods for disbursing funds to loan recipients per 42 United States Code Section 5135(g)(2)(D)? The following prompts may support defining criteria and methods.*
 - *How will the entity determine if loan applicants have the required technical, financial, and managerial capacity to ensure compliance?*
 - *How will the entity loan fund target funding for low-income geographic areas and underserved communities? How will interest rates differ?*
 - *How will the entity determine different types of assistance and interest rates for loan applicants based on their needs?*
 - *How will the entity monitor the performance of the loan applicant and ensure compliance?*

*NOTE: If applicable, provide a complete loan distribution methodology in **Appendix B**.*

3.3. Creating a Project Proposal List

Entities are required to submit a list of project proposals that comprises local government hazard mitigation projects per 42 United States Code Section 5135(b)(1)(A). These lists should be prioritized to identify how the entity will use the capitalization grant funds.

3.3.1. Prioritization Methodology

Provide a summary methodology about how the entity loan fund prioritized projects in the Project Proposal Lists. FEMA recommends creating a ranking system to determine the priority order of projects to be funded. Categories for ranking may include, but are not limited to:

- Duration of a project (multi-year vs. annual)
- Population served
- Projects aligned with the statutory objectives
- Projects aligned with the Hazard Mitigation Plan
- Readiness to proceed
- Projects that promote equity objectives

NOTE: Provide a complete ranking system for prioritization in **Appendix C**.

3.3.2. Tie-Breaking Procedure

Provide information about how the entity will determine which project to select if the projects have equal scores.

3.3.3. Project Proposal List

Provide confirmation that the entity submitted a Project Proposal List with the grant application.

NOTE: FEMA offers a Project Proposal List template spreadsheet to support the entity with drafting.

IV. Financial Management

4.1. Financial Status of the (Entity Name) Safeguarding Tomorrow Revolving Loan Fund

Address the financial status of the entity loan fund per 42 United States Code Section 5135(g)(2)(G). FEMA suggests compiling a table using the following prompts:

- *For the previous fiscal year:*
 - *Provide information about the sources of assets in the entity loan fund, including capitalization grant, entity match, bonds, loan principal repayments, loan interest repayments, and investment earnings.*
 - *Provide information about the uses of assets of the entity loan fund, including administrative expenses, transfers, capital projects, and bond debt service.*
 - *If applicable, include information about any loan refinancing activity.*
- *For the current fiscal year:*
 - *Provide information about the sources of assets in the entity loan fund, including capitalization grant, entity match, bonds, loan principal repayments, loan interest repayments, and investment earnings.*
 - *Provide information about the uses of assets of the entity loan fund, including administrative expenses, transfers, capital projects, and bond debt service.*
 - *If applicable, include information about any loan refinancing activity.*

4.2. Financial Terms of Loans

4.2.1. Standard Loans

Provide information on standard loan terms per 42 United States Code Section 5135(g)(2)(F).

4.2.2. Loans for Low-Income Geographic Areas or Underserved Communities

Provide information about loan terms for communities that are categorized as low-income geographic areas or underserved.

4.3. Loan Disbursements

Provide information on the following prompts:

- *What is the anticipated amount of financial assistance the entity loan fund plans to disburse as loans for Fiscal Year (YEAR) per 42 United States Code Section 5135(g)(2)(E)?*
- *What is the entity loan funds' utilization goal?*
 - *The fund utilization goal is a performance measure used to evaluate how efficiently entity loan funds are disbursing capitalization grants as loans. The calculation is cumulative assets divided by cumulative funds available for projects. Entities establish a target measure that best aligns with their specific needs. FEMA recommends that entities target pace levels near or above 100%. Entities that are lagging in this measure, or have declining pace levels, may need to review loan policies and procedures as well as outreach techniques. Entities with pace levels greater than 100% are generally practicing advanced loan commitment.*
- *Has the entity worked with local governments to understand potential revenue streams that can support projects and activities that are not revenue-producing per 42 United States Code Section 5135(f)(1)(A)(iii)?*

V. Entity Program Management

5.1. Local Capacity Development

Provide information about how the entity loan fund is supporting local communities through capacity development.

5.2. Environment and Historic Preservation Compliance

Describe the entity's plan for implementing Environmental Planning and Historic Preservation (EHP) compliance procedures, including how proposed projects will be pre-screened, and which activity types will be submitted to FEMA for EHP review.

NOTE: FEMA will provide entities with guidance and materials to complete this section.

VI. Public Participation

6.1. Public Meetings and Comment Activities

Provide information on the following items:

- *How has the entity incorporated public comment and review, and consultation, with appropriate government entities and interested groups, prior to annual Intended Use Plan submission?*
 - *How has the entity engaged public meetings and comment activities performed in support of entity loan fund implementation?*
 - *Describe the public notice process and actions taken to address public comments for project proposals.*
-

VII. Audits and Reporting

7.1. Compliance with Federal Reporting Requirements

Complete the template language below:

Ensuring transparency and accountability, all program materials are posted on our website (*Entity Website*). We will utilize the services of an (*enter preferred auditing agency [e.g., outside Certified Public Accounting firm]*) to conduct an independent audit to ensure financial integrity for the Annual and Biennial Audits.

We commit to entering project and benefits data into the FEMA Non-Disaster Grants system (ND Grants) and financial data in Payment and Reporting System (PARS) to support the evaluation of the (*Entity Name*) Safeguarding Tomorrow RLF program. Among other parameters, FEMA will use the data from the audits and reporting to evaluate how the entity loan funds:

- Efficiently administer the fund
- Provide project benefits to local communities
- Promote equity

We will enter project benefits data into ND Grants by the end of the quarter in which the capitalization grant is received. After the period of performance, we will enter required project benefits data into FEMA's ND Grants by the end of the fiscal year for this Intended Use Plan.

7.2. Publication of Information

Provide information about the frequency and location of the Publication of Information requirement per 42 United States Code Section 5135(h)(2).

NOTE: The recipient should publish information publicly on a preferred platform and at intervals most suitable to the recipient during, and after, the period of performance.

7.3. Loan Recipient Auditing and Reporting

Provide information about how the entity loan fund will monitor and evaluate the performance of loan recipients in their use of funds, if applicable.

Appendix A

A.1. Loan Application Process

A.2. Financial Planning Methodology

Appendix B

B.1. Loan Distribution Methodology

Appendix C

C.1. Project Proposal List Prioritization Methodology

Appendix D

D.1. Additional Information

Low-Income Geographic Area

Pursuant to 42 United States Code Section 5165(m)(6), a “low-income geographic area” is an area, pursuant to 42 United States Code Section 3161(a)(1), that meets one of the two following criteria: (1) “the area has a per capita income of 80% or less of the national average,” or (2) “the area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1% greater than the national average unemployment rate.”

Underserved Communities

Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, defines “underserved communities” as “populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life...” and includes communities such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

As used in this document, underserved communities also include “communities environmentally overburdened,” which are communities adversely and disproportionately affected by environmental and human health harms or risks, and “disadvantaged communities,” as referenced in Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, and defined in Office of Management and Budget’s Memo M-21-28: *Interim Implementation Guidance for the Justice40 Initiative*.