

Project Proposal List and Loan Recipient Requirements for the Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund Program

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The Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF) program provides capitalization grants to entities to establish a revolving loan fund. This document provides details about developing a Project Proposal List, allowable uses for funding, and loan recipient requirements.

Background

An entity eligible for grant funding includes any state, the District of Columbia, American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico and the U.S. Virgin Islands as well as federally recognized Tribal Nations having received a direct major disaster declaration under the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#).

Each applying entity must submit a grant application package inclusive of a Standard Application for Federal Assistance (SF-424), program-specific [capitalization grant application form](#), [Intended Use Plan](#), and Project Proposal List. More information about entity eligibility and program requirements is available on the Safeguarding Tomorrow RLF program webpage.

Project Proposal List

An entity will determine its planned uses for Safeguarding Tomorrow RLF funding based on its unique mitigation needs and priorities and submit this list with its grant application package. The entity will work with its local governments to solicit



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and select project proposals and will determine which projects and activities will form the list of projects from which the entity will be able to award loans. This list will be submitted to FEMA with relevant information as a Project Proposal List. An entity should have one Project Proposal List for their program, which should cover planned uses of funding from the current grant application cycle, any open grants, and any revolved or additional funds in the revolving loan fund.

FEMA will review these lists for completeness and alignment with program priorities but will not be approving or denying individual projects. Additional requirements can be found in the program's Notice of Funding Opportunity.

After receiving a capitalization award, the entity will choose which projects to award loans for from its fund based on available funding and entity priorities. FEMA has developed a template Project Proposal List which is available on the Safeguarding Tomorrow RLF program webpage. . Although the use of this template is not required, Project Proposal Lists should include the following information:

- Project name and location,
- Name of the loan recipient,
- Communities that will benefit from the project,
- A short description of the project including the hazard(s) to mitigate or, if the loan will be used as cost-share for another Hazard Mitigation Assistance grant program, how the project aligns with the entity's Hazard Mitigation Plan, how the project will mitigate the hazard(s),
- Requested loan amount,
- Dedicated revenue source for repayment, and
- Whether the project is in a low-income geographic area.

An updated list should be submitted to FEMA on an annual basis with the entity's Intended Use Plan to ensure continued compliance.

FEMA will review the list for completeness, compliance and alignment with program priorities.

- **Completeness** – Review to ensure all relevant data is included in the Project Proposal List. Incorporation of all data is critical for monitoring the progress of the program and funded projects.



- **Compliance** – Review to ensure all proposed projects/activities comply with statutory requirements.
- **Alignment to Program Priorities** – Review to see how and whether the projects or activities align with the stated objectives of the program.

Public Notice Requirement

To meet the statutory public notice requirement, the entity must issue a public notice soliciting proposals from local governments for hazard mitigation projects and activities **no less than six weeks** prior to the submission of an application. Upon review of the submitted project proposals, the entity will determine which projects and activities it will include in its Project Proposal List.

The entity may use the public notice process that best reaches its local communities; however, they must be able to provide documentation to FEMA of having met this public notice requirement. Examples of notification could include a screenshot of an official entity agency social media post, a copy of or link to a press release, or a link to a webpage.

Eligible Projects and Activities

An entity can utilize their revolving loan fund to provide loans to local governments for projects and activities that mitigate the impacts of drought, intense heat, severe storms, wildfires, floods, earthquakes, and other natural hazards. The loans from the revolving loan funds are intended to reach local governments most in need of financing assistance, including low-income geographic areas and underserved communities.

Eligible project types under this program include activities that mitigate the impact of natural hazards, zoning and land use planning changes, and building code adoption and enforcement. FEMA will not require applicants to submit a benefit-cost analysis (BCA) for projects. Loans may also be used by local governments to satisfy a local government's non-federal cost-share requirement for other FEMA Hazard Mitigation Assistance grant programs.

Statutory Project Limitations



To promote an entity-led program, FEMA will not limit or restrict project types beyond the limitations noted in the statute. These statutory project limitations direct that an entity:

- Not provide a loan greater than \$5 million to finance a single hazard mitigation project
- Not commit more than 10% of a capitalization grant for loans to implement zoning and land use planning changes
- Not commit more than 10% of a capitalization grant for loans to perform mitigation planning under Section 322 of the Stafford Act
- Not commit more than 5% of a capitalization grant for technical assistance to loan recipients

Environmental Planning and Historic Preservation Requirements

The Environmental Planning and Historic Preservation (EHP) review of projects occurs after the award of the capitalization grant, but before the loan can be awarded. An entity will be asked to indicate in its Intended Use Plan their plan for implementing these compliance procedures for projects that require review. The entity may enter into a loan agreement with the local government for projects that require an EHP review before submitting an EHP Checklist and other information to FEMA. The EHP review process must be completed prior to the release of loan funds.

Not all project types require the submission of an EHP Checklist to FEMA for the review. The following project types do not require a checklist:

- Mitigation Planning
- Zoning and Land Use Planning
- Building Code Adoption and Enforcement

FEMA will also not require an EHP Checklist for loans which will be used as non-federal cost match for another Hazard Mitigation Assistance grant application. In this situation, FEMA will complete the EHP review following the procedures of the applicable Hazard Mitigation Assistance grant program.

FEMA will publish additional guidance on which projects will require EHP review, the process for review, and a checklist to assist with project compliance reviews



on the [Safeguarding Tomorrow RLF program web page on FEMA.gov.](#)

Loan Recipient Requirements

Eligible Loan Recipients

The Safeguarding Tomorrow RLF program generally requires eligible entities receiving a capitalization grant to provide loans to local governments. For eligible tribal and territorial entities, this may mean providing a loan to any subcomponent within their respective governmental structures or to an authorized tribal organization.

Program Requirements for Loan Recipients

The statute specifies several requirements for loan recipients which the entity will be responsible for ensuring are met:

- To be awarded a loan, a local government must have an approved Hazard Mitigation Plan. FEMA will not require submission of local government plans with the entity's grant application package but may require entities to provide documentation during audits or grant performance monitoring that this requirement was met by loan recipients.
- Loan recipients must establish a dedicated source of revenue for repayment. Entities are encouraged to work with local governments to understand potential revenue streams that can support projects and activities. Applying entities will be asked to identify in their Project Proposal List the local government's revenue stream to support non-revenue generating projects.

Entities should incorporate any additional entity-specific requirements for their entity loan fund into the appropriate section of their Intended Use Plan.

Tribal Nations as Loan Recipients

Any Tribal Nation that does not satisfy the definition of an eligible entity and is ineligible to receive a capitalization grant but is located within a participating entity (e.g., any state or federally recognized tribe of the United States) may still receive



funding in the form of a loan from the participating entity's revolving loan fund. To receive a loan, the tribe's project must be included in a participating entity's Project Proposal List. Applying entities are encouraged to coordinate with tribes during the public notice and project solicitation phase of the grant application process.

Low-Income Geographic Areas

Pursuant to Section 205(m)(6) of the Stafford Act, a "low-income geographic area" is an area 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."

The entity's Project Proposal List will be reviewed for how it demonstrates its entity loan fund will support local governments most in need of financing assistance, including low-income geographic areas and underserved communities, and promotes equity. FEMA will also monitor the percentage of loan funds distributed by the entity in low-income geographic areas and/or underserved communities. A goal of the Safeguarding Tomorrow RLF program is that 40% of the overall benefits generated by an entity loan funds flow to underserved communities.

Entity Coordination with Loan Recipients

The entity is expected to communicate the funding opportunity with local governments to identify local hazard mitigation projects and activities and incorporate them into their Project Proposal List. Entities will determine their planned uses for this funding based on their unique mitigation needs and priorities; FEMA will not be selecting projects or awarding loans.

Local governments or government subcomponents and authorized organizations for non-state entities interested in receiving a loan should coordinate with their state or tribal emergency management agency to determine if they will be applying for capitalization grant funding. If the state or tribe is applying, local governments should submit their proposed projects during the public notice and project solicitation phase of the capitalization grant application process.



Safeguarding Tomorrow RLF Program Grant vs. Entity Loan Fund

Capitalization Grant

- Administered by FEMA according to federal statutory requirements and best practices
- Grant agreement between FEMA and an eligible entity (such as a state or eligible Tribal Nation)
- The entity will not repay FEMA for grant funds received, but must comply with federal oversight of grant management requirements

Entity Loan Fund

- Administered by the eligible entity according to the grant agreement and its FEMA-approved Intended Use Plan
- Loan agreements between the participating entity and loan recipients (such as local governments) with a maximum interest rate of 1%
- Loan recipients must pay back the loan to the entity that disburses funds in accordance with the entity's requirements

Additional Information

Additional information and resources are available on the [Safeguarding Tomorrow RLF web page](#). FEMA will update program resources and materials as needed.

Comments and questions may be sent by email to FEMA-STORMRLF@fema.dhs.gov.

