



JOHN R. BENSON, HOMELAND SECURITY ADVISOR
AND EMERGENCY MANAGEMENT DIRECTOR

To: Iowa Local Governments, Emergency Management Coordinators, and interested stakeholders
From: Dusty Pogones (jonathan.pogones@iowa.gov), State Hazard Mitigation Officer
Subject: Hazard Mitigation Financing Program - Safeguarding Tomorrow Revolving Loan Fund

Hello,

The Iowa Department of Homeland Security and Emergency Management is seeking input and project proposals for a new hazard mitigation financing program. See more information below and please pass this information on to anyone that may be interested.

Background:

As you may know, Congress passed the Safeguarding Tomorrow through Ongoing Risk Mitigation Act, better known as the STORM Act, in 2021. This act enables FEMA to provide capitalization grants for state revolving loan funds that would be used to finance local natural hazard mitigation projects and activities at low interest (<1%). This would be very similar to the existing revolving loan funds with which you may be familiar, in Iowa managed by the Department of Natural Resources and known as the Clean Water SRF and the Drinking Water SRF.

In 2022, FEMA developed guidance for this program (known as the Safeguarding Tomorrow Revolving Loan Fund, or STRLF), and began piloting the program with relatively small grants to a handful of states. Iowa did not (and does not yet) have the enabling legislation that would allow the state to operate the revolving loan program. However, FEMA's capitalization grant application period is currently open and would provide funding to begin the program over the next two years.

At the federal level, a broad range of mitigation actions could be financed from these revolving loan funds. Eligible mitigation actions will reduce the impacts of natural disasters such as drought, severe storms, winter storms, flooding, wildfires, and earthquakes. This may include efforts such as zoning and land use planning changes and building code establishment, training, and enforcement. Importantly, the funds may be combined with other FEMA grant programs and used as local matching funds (thus allowing a local government to pay off their 15% local cost share over a period of 20 to 30 years).

Note:

- No benefit-cost analysis is required by FEMA for these loans, but projects should be shown to reduce the impacts of natural hazards.
- Projects must be (part of) an action in the jurisdiction's current, FEMA-approved hazard mitigation plan. Plans may be updated to include projects if necessary and appropriate.
- Loan recipients must establish a dedicated source of revenue for repayment.
- Loans cannot exceed \$5 million, but total project costs could exceed that amount.



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Ask:

We are asking for your input on A) whether you would find this program useful, and B) what projects you have that you would be interested in financing through such a program. Specifically, our application for an initial capitalization grant to seed the fund will require a list of proposed projects, although there is no requirement that these specific projects be funded or completed. Inclusion on the project proposal list is not an obligation to apply nor a guarantee that a loan will be provided. It is intended to show a need for the capitalization grant from FEMA. Final approval of loans will be subject to prioritization of all applications received after the application period opens and any issues of eligibility or compliance. **We are especially seeking projects that will benefit underserved or low-income areas most in need of financing assistance.**

For more information on the anticipated structure of the program, **please see the draft Intended Use Plan (IUP)**, attached and also available for public comment on comment.iowa.gov.

Project proposals must include information responding to the questions in the attached Project Proposal List (PPL) Template. Applicants will not be held to the answers provided in the PPL, so please use the best available information. You may submit multiple project proposals. **Project proposals must be received by April 29th, 2024 in order to be considered for the first round of loans.**

Thank you for your time and attention to this. As a reminder, the STRLF program is currently being assessed for viability in Iowa while an application for a capitalization grant of at least \$5.1 million is being submitted. Legislation would be needed to enable use of the STRLF, but we hope we're able to help you build resilience through this program in the near future!

Sincerely,

Dusty Pogones
State Hazard Mitigation Officer