

2024

Safeguarding Tomorrow Revolving Loan Intended Use Plan



Homeland Security and
Emergency Management

Federal Fiscal Year 2024

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I. Introduction

1.1. Status of the Iowa Safeguarding Tomorrow through On-going Risk Mitigation Revolving Loan Fund (STRLF), also known as the Natural Hazard Mitigation Financing Program

The Iowa STRLF will be established with federal funding from the Safeguarding Tomorrow Revolving Loan Fund program. The purpose of the Iowa STRLF is to provide low- or no-interest loans to local governments¹ in Iowa to mitigate the risk to life and property from natural hazards.

This Intended Use Plan (IUP) describes the intent of the Iowa STRLF for the federal fiscal years 2024 and 2025. Because the state’s enabling legislation for possible elements of this program has yet to be passed, and is not necessarily expected to be addressed before the 2025 legislative session for the Iowa General Assembly, this plan may be subject to legislative changes.

An update to this IUP will be provided in FFY 2025, which might occur before the initial capitalization grant for the Iowa STRLF is awarded, before the state match has been provided, or before legislative authorization and program infrastructure are established.

The Iowa Department of Homeland Security and Emergency Management (HSEMD) is responsible for the oversight and management of the STRLF program in Iowa, with financial management and administration of the fund intended to be managed by the Iowa Finance Authority (IFA).

In the event that legislation does not authorize the IFA to assist in the management of this program, HSEMD would assume the responsibilities assigned to IFA outlined herein, and the Iowa Safeguarding Tomorrow Revolving Loan Fund would rest in a separate account under

¹ “The term “local government” means—

(A) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government;

(B) an Indian tribe or authorized tribal organization, or Alaska Native village or organization, that is not an Indian tribal government as defined in paragraph (6); and

(C) a rural community, unincorporated town or village, or other public entity, for which an application for assistance is made by a State or political subdivision of a State.”

42 U.S.C. § 5122 (8)

HSEMD to be disbursed as loans in accordance with federal program requirements and this IUP.

This document uses terms and acronyms that may be unfamiliar or used in a way specific to this program. A glossary is included on page 37.

II. Uses of the Iowa Safeguarding Tomorrow through On-going Risk Mitigation (STORM) Revolving Loan Fund (STRLF)

2.1. Iowa Program Objectives

The objective of the Iowa STRLF is to reduce risks to life and property from natural hazards, reduce the cost of insurance, and/or reduce federal disaster payments. This will be accomplished by providing loans to local governments in compliance with the STORM Act (42 U.S.C. 5135).

HSEMD will annually conduct outreach to eligible loan applicants and prioritize resultant project proposals under the same prioritization scheme as applied to applications to Hazard Mitigation Assistance (HMA) programs, as outlined in the State of Iowa Hazard Mitigation Plan (SHMP) and associated HSEMD plans and strategies. Beyond prioritization criteria noted in the SHMP, special emphasis will be placed on providing loans to communities with natural hazard mitigation projects benefitting low-income geographic areas², Justice 40 communities (according to the Climate and Economic Justice Screening Tool, CEJST) Social Vulnerability Index (SVI)³ scores over 0.8, jurisdictions considered Economically Disadvantaged Rural Communities (EDRCs), and Community Disaster Resilience Zones (CDRZs).

Special consideration will also be provided for applications that provide natural hazard risk reduction but could not be funded by HMA programs, or for applicants seeking assistance with local cost shares for HMA subgrants.

² Pursuant to 42 U.S.C. § 5135(m)(5), a “low-income geographic area” is an area, pursuant to 42 U.S.C. § 3161(a)(1) that meets one of the two following criteria: (1) “the area has a per capita income of 80 percent 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 percent greater than the national average unemployment rate.”

³ SVI is an index created by the U.S. Centers for Disease Control and Prevention (CDC).

In accordance with priorities discussed in this IUP, loans will be offered to applicants whose projects meet the following criteria:

- The project conforms with the applicant’s current, FEMA-approved hazard mitigation plan (HMP), which must be compliant with 44 CFR 201, at the time of the loan disbursement.⁴
- The project conforms with the State Hazard Mitigation Plan (SHMP).
- The project has a clear effect, as determined by HSEMD, of reducing risks from natural hazards for homeowners, businesses, nonprofit organizations, and/or communities by decreasing the loss of life and property, the cost of insurance, and federal disaster payments.
- Funding for the project is available within the STRLF. Providing the loan must not jeopardize the sustainability of the STRLF.

2.2. Iowa Program Goals

2.2.1. Connection to Other Plans and Goals

Loans provided under the Iowa STRLF will further the goals of the SHMP, the Iowa Drought Plan, the Iowa Energy Security Plan, and other associated plans and strategies. HSEMD is currently expecting to develop a Statewide Comprehensive Flood Mitigation Strategy and a Statewide Electric Resilience Strategy, which will also inform future prioritization of hazard mitigation projects in Iowa.

Local jurisdictions have mitigation plans to which applications to the Iowa STRLF should conform as well.

These plans all consider the impacts of climate change on future conditions. Readers are encouraged to consult these plans for further information.

The Iowa STRLF will be coordinated with the Clean Water Revolving Loan fund and Drinking Water Revolving Loan fund administered by the Iowa Department of Natural Resources (DNR) and IFA, so as to avoid duplication of efforts and to attempt to fund project types that other revolving loan funds cannot.

⁴ A project may be proposed that is not called out in the local HMP

2.2.2. Mitigation and Resiliency Goals

The Iowa STRLF will support the following goals outlined in the SHMP:

1. Through comprehensive and collaborative planning and analysis, develop processes and regulations that reduce hazard risks, and provide resources to local jurisdictions so they can develop and update plans and regulations to mitigate hazard impacts.
2. Construct new or improved structures and infrastructure, including natural infrastructure, and employ practices that reduce hazard risks while also preserving or restoring the functions of natural systems.
3. Expand public awareness and intergovernmental communication so that Iowa citizens and communities have knowledge to mitigate hazard impacts and become more resilient.
4. Through planning, improved warning systems, and redundancy, increase capabilities to ensure government operations, response and recovery are not significantly disrupted by disaster events.

By reducing risks from natural hazards in Iowa, projects supporting the above goals will also reduce the number of insurance claims in Iowa resulting from such hazards. This is especially important as recent natural disasters have driven up insurance costs in Iowa and caused some insurers to leave the state. This may be accomplished through flood control measures, watershed-scale flood and drought mitigation activities, adoption and enforcement of hazard-resistant building codes and zoning (improving resilience against flooding, tornadoes, windstorms, winter storms, earthquakes, landslides, sinkholes, hail, and lightning), and other activities.

Additionally, Iowa STRLF loans may be used to acquire and protect flood-prone properties, and especially repetitive loss and severe repetitive loss (RL/SRL) properties, in accordance with the priority given to this action in the SHMP (Action 2.4, p. 5-58).

Loans may also be used to establish or improve communities' ratings under the National Flood Insurance Program's (NFIP) Community Rating System (CRS), in accordance with Action 1.2 in the SHMP (p. 5-56), further lowering the cost of insurance in Iowa.

2.2.3. Short-Term Iowa Safeguarding Tomorrow RLF Goals

The overarching goal of the STRLF program this year will be to establish the Iowa STRLF. As a new program, the Iowa STRLF will see many efforts come together to set a sure footing for the program.

- **Enabling legislation.** There is currently no legislation in Iowa authorizing the creation of the Iowa STRLF, as exists for the SRFs managed by the Iowa DNR and IFA. Legislation was drafted based on the statutes establishing the existing SRFs, but because the General Assembly has yet to discuss the legislation, its final form has yet to be decided. Passage of some form of enabling legislation may be necessary for the establishment of this program. There is, however, also a possibility that HSEMD may be able to manage the fund without additional legislation.
- **Dedicated Program Staff.** IFA staff have experience managing multiple billions of dollars of loans under the two existing state revolving loan funds (Clean Water and Drinking Water), including efficient disbursement, collection and monitoring. However, the additional effort needed for the new STRLF, though relatively smaller, may require additional staffing capacity. HSEMD similarly has no dedicated staff for the STRLF program and will need to either find or add capacity.
- **Create program tools and forms.** Structures exist at HSEMD for the prioritization of HMA project applications, but program specifics for STRLF may require additional tools to be developed. Additionally, although IFA has application forms, agreements, processes, SOPs, and other materials for the existing SRFs it manages, modification may be required for the STRLF program.
- **Process Improvement.** HSEMD is committed to improving its processes and innovating better ways to accomplish our mission. During and after the initial capitalization grant receipt, and the loan application and disbursement process, HSEMD will assess the process and seek ways to improve it in future years, including by seeking feedback from applicants or potential applicants.

Other short-term goals will include:

- Conducting sufficient outreach and technical assistance to ensure 40% of loan funds disbursed go to underserved or disadvantaged communities.⁵

⁵ Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, 86 Fed. Reg., 7619 (Feb. 1, 2021), set the goal that 40 percent of the overall benefits of certain covered federal investments flow to disadvantaged communities, which benefit from the Justice40 Initiative. Under the Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (CEJST), agencies should use the CEJST to geographically identify disadvantaged communities. For purposes of the STRLF, “Disadvantaged” means communities identified as disadvantaged by the [Climate and Economic Justice Screening Tool](#).

- Using HSEMD’s existing grants management systems, monitor loan recipients’ progress with projects and provide technical assistance when needed to facilitate timely project completion.
- Review and prioritize applications to optimize conformity to HSEMD’s plans and strategies and program specific goals

2.2.4. Long-Term Iowa Safeguarding Tomorrow RLF Goals

- **Utilize the Iowa STRLF to further the goals and strategies outlined in the SHMP and local hazard mitigation plans.** The SHMP was developed to reduce risk from natural hazards across the state and helps determine strategy and priority for mitigation activities, while local mitigation plans are developed by communities to determine their specific risks, needs, and strategies.
- **Ensure the Iowa STRLF maintains a balance sufficient to fund administration costs while also prioritizing disbursement of loans to mitigate hazards.** IFA has a consistent track record of maintaining and growing the CWSRF and DWSRF. While accounting for requirements specific to the STORM Act, HSEMD and IFA will pursue similar fund management strategies that ensure a sustainable and useful fund.
- **Update the Iowa SHMP to provide written practices for prioritizing STRLF projects specifically.** The SHMP provides guidance on the prioritization of mitigation activities, but does not account for program-specific requirements of the STRLF. The SHMP will be updated to align with the current IUP and to provide written procedures for HSEMD to prioritize STRLF applications.
- **Improve local governments’ access to funding for natural hazard mitigation activities.** Access to funding is especially important for underserved and disadvantaged communities and activities that have difficulty being funded under existing HMA programs (e.g., drought and extreme heat mitigation, or projects whose benefits are difficult to monetize for a benefit-cost analysis).
- **Process Improvement.** HSEMD is committed to improving its processes and innovating better ways to accomplish our mission. During and after the initial capitalization grant receipt, and the loan application and disbursement process, HSEMD

For the purposes of the Iowa STRLF, "underserved" refers to census tracts with a Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SVI) score of 0.8 or higher on the national ranking. Census tracts scores can be explored at <https://svi.cdc.gov/map.html>. Tribal jurisdictions are considered underserved.

will assess the process and seek ways to improve it in future years, including by seeking feedback from applicants or potential applicants.

- **Continue applying for capitalization grants when available.** To aid in maintaining and growing the Iowa STRLF, HSEMD will continue to seek funding to increase its principal when such funds are available.
- **Continue seeking projects to be funded with the STRLF.** Through continuous outreach and processing of notices of interest (NOI) for funding mitigation activities, HSEMD will ensure the maximum amount of STRLF money will be optimally used to mitigate natural hazards in Iowa. HSEMD currently has a continuous NOI and application process for HMA programs.
- **Ensure compliance with state and federal requirements.** By continuing and implementing internal monitoring processes, and by cooperating with FEMA Region VII on program management, HSEMD and IFA will ensure compliance with state and federal STRLF program requirements both at the state program level and among loan recipients. HSEMD and IFA will provide technical assistance where needed to assist local governments in understanding program requirements.

2.3. Iowa Program Priorities

2.3.1. Increase Resilience and Reduce Risk

2.3.1.1. HAZARD MITIGATION

- HSEMD will make loan funds available to local governments for the development or update of local hazard mitigation plans in accordance with current strategies and practices outlined in the SHMP. This includes encouraging multi-jurisdictional, county-wide and regional (multi-county) plans while excluding the funding of single-jurisdiction plans. As noted in the FFY24 STRLF Notice of Funding Opportunity, no more than 10% of a capitalization grant may be used for developing or updating local hazard mitigation plans.
- The Iowa STRLF will be used to fund local projects to mitigate natural hazards outlined in the SHMP. This currently includes the following hazards, in order of priority:
 - Drought
 - Tornado/Windstorm

- Flooding (Flash and Riverine)
- Severe Winter Storms
- Hail and Lightning from Thunderstorms
- Excessive Heat
- Dam/Levee Failure
- Landslide
- Earthquake
- Wildland or Grassland Fire
- Sinkholes
- Expansive soils

The Iowa SHMP encourages feasible and cost-effective mitigation activities with multiple benefits. Considering that climate change is projected to increase the frequency and intensity of multiple natural hazards, including some of Iowa’s most destructive and deadly hazards (drought, flooding, excessive heat), hazard mitigation as a facet of climate adaptation is of vital importance.

Working today to mitigate damage to both natural and man-made assets in Iowa will help preserve quality of life for Iowans today and in the future. Natural assets may include river banks, floodplains, wetlands, forests and areas prone to wildfire, and aquifers. Protection of these assets can mitigate the impact of natural hazards on Iowans.

2.3.1.2. ZONING AND LAND USE PLANNING

The Iowa STRLF will be available for zoning and land use planning activities meant to mitigate risk to natural hazards. Prioritization of these projects will align with practices laid out in the SHMP. According to FEMA, the following zoning and land use activities are currently approvable. State law may restrict which activities may be carried out in Iowa.

- Development and improvement of zoning and land-use codes to encourage low-impact development, resilient wildland–urban interface land management and development, natural infrastructure, green stormwater management, conservation areas next 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, allowing agricultural producers to receive compensation for assuming greater flood risk that would lessen flood exposure to population centers and areas with critical national infrastructure.
- Study and creation of land-use incentives that reward developers for using low impact development stormwater best management practices. Such practices could swap density increases in some areas for increased open space in other areas, improve catch basins to mitigate urban flooding, reward developers for including and augmenting natural infrastructure near 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.

As noted in the FFY24 STRLF Notice of Funding Opportunity, no more than 10% of a capitalization grant may be used for zoning and land use planning changes.

2.3.1.3. BUILDING CODE ADOPTION AND ENFORCEMENT

The Iowa STRLF may be used by local governments seeking to enhance building codes and enforcement thereof, subject to any restrictions under state law. HSEMD intends to utilize funding under FEMA’s Building Resilient Infrastructure and Communities (BRIC) program to enhance building codes in Iowa. The STRLF may be used to provide the local cost share for such activities, or as a standalone source of funds to support these activities. Loan applicants must show how the building code adoption or enforcement activities will mitigate risks to natural hazards.

2.3.1.4. COST SHARE

The Iowa STRLF may provide a loan to a local government for its nonfederal cost share requirement of a grant under HMA grant programs if the use follows all relevant program and legal requirements. Programs for which STRLF may be used as cost share include HMGP, LPDM, BRIC, and FMA, as well as any state grant programs funding projects that mitigate natural hazards. Where non-governmental funding exists for activities that mitigate the risk of a STRLF loan applicant to natural hazards identified in the state and applicable local hazard mitigation plans, loan funds may also be used to provide a local cost share. Federal funds that are used to meet the nonfederal cost-share requirement of an HMA grant must meet the purpose and eligibility requirements of both the relevant HMA grant program and the Safeguarding Tomorrow RLF program. Applications for HMA subgrants and Iowa

STRLF loans will be considered and prioritized separately, according to program-specific prioritization, goals, and strategies. Thus, a local government might be prioritized for STRLF but not HMA funding, or vice-versa. Local governments interested in using loan funding as matching funds for a HMA grant should work with Iowa HSEMD to understand funding priorities, ensure the project is captured in the Iowa STRLF Intended Use Plan and Project Proposal List, and to position loan funding with project and grant timelines.

There is no limit to the percentage of grant funds that can be used for this purpose by loan recipients.

2.3.2. Partnerships

Iowa STRLF loans may be used for eligible local government entities to fund projects that involve multiple partners. An example would be where multiple local governments and/or a Watershed Management Authority may work together to study, design, or implement flood risk reduction projects that span multiple jurisdictions.

2.3.3. Regional Impacts

The Iowa STRLF is intended to encourage projects that use a regional perspective in natural hazard risk mitigation. Following the Iowa Watershed Approach project, Iowa began developing a Comprehensive Statewide Flood Mitigation Strategy, which are both intended to optimize the state's use of watershed scale or watershed-conscious mitigation projects. The SHMP prioritizes a watershed approach to hazard mitigation where feasible, while recognizing that some risks will be best managed by site-specific mitigation activities. This strategy is further enabled by enhanced, 2D BLE floodplain mapping currently being developed by the Iowa Department of Natural Resources (DNR). Effects of some mitigation activities may also be felt well downstream, which should not be discounted when considering the benefits of a proposed activity.

The Iowa Drought Plan recognizes that regional impacts are driven by hydrogeological and meteorological factors, but various communities will feel those impacts differently because of the characteristics of different sectors present (agriculture, water supply, industry, public health, recreation, etc.). Droughts can be bounded at times by watersheds, local changes in supply and demand, or by underlying geology, so regional cooperation to encourage projects that benefit multiple communities (e.g., aquifer storage and recharge, green infrastructure that improves infiltration, or connecting vulnerable water supply systems to other systems with less or different vulnerability)

Similar to the movement of water, the movement of electricity throughout the state follows channels that branch, converge, and flow from one community to another, such that risk to

one jurisdiction may affect others around them, as might mitigation of that risk. Consequently, a regional approach is encouraged when mitigating damages to electrical infrastructure or to ensuring redundancies in generation, transmission, or distribution with STRLF funding. To this end, HSEMD has applied for BRIC funding to develop a Statewide Electric Resilience Strategy, intended to help the state and local governments optimize efforts to mitigate the effects of natural hazards on electric power.

Similarly, local governments should take the impacts of development on risk and vulnerability into account when developing zoning and building codes (e.g., avoiding urbanization in flood- or landslide-prone areas, minimizing wildland-urban interfaces, considering water availability in development decisions, or including stormwater best management practices in new developments).

2.3.4. Major Economic Sectors and National Infrastructure

Mitigation activities that increase the resilience of critical facilities are a priority for the Iowa STRLF. Iowa sits at the crossroads of several major highways (Interstates 80, 35, and 29, among others), railways, pipelines, and waterways (namely the Missouri and Mississippi Rivers), all of which carry significant amounts of freight and are vital to interstate commerce and national security. Iowa is home to several locks and dams along the Mississippi River, several major dams and reservoirs, and bridges that connect critical highway infrastructure (e.g., in the Quad Cities, where interstates 280, 80, & 74 cross the Mississippi).

Iowa's industries support national economic sectors critical to national security, such as aerospace, munitions, data centers and media companies, agriculture and food processing, chemical manufacturing, heavy manufacturing, and liquid fuel and wind energy production.

On a sliding scale, up to five points will be given to projects improving the resilience of major economic sectors or critical national infrastructure, including ports, global commodity supply chain assets (located within Iowa or within the jurisdiction of local governments and Tribal governments), power and water production and distribution centers, and bridges and waterways essential to interstate commerce.

III. Criteria and Method for Distribution of Funds

3.1. Loan Management Information

The Iowa STRLF is currently awaiting a federal capitalization grant to establish the fund and disburse the initial set of loans. FEMA is making available \$150,000,000 in capitalization grants for this fiscal year. The final award amount is uncertain, but this IUP anticipates an award of between \$5.1 million (the minimum, per FEMA), and \$10 million (i.e., one fiftieth of the \$500,000,000 appropriated by Congress to the STRLF program for capitalization grants to the states, tribes, and territories).

Upon award of the capitalization grant, HSEMD and IFA will begin accepting applications for STRLF loans through a form similar to IFA's SRF application form, yet to be finalized. HSEMD will be responsible for reviewing applications and choosing activities to be funded, while IFA will be responsible for verifying chosen applicants' submitted financial information, including verifying a dedicated source of revenue for repayment. Like the CWSRF and DWSRF, the STRLF is intended to have a rolling application deadline.

Until long-term viability of the STRLF program can be assessed, the Iowa STRLF expects to set loans at the maximum interest rate of 1% annually. When funds are returned to the STRLF in the form of loan repayments, they will be held in an interest-bearing account, earning a competitive interest rate compliant with state law, until such time as administrative costs are expected to be covered by the fund's growth. The initial financial goal for the STRLF is to maintain, at a minimum, the initial fund balance, with the assumption that no further capitalization grants or state general funds will be provided.

Iowa intends to require reasonable loan processing and origination fees at loan closing, excepting applicants that qualify as low-income, underserved, disadvantaged,⁶ or who can otherwise show they would be overburdened by the fees. If in future years it is determined

⁶ See previous footnote. For purposes of the Iowa STRLF, "Disadvantaged" means communities identified as disadvantaged by the [Climate and Economic Justice Screening Tool](#). For the purposes of the Iowa STRLF, "underserved" refers to census tracts with a Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SVI) score of 0.8 or higher on the national ranking. Census tracts scores can be explored at <https://svi.cdc.gov/map.html>. Tribal jurisdictions are considered underserved.

that these fees are ineffective or unnecessary for maintaining long-term viability of the STRLF, they may be discontinued.

After administrative costs are (projected to be) covered either by fund growth or by fees, the fund will be made available for future rounds of loans. Future projections for the average annual amount to be disbursed will depend on a) actual administrative costs, and b) actual capitalization grants awarded. Long-term, the financial goal for the Iowa STRLF is to grow and expand the state’s ability to fund hazard mitigation activities.

3.2. Criteria and Method for Loan Distribution

IFA will use its existing risk assessment used for the CWSRF and DWSRF to determine the ability of loan applicants to meet requirements and the level of monitoring needed. For this first year of the program, risk rating will not affect the loan’s interest rate, as all loans will be set at 1% until program sustainability can be established.

Once actual management costs and fund growth can be measured, such that program sustainability is assured, assistance in the form of loan forgiveness or amended (lowered) interest rates may become an option for qualifying loan recipients. Assistance will be targeted toward low-income areas, Justice 40 communities, high SVI areas (>0.8), economically disadvantaged rural communities (EDRCs), and Community Disaster Resilience Zones (CDRZs).

Loan recipients to be targeted for lower interest rates in the future include both the targeted communities above, and communities with low risk ratings.

3.2.1. Creating a Project Proposal List

A project proposal list (PPL) for initial projects that may be funded by the Iowa STRLF is attached to this IUP for the capitalization grant application. The call for project proposals to be included was published simultaneously with this IUP for public review and comment.

3.2.1.1. PRIORITIZATION METHODOLOGY

Prioritization of applications for loans under the Iowa STRLF will align with the Iowa SHMP and the prioritization methodology outlined therein. A copy of the section of the SHMP outlining this procedure can be found in Appendix C. For the STRLF specifically, the following factors (up to 24 points) will be added to the points received under the existing SHMP methodology (up to 36 points⁷):

⁷ Additional points are provided specifically for projects under consideration for BRIC or FMA competition. These are not included in this total.

STRLF Prioritization Criteria	Points
Projects benefitting low-income geographic areas, Justice 40 communities, high SVI areas, economically disadvantaged rural communities (EDRCs), and/or Community Disaster Resilience Zones (CDRZs). (5 points for one designation, 6 points for more than one)	6
Loans intended to provide a local cost share for HMA programs, especially for HMA subgrants with proposed local cost shares higher than the required minimum local cost share.	2
Projects that cannot be funded or are more difficult to fund using HMA programs.	2
Projects that leverage partnership among multiple eligible entities (i.e., multiple State or Tribal governments) to carry out a project or similar projects (4 points) and/or Projects that benefit multiple jurisdictions/communities (2 points)	4
Projects that take into account regional impacts of hazards on river basins, river corridors, micro-watersheds, macro-watersheds, estuaries, and lakes and areas at risk of earthquakes, droughts, severe storms, and wildfires, including the wildland-urban interface	5
Projects that demonstrate resilience-building for one or more key economic sector(s), or critical national infrastructure, including ports, global commodity supply chain assets, power and water production and distribution centers, and bridges and waterways essential to interstate commerce.	5
Total available points:	24

3.2.1.2. TIE-BREAKING PROCEDURE

In the event that two or more project applications receive the same score, the project that receives a higher score in the following categories, in this order, will be chosen. A tie may be broken on the first or second category without reaching the next.

1. Applicant is in a low-income geographic area or is a disadvantaged community.
2. Application has a higher Benefit Cost Ratio (BCR), if applicable.
3. Applicant has had no Stafford Act-based hazard mitigation grant in past five years.

IV. Financial Management

4.1. Financial Status of the Iowa STRLF

The financial administration of the Iowa STRLF will be managed by the Iowa Finance Authority, while HSEMD will manage the public outreach, notice of interest and application management, and final decisions on which approvable applications will receive loans. IFA will be responsible for ensuring loan recipients' compliance with loan agreements and program requirements, while HSEMD will be responsible for ensuring program compliance with federal STRLF requirements. To this end, HSEMD and IFA will cooperatively conduct regular monitoring and audits.

IFA is also responsible for the financial administration of the Iowa CWSRF and DWSRF, but there is currently no intention to combine them with the STRLF program. That being said, close cooperation between the DWSRF/CWSRF program with the STRLF program is a goal for the STRLF.

The Iowa STRLF has not yet been established by statute and the fund thus does not contain any money from any source. However, it is anticipated that the initial capitalization grant will be between \$5.1 million and \$10 million, with an additional 10% of the grant contributed by the state of Iowa. Thus, e.g., if a \$10 million federal grant were awarded, the state would contribute an additional \$1 million.

For the first year (the current fiscal year), the STRLF will withhold 2% of the capitalization grant for management costs. Reasonable fees for loan application and processing and origination fees will also be assessed for the first year, depending on the amount of the capitalization grant and estimated administrative costs.

The amount of money from each source in the fund will be accounted for separately by IFA (i.e., the capitalization grant, state share, fees, repayment of loans, and interest earned on amounts in the STRLF). These amounts will be reported in the next IUP.

The table below provides a scenario with rough estimates for anticipated cash flow for the STRLF in its first two years after grant award (not necessarily aligning with state or federal fiscal years).

Source/Cost	Year One			Year Two			
	Inflow	Outflow	Funds Available	Inflow	Outflow	Funds Available	
Capitalization Grant	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 5,100,000	\$ -	\$ 7,959,434	
State Match	\$ 1,000,000	\$ -	\$ 11,000,000	\$ 510,000	\$ -	\$ 8,469,434	
Interest on unused funds	\$ 297,059	\$ -	\$ 11,297,059	\$ 229,312	\$ -	\$ 8,698,745	
Loan Disbursal	\$ -	\$ 8,250,000	\$ 3,047,059	\$ -	\$ 6,737,500	\$ 1,961,245	
Loan Fees	\$ 12,375	\$ -	\$ 3,059,434	\$ 10,106	\$ -	\$ 1,971,351	
Repayments	\$ -	\$ -	\$ 3,059,434	\$ 197,503	\$ -	\$ 2,168,855	
Program Administration	\$ -	\$ 200,000	\$ 2,859,434	\$ -	\$ 167,194	\$ 2,001,660	
						Total Outstanding Principal at 24 mos.	\$ 14,789,997
						Total assets at 24 months:	\$ 16,791,657

Budget Scenario Assumptions

- Initial capitalization grant is \$10,000,000 federal.
- Grant is awarded in November
- HSEMD applies for and receives award in FFY 2025, at minimum of \$5.1 million
- Interest earned on unspent funds is 4.0% (for simplicity, not compounded)
- 50% of FY24 Cap Grant funds are disbursed 6 months after award
- Additional 25% of FY24 Cap Grant funds are disbursed 12 months after award
- Additional 23% of FY24 Cap Grant funds are disbursed 18 months after award (the final 2% will be used for administrative costs)
- 50% of FY25 Cap Grant funds are disbursed 6 months after award
- Additional 25% of FY25 Cap Grant funds are disbursed 12 months after award
- Management costs are equal to the maximum allowed in federal statute
- Loan fees of 0.25% are applied to 60% of cap grant funds, but the other 40% qualify as low income and have no fees

- Repayments start 1 year after disbursement
- Loans have a 1% interest rate for an amortization period of 15 years

4.2. Financial Terms of Loans

Financial terms of loans have limits set by statute. The requirements are as follows:

- *Interest rates cannot exceed 1% but can be lower.*
- *Annual principal and interest payments from the borrower must start no later than one year after the project is completed. The State of Iowa has the option to begin payments earlier.*
- *Standard loans must be repaid within 20 years of project completion. Loans to low-income geographic areas must be repaid within 30 years of project completion. This is the longest period allowed for repayment; the State of Iowa can choose to have borrowers fully repay the loans earlier than this timeframe.*
- *All loans should be repaid before the project’s design life ends.*
- *Borrowers must identify a specific revenue source to repay the loan.*
- *Borrowers must have a FEMA approved Hazard Mitigation Plan.*
- *All payments made by borrowers for both principal and interest must be deposited into the Iowa STRLF.*

Upon loan closing, IFA will collect any applicable loan processing and origination fees. All collected fees will be placed in the fund in an interest-bearing account until needed to pay for administrative costs incurred.

4.2.1. Standard Loans

For STRLF projects that are not located in low-income geographic areas, the following standard loan terms will apply. For projects located in low-income geographic areas, see section 4.2.2.

A one percent (1%) interest rate will be applied to all loans originating this fiscal year.

Payments will be monthly and will be amortized over the period of the loan. The loan repayment period should be as short as possible without causing undue financial hardship to applicants, in order to allow availability of funds for future project loans. The period of

loans will be limited to the project useful life (where applicable), or the 20-year maximum allowed under 42 U.S.C. 5135(f)(1)(A)(ii), whichever is shorter. Note that for loans funding Local Hazard Mitigation Plan development, the project useful life should be understood to extend until the expiration of the plan, five years after FEMA approval of the plan. Loans of \$100,000 or less will include repayment terms of no more than ten (10) years. Loans of \$100,000.01 to \$1 million are anticipated to have loan terms of no more than 15 years. Loans of more than \$1 million will have loan repayment terms up to 20 years.

Loan repayments will commence in accordance with the repayment schedule and no later than 6 months after loan disbursement. In certain circumstances, deferred repayment schedules may be established, with the beginning of loan repayment not to exceed one year after project completion.

Approved loans will include a 0.25% origination and processing fee applied at closing, except for projects benefitting EDCRs or low-income, underserved, or disadvantaged communities, for which no fees for loan application, processing, or origination will apply.

After a project is approved as eligible, and the applicant has submitted an application, IFA and HSEMD staff will review the applicant's financial status and will request information to gauge the applicant's financial stability. The applicant's most recent single audit or annual financial statement (if a single audit has not been required under 2 CFR 200) will be required.

IFA and HSEMD will schedule a project loan counseling call to discuss standard terms, project schedule, and questions. IFA will prepare a loan repayment schedule, loan agreement, and promissory note, and allow time for review and revision or clarification, as needed, before closing is scheduled. Before closing, HSEMD and IFA will confirm that the applicant has established a dedicated source of revenue to repay the loan.

At the time of loan closing, applicants must have a current, FEMA-approved local hazard mitigation plan (except applicants seeking funding to create or update such a plan), with which the project must conform.

4.2.2. Loans for Low-Income Geographic Areas

The terms in section 4.2.1 (standard loans) will apply to loans for projects in low-income geographic areas⁸ with the following exceptions.

- No fees for loan application, processing, or origination will apply.
- Loan repayment periods may be up to 30 years. Loans of \$100,000 or less will include repayment terms of no more than fifteen (15) years. Loans of \$100,000.01 to \$1 million are anticipated to have loan terms of no more than 25 years. Loans of more than \$1 million will have loan repayment terms up to 30 years.

The table below outlines the major loan terms discussed above.

LOAN TERMS	Standard Loans	Loans to Low-Income Geographic Areas
Loan Fee	0.25% of loan ⁹	N/A
Loan Repayment Period: \$0 – \$100,000.00	10 years or less	15 years or less
Loan Repayment Period: \$100,000.01 – \$1,000,000.00	15 years or less	25 years or less
Loan Repayment Period: \$1,000,000.01 - \$5,000,000	20 years or less	30 years or less
Interest Rate	1%	1%

⁸ This term is defined in 42 U.S.C. 5135 § (m)(6), referring to 42 U.S.C. 3161, which includes “**(1) Low per capita income.** The area has a per capita income of 80 percent or less of the national average. **(2) Unemployment rate above national average.** The area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate.”

⁹ Except for EDRCs, low-income areas, or underserved or disadvantaged communities

4.3. Loan Disbursements

For the first fiscal year of the Iowa STRLF, 98% of the capitalization grant plus 100% of state matching funds in the STRLF may be used as loans. However, it is likely that most of these available funds will not be disbursed until FFY 2026 as the program becomes established.

The Iowa STRLF’s utilization goal is 98%. Reaching this goal will be heavily dependent on loan repayment rates and the requested amounts for projects proposed in future years, as well as the ability of the fund to earn interest and remain sustainable. Demand for hazard mitigation funding in Iowa has consistently outpaced availability of funds. It is therefore expected that the STRLF program will have no difficulty maintaining a queue of approvable mitigation activities pending funding availability.

Most mitigation actions underwritten by the Iowa STRLF are not expected to be directly revenue-producing even though they are expected to result in cost-savings in the future. As applicants consider revenue streams that might be used for loan repayment, the following may be possibilities, depending on state and local law.

- Local property tax
- Local option sales tax
- Business and occupational license taxes and fees
- Service charges and use fees
- Franchise taxes
- Local special purpose assessments
- Accommodations/hospitality tax
- Local government bonds

V. Iowa STRLF Program Management

5.1. Technical Assistance

HSEMD and IFA expect to provide technical assistance to loan applicants and recipients, in the form of outreach and education about the STRLF, or assistance with application development, loan repayment questions, project execution, or program compliance.

In this first year, as the Iowa STRLF program is established, and up to 2% of the capitalization grant might be spent on administrative costs, HSEMD estimates that \$15,000 might be spent on technical assistance. Depending on the final capitalization grant award amount, this may be 1.4% to 2.6% of the total fund.

5.2. Local Capacity Development

The Iowa STRLF will be available to develop local mitigation capacity through projects such as building code enhancement, mitigation planning, zoning and land use changes, or local cost shares for HMA project scoping.

5.3. Environmental and Historic Preservation Compliance

Compliance with state and federal Environmental and Historic Preservation (EHP) requirements will be implemented in the same way as it is for HMA grants in Iowa. All projects that involve construction and/or changes to the physical environment will undergo EHP review. FEMA, as the federal awarding agency, has responsibility for EHP approval and HSEMD will work in close coordination the FEMA Region VII office. As soon as application ranking and selection is complete, HSEMD will coordinate with FEMA Region VII regarding necessary EHP review steps.

As part of a loan agreement, HSEMD will provide borrowers with FEMA environmental approval documents such as a Record of Environmental Consideration or Finding of No Significant Impact. These documents will outline implementation conditions the borrower must follow while implementing the project. HSEMD will monitor the EHP requirements along with regular project monitoring. As part of project closeout, borrowers will provide copies of required permits and certify that they met all EHP conditions.

5.4. Public Meetings and Comment Activities

Provision of Opportunity for Public Comment and Project Proposals

HSEMD provided notice and six weeks of public comment for this IUP and the PPL through the comment.iowa.gov website prior to submission to FEMA. HSEMD also reached out to local governments and the emergency management community in Iowa through the following methods:

- Email to Iowa county EM coordinators
- HSEMD Talking Points (monthly email to EM community)
- Email to previous HMA applicants and recipients
- Email to organizations whose members include local governments
 - Iowa League of Cities,
 - Iowa State Association of Counties,
 - Iowa Association of Municipal Utilities,
 - Iowa County Engineers Association
- Email to other interested stakeholder groups
 - American Planning Association – Iowa Chapter
 - American Public Works Association – Iowa Chapter
 - Conservation Districts of Iowa
 - Iowa Association of Building Officials
 - American Society of Civil Engineers – Iowa Section
 - American Institute of Architects – Iowa Chapter
 - Iowa Floodplain and Stormwater Management Association

HSEMD will be working with IFA and DNR to ensure the viability of a STRLF program in Iowa using this IUP. In 2023, HSEMD discussed the potential establishment of the STRLF with DNR staff responsible for the Clean Water SRF and the Drinking Water SRF, which gave HSEMD valuable understanding of revolving loan programs, strategies, and processes.

Comments Received

While emails were sent to hundreds of recipients, relatively few comments were received. HSEMD received comments on this IUP from Polk County EMA, which were incorporated into

this IUP where appropriate. PCEMA’s comments included request for definitions, clarification of loan terms, addition of a glossary, and general questions about project eligibility.

HSEMD also received comment on the IUP from the Theodore Roosevelt Conservation Partnership and the Environmental Defense Fund (jointly) regarding the use of STRLF funds for green infrastructure and nature-based solutions, which is part of HSEMD’s general project prioritization methodology. Further conversations with TRCP and EDF about the nationwide implementation of the STRLF program are anticipated.

HSEMD received project proposals from the cities of Clive, Mechanicsville, Oelwein, and Thayer, and from McGregor Municipal Utilities, all of which were added to HSEMD’s existing list of projects proposed by communities for HMA funding, in order to create a comprehensive project proposal list.

The Iowa Association of Building Officials responded with a request for a presentation on funding opportunities at their May 2024 meeting, which occurs after this IUP is submitted to FEMA.

VI. Audits and Reporting

6.1 Compliance with Federal Reporting Requirements

To ensure clarity, all program materials are posted on our website:¹⁰

<https://homelandsecurity.iowa.gov/grants-overview/grants/#HMA>.

The Iowa STRLF program will use the services of the Iowa Office of the State Auditor to run an independent audit to ensure finances are correct for the one and two-year audits.

HSEMD commits 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 Iowa Safeguarding Tomorrow RLF program. Among other requirements, FEMA will use the data from the audits and reporting to assess how the loan funds:

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

HSEMD 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, HSEMD will enter required project benefits data into FEMA’s ND Grants by the end of the fiscal year for this Intended Use Plan.

6.2 Publication of Information

HSEMD will publish the following information at least annually on its website

(<https://homelandsecurity.iowa.gov/grants-overview/grants/#HMA>).

- All projects receiving funding from the Iowa STRLF, including:
 - Location
 - Type
 - Amount of assistance
 - Expected funding schedule
 - Expected date of project completion

¹⁰ Note that the HSEMD website is undergoing revision, as of 4/30/2024, and links may break in the process. Please reach out to hsemdmitigation@iowa.gov if

6.3 Loan Recipient Auditing and Reporting

HSEMD and IFA will monitor loan recipients monthly as to loan repayment status and quarterly as to project progress. Quarterly progress reports will be collected through HSEMD’s grants management system. Project progress reporting will cease at the end of the project (i.e., after the completion of construction or non-construction activities and the incursion of project expenses). IFA will issue loan statements to recipients quarterly. Reports will be provided to HSEMD leadership on a quarterly basis and to FEMA and other state and federal partners quarterly, annually, and as needed. IFA will monitor for compliance with loan agreements and single audit requirements in 2 CFR 200 as applicable.

Loan agreements will include the following or similar text regarding defaults and cures:

I. Default

The Borrower is in default of the Agreement upon the occurrence of one or more of the below conditions which include the following:

1. Construction of the Project is not completed within the timeframe identified in the loan application or Department-approved¹¹ change orders that amend the scope of work and timeline approved by HSEMD;
2. The Project is not constructed in accordance with the approved plans and specifications approved by HSEMD, or does not meet applicable practice design standard(s) which were the basis for the approved plans and specifications;
3. The Project is not maintained in accordance with the project maintenance approved by HSEMD;
4. The Project practice(s), which have not met their identified useful life (as identified in the project maintenance plan), no longer function as originally intended due to lack of maintenance, removal, modification of, or damage to the Project that was not repaired; or
5. The Project is utilized for a purpose that would make it no longer eligible for STRLF Sponsored Project funding under State or Federal regulations.

II. Actions

In the event that the Borrower is in default of the Agreement as defined above, the Department shall by written notice inform the Borrower that they are in default with the Agreement; and the Department may take one or more of the following actions:

1. Grant the Borrower an extension of time to correct deficiencies and/or to complete the Project through the issuance of a change order as an amendment to the project scope and timeline as approved, or other applicable action;
2. Instruct the Borrower to complete work necessary to correct deficiencies of practices not constructed to the approved plans and specifications and/or any change orders approved by the Department that amend the approved plans and specifications, or that do not meet the applicable practice design standard(s) which were the basis for the approved plans and specifications;
3. Instruct Iowa Finance Authority to withhold further disbursements related to the Project until actions necessary to remedy deficiencies have been completed and approved by the Department;

¹¹ “Department” refers to Iowa HSEMD.

4. Instruct the Borrower to perform the required maintenance identified in the approved maintenance plan;
5. Instruct the Borrower to repair any damage to the Project that impairs or prevents the Project practices from functioning properly; or
6. In the event the actions in items 1-5 would be ineffective given the circumstances of the default, or in the event the Department took any action detailed in items 1-5 or took any other action under item 7 and the Borrower failed to remedy the default, instruct the Iowa Finance Authority to increase the interest rate (not to exceed statutory limits) of any associated STRLF loan agreement(s) such that the entire amount disbursed to the Borrower for the Project or an amount prorated according to the proportion of remaining years of useful life to the total years of useful life of the Project practice(s) in default is repaid to the STRLF; or
7. Take any other action deemed necessary by the Department that will allow the Borrower to remedy the default and/or allow the Department or the Iowa Finance Authority to recoup previously dispersed funding for the Project, so long as the action does not increase the SRF funding provided for the Project and is allowed under law or rule. The Department may only take this action if the actions in items 1-5 would be ineffective given the circumstances of the default, or in the event the Department took any action detailed in items 1-5 and the Borrower failed to remedy the default.

Appendix A

A.1. Loan Application Process

Upon award of the capitalization grant, HSEMD will create a prioritized list of projects and identify those that can be funded by the amount expected to be available in the STRLF. Projects on this list will be considered approved; the associated loan is not yet approved. This list will be created from approvable projects submitted for the Iowa STRLF PPL. HSEMD will ask identified applicants to complete an application within 45 days of notification, after which applicants with fundable projects next in line under the state’s prioritization will be invited to apply.

Expected Timeframe	Step/Action	Responsibility
45 days after project approval	Submit loan application	Applying local government
1-5 months after project approval	Loan counseling	HSEMD / IFA
1-2 months after loan application	Submit EHP checklist to FEMA	HSEMD
1-4 months after loan application	Application review and underwriting; includes review of documentation to support financial and administrative capacity to manage project and repay loan	IFA
3-4 months after loan application	Preparation of loan package (agreement, terms, promissory note)	IFA
4-5 months after loan application	Review and approval of loan package	Applying local government
4-6 months after loan application	Schedule closing	IFA / HSEMD
5-9 months after loan application	Closing. Execute loan agreement and promissory note	Applying local government and HSEMD / IFA
Upon initiating project work	Notify HSEMD of initiation of project activity	Loan recipient
Quarterly, beginning quarter after loan disbursement	Quarterly reporting to HSEMD and FEMA	Loan recipient / HSEMD
Based on terms of loan	Monthly payments based on terms of loan	Loan recipient
Quarterly	Provide loan statement to loan recipient	IFA

A.2. Financial Planning Methodology

The final form of the financial planning methodology will be determined with the help of the Iowa Finance Authority following authorization for the IFA to manage this program. The following is the interim plan for managing the STRLF.

IFA staff managing the Iowa STRLF will maintain financial records and track financial status of loans and loan funds. IFA and HSEMD will track loan disbursements and payments and program expenditures and staff time on a monthly basis to compare against budget projections to support trend analysis and future year budget projections. Three months prior to the beginning of the state fiscal year, IFA will determine an estimate of loan funds that would be available for disbursement at the beginning of each quarter for the next fiscal year.

Staff will conduct ongoing loan monitoring with recipients based on risk rating:

Low risk:	Annually
Moderate risk:	Quarterly
High risk:	Monthly

A loan payment that is more than 90 days delinquent or has a material change (financial, legal, or other substantive) would be monitored monthly until the delinquency is cured or change is adequately resolved.

Appendix B

B.1. Loan Distribution Methodology

The final form of Iowa STRLF’s loan distribution methodology will be determined with the help of the Iowa Finance Authority (IFA) following authorization for the IFA to manage this program.

- 1) Loan distribution will be based on proposed project ranking criteria, eligibility with mitigation policy and STORM Act regulations, and capitalization grant requirements.
- 2) HSEMD staff will support loan program accessibility for low-income geographic areas and disadvantaged and underserved communities through:
 - a) Regular and ongoing communication, outreach, and offers of technical assistance to counties and local governments that meet federal definitions of underserved community and/or low-income geographic area.
 - i) At least two outreach initiatives or events annually, focused on underserved communities and/or low-income geographic areas.
 - ii) Tracking and reporting of communications, training, and technical assistance provided and needs associated with underserved communities and/or low-income geographic areas to identify common needs, trends, and successful approaches.
 - b) Use of project ranking criteria that include points for high CDC Social Vulnerability Index (SVI) scores, Justice 40 designation, and EDRC status.
- 3) IFA will prepare and negotiate loan documents and processing as efficiently as possible to support timely loan disbursement and initiation of projects.
- 4) HSEMD will track loan distribution to provide for and maintain at least 40% of benefits supporting low-income geographic areas, Justice 40 communities, and underserved communities.

Appendix C

C.1. Project Proposal List Prioritization Methodology

The following section comes from the 2023 update to the Iowa Hazard Mitigation Plan (SHMP). The text is current as of March 2024, but is subject to update. The current version of the SHMP should be consulted for an accurate picture of HSEMD’s prioritization methodology.

Points received under this system are added to the points received using the table in section 3.2.1.1. Loan applications under STRLF will be considered and prioritized separately from HMA applications.

4.3.1. Criteria for Prioritizing Jurisdictions and Projects to Receive FEMA HMA

A. Eligibility and Prioritization for HMA Funding

For the specific HMA programs from FEMA, HSEMD establishes the criteria for prioritizing local jurisdictions that receive planning and project grants. This is based on several considerations, including communities with the highest risk, most vulnerable populations, most repetitive loss, and most intense development pressures likely to result in high future risk. The three HMA Programs administered by HSEMD under the direction of the SHMO are the HMGP, the BRIC Program, and the FMA Program. Eligible applicants for funding are State and local governments, private nonprofit organizations, and Indian tribal governments as outlined in the 44 CFR § 206.434.

In general, HSEMD considers funding four different types or categories of activities for HMA grant funding. They are:

1. Local hazard mitigation plans
2. Other Capability- and Capacity-Building (C&CB) activities (e.g. project scoping)
3. “5 Percent Initiative” projects
4. “Regular” projects

HSEMD will use the following basic eligibility requirements for all activities, regardless of type or category, proposed for HMA funding:

1. All proposed activities for funding must conform to the State of Iowa’s Hazard Mitigation Plan that is developed as a requirement of Section 322 of the Stafford Act.
2. Except for activities to develop local hazard mitigation plans, all activities proposed for HMA by local jurisdictions must advance fulfillment of a mitigation action listed in the jurisdiction’s local hazard mitigation plan.
3. Proposed activities should contribute to a long-term solution to the problem it is intended to address.

Besides the above basic eligibility requirements, each category has additional eligibility requirements as detailed below.

Besides having to meet eligibility requirements for grant funding, proposed activities are selected for consideration based on how well a particular activity “scores” according to **prioritization criteria**. Some prioritization criteria apply to activities in several categories, while certain criteria only apply to proposed activities of a single category.

B. Prioritization Criteria for Proposed Activities Except Plans

The following **prioritization criteria** apply to activities of all categories except the Local Hazard Mitigation Plan category:

1. "Communities at highest risk with highest vulnerability" (S15a1): Under this criterion, proposals for mitigation projects for flood (flash or riverine), severe winter storms, or wind (including tornado) are given the most available points no matter where in the state. The most available points under this criterion are also given to projects that address mitigation of hazards in communities identified as being most vulnerable for that particular hazard, as identified in the hazard’s profile in the current Iowa Hazard Mitigation Plan or more recent HARA hazard profile, meaning that:
 - a. For drought mitigation projects, most points available under this criterion would go to proposed activities in Webster, Carroll, Crawford, Sioux, Sac, Wapello, Woodbury or Pottawattamie Counties;
 - b. For Excessive Heat, most points available under this criterion would go to proposed activities in these counties: Adams, Appanoose, Crawford, Emmet, Fayette, Greene, Kossuth, Monona, Montgomery, Osceola, Palo Alto, Van Buren, or Wayne counties;
 - c. For dam or levee failure projects, most points available under this criterion would go to proposed activities in communities already behind an accredited levee or a high hazard potential dam;
 - d. For earthquake-mitigation projects, most points available under this criterion would go to proposed activities in Des Moines, Linn, Polk, and Scott Counties;
 - e. For wildfire mitigation projects, most points available under this criterion would go to proposed activities in Woodbury and Plymouth Counties;
 - f. For landslide mitigation projects, most points available under this criterion would go to proposed activities in Allamakee, Clayton, Des Moines, Dubuque, Harrison, Lee or Woodbury Counties;
 - g. For sinkhole mitigation projects, most points available under this criterion would go to proposed activities addressing a developed area above an abandoned mine.
 - h. For hail, most points available under this criterion would go to proposed activities in Calhoun, Des Moines, Hardin, Johnson, Linn, O’Brien, Polk Sac, or Webster Counties.
 - i. Some points, but not the maximum available for this criterion, may be given to other communities according to their relative degree of vulnerability as shown in the relevant Iowa Hazard Mitigation Plan hazard profile.
2. "Underserved communities” (S15a1): Less points to communities that got more FEMA HMA in last 10-15 years. Maximum points for this criterion given to communities who got \$0.
3. “Socially vulnerable populations" (S15a1): EDRCs get maximum points of this criterion. For other communities: the higher their social vulnerability index (SVI) number, the more points they get.
4. "High-risk properties (including repetitive loss)" (S15a2): Most points available under this criterion go to proposed activities that seek to address repetitive loss or the most high-risk properties.

5. "Areas under intense development pressure" (S15a3): Most points available under this criterion go to communities with greater amounts of recent growth (within past 5-15 years), measured in either percentage growth (i.e. communities with higher % growth get more points), OR absolute growth (i.e. communities with greater number of persons added to population get more points). (Allowing more points whether high growth is measured in % or absolute numbers allows both small and large communities to get more points).
6. "Areas with increasingly severe impacts from climate change"(S15a3): The only area currently showing increased climate change impacts, at least relative to other areas of Iowa, would be eastern Iowa, which has been seeing increased precipitation over time and is expected to continue to do so. Increased precipitation leads to increased flooding, so proposed flood mitigation actions in eastern Iowa will receive points for this climate change criterion. (Some areas of Iowa are projected to have more drought impacts from climate change, but that has not yet played out.)
7. "High hazard potential dams" (HHPD) [S15b and HHPD 7]: For "Regular" type projects for HHPDs, the project gets double BCR Bonus points (see "Regular Project" type below) to account for other and extra benefits the project provides. Also, for project proposals that address a High Hazard Potential Dam, the most points available under this criterion go to projects:
 - a. that address the most pressing failure modes of the dam,
 - b. for dams whose potential consequences from a dam incident are in the top quartile in severity of potential consequences of all HHPD dams in Iowa,
 - c. that reduce potential consequences from a dam incident to be within the bottom quartile in severity of potential consequences of all HHPD dams in Iowa,
8. "Address high priority state mitigation actions" [S10b and S12b]: Most points available under this criterion go to project types that align with mitigation actions in Iowa Hazard Mitigation Plan that have been determined higher priority.
9. "Application completeness": Most points available under this criterion go to proposals with more completed elements of an HMA application.
10. "More non-federal funding sources": Proposals that include funding from more non-federal sources, and in higher proportion (compared to the total project cost) than the minimum required, receive more points.
11. "More recent mitigation efforts": Jurisdictions more active in hazard mitigation (as shown by mitigation projects initiated in past 10-15 years) receive more points.
12. For BRIC: Project proposals that are to be submitted under BRIC will also be evaluated in regards to how well the project scores in regards to BRIC's Technical and Qualitative Review criteria. Those that score the highest will receive more points under this criterion (but this criterion only relates to projects to be submitted under the BRIC competition).
13. For FMA: Project proposals that are to be submitted under FMA will also be evaluated in regards to how well the project scores in regards to FMA's Review criteria. Those that score the highest will receive more points under this criterion (but this criterion only relates to projects to be submitted under the FMA competition).
14. For HMGP: Project proposals that are to be submitted under HMGP will receive more points for proposed activities in the designated disaster area for the particular HMGP award (but this criterion only relates to projects to be submitted under HMGP).

15. For HMGP: Project proposals that are to be submitted under HMGP will receive more points for proposed activities that mitigate the type of hazard(s) for which the disaster was declared (but this criterion only relates to projects to be submitted under HMGP).

Eligibility requirements and prioritization criteria that apply only, and specifically, to proposed activities of each category are as follows:

1. C&CB activities (other than developing local hazard mitigation plans):
Additional Eligibility Requirement: Proposed activity must lead to, or endeavor to lead to, development of a project eligible for HMA.
Additional Prioritization Criterion (in addition to those listed above):
 - a. “Helps more than one place”: Most points available under this criterion go to projects that provide mitigation for more than one place. For example, projects that incorporate a watershed approach (with a project that addresses flooding far upstream) gets more points than a project that prevents flooding only at a single-location (and may in fact “push” water downstream for others to deal with). For non-flood hazards, mitigation projects that are multi-jurisdictional get more points than those that only benefit a single jurisdiction.
2. “5 Percent Initiative”:
Additional Eligibility Requirement:
 - a. Conform to 44 CFR, Part 9, Floodplain Management and Protection of Wetlands.
 - b. Must consider long-term changes to the areas and entities it protects, and has manageable future maintenance and modification requirements.Additional Prioritization Criterion (in addition to those listed above):
 - a. “Warning/Alert”: Siren projects to receive more points under this criterion than generator projects. (Generator projects, but not siren projects, can be submitted as regular projects with a completed benefit-cost analysis, and are encouraged to be submitted as such.)
 - b. “Region- or County-wide”: Multi-jurisdiction projects to receive more points under this criterion than single jurisdiction projects.
3. Regular Project:
Additional Eligibility Requirements:
 - a. Conform to 44 CFR, Part 9, Floodplain Management and Protection of Wetlands.
 - b. Must consider long-term changes to the areas and entities it protects, and has manageable future maintenance and modification requirements.
 - c. The project should resolve a significant risk to public health and safety; it should not cost more than the anticipated value of the reduction in both direct damage and subsequent negative impacts to the area if future disasters occur.
 - d. The project should be cost effective and substantially reduce the risk of further damage, hardship, loss, or suffering resulting from a major disaster.
 - e. In determining cost effectiveness, analysis is performed utilizing a FEMA-approved benefit-cost-analysis module and is in conformance with OMB Circular A-94.
 - f. When a range of options is considered, the project that is chosen should be the one that is determined to be the most practical, effective, and environmentally-sound alternative.

Additional Prioritization Criterion (in addition to those listed above):

- a. “Helps more than one place”: Most points available under this criterion go to projects that provide mitigation for more than one place. For example, projects that incorporate a watershed approach (with a project that addresses flooding far upstream) gets more points than a project that prevents flooding only at a single-location (which may in fact “push” water downstream for others to deal with). For non-flood hazards, mitigation projects that are multi-jurisdictional get more points than those that only benefit a single jurisdiction.
- b. “BCR Bonus” (S15a): To encourage projects that maximize benefits, extra points will be given based on how high the Benefit Cost Ratio (BCR) is.

C. Eligibility and Prioritization Criteria for Proposals to Develop Local Hazard Mitigation Plans

Additional Eligibility Requirement: Proposal must be for development of a multiple jurisdiction plan, and at least include all cities (willing to participate) in at least one county.

Prioritization Criteria (note that the prioritization criteria listed above do not apply to local hazard mitigation plan development projects):

- a. “Longest expired”: Proposals to update plans that have been expired the longest will receive the most points under this criterion.
- b. “More recent mitigation efforts”: Jurisdictions more active in hazard mitigation (as shown by mitigation projects initiated in past 10-15 years) receive more points.
- c. “Soonest to expire”: Proposals to update plans that will expire the soonest will receive the most points under this criterion.
- d. “More non-federal funding sources”: Proposals that include funding from more non-federal sources, and in higher proportion (compared to the total project cost) than the minimum required, receive more points.

D. How the Process works:

1. Jurisdictions (and others) submit a Notice of Interest (NOI)
2. The NOI submission prompts HSEMD staff to work with applicant on developing a full application for HMA funding. As applications developed, staff find out as soon as possible:
 - a. Does proposal meet eligibility requirements for category of mitigation activity?
 - b. How does proposal score for each prioritization criteria that applies to the type of activity proposed?
3. Once a quarter (or more often), meeting held with HSEMD Mitigation staff and others to review sub-applications submitted to HSEMD but not yet submitted to FEMA. For each category, prioritize those that meet eligibility requirements.
4. Tentatively slot highest priority projects into open funding opportunities. Work on further developing and submitting applications for those projects. Also work on some “alternate” projects that did not quite meet the prioritization scores to make it into available funding, but are among the next three or four highest priority proposals (or equating to up to 20% of available funding). If the sub-applicants of the proposed priority projects do not submit all necessary materials for a complete application, these alternate project proposals will be submitted in their place on the day before the deadline for submission to FEMA.

5. Also at quarterly meeting there is a review of how effectively the funded projects are fulfilling and advancing the mitigation actions of the State Plan, and how effectively the funded projects are resulting in projects that address objectives of the prioritization criteria. As some mitigation actions and criteria objectives are “fulfilled” (and thus, others not), weighting will be shifted to criteria that have not yet seen as much fulfillment (i.e. more point values may be assigned to some criteria while less point values assigned to others). Document the change in weighting that occurs at these meetings.
6. At least quarterly, discuss HSEMD capacity and ability to manage increased grant program funding. Document what we are in the process of doing to increase capacity if there is a need because of increased program funding.
7. On annual basis meet with other agencies to identify and provide updates on the funding sources available through their agencies for mitigation-related projects.
8. At quarterly meeting, identify proposals that are eligible and perhaps better suited for other funding opportunities available through other agencies. Inform sub-applicants of these other opportunities, especially those sub-applicants whose proposals do not score high enough to be prioritized for current HMA funding.

Glossary of Terms and Acronyms

Term / Acronym	Meaning
BRIC	Building Resilient Infrastructure and Communities. An annual grant program funding hazard mitigation projects nationwide. States receive an annual set-aside of funding, and more funding is available in a nationally grant competition.
Disadvantaged Community Justice 40 Community J40 (Used interchangeably)	Federal Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, 86 Fed. Reg., 7619 (Feb. 1, 2021), set the goal that 40 percent of the overall benefits of certain covered federal investments flow to disadvantaged communities, which benefit from the Justice40 Initiative. Under the Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (CEJST), agencies should use the CEJST to geographically identify disadvantaged communities. For purposes of the STRLF, “Disadvantaged” means communities identified as disadvantaged by the Climate and Economic Justice Screening Tool.
FEMA	Federal Emergency Management Agency. The federal agency responsible for coordinating all stages of the disaster cycle (Mitigation, Prevention, Preparedness, Response, and Recovery).
FMA	Flood Mitigation Assistance. A grant program intended to reduce claims against the NFIP by funding hazard mitigation programs that reduce flood damage to NFIP-insured properties.
HMA	Hazard Mitigation Assistance. FEMA-administered grant programs for the purpose of mitigating natural hazard impacts. BRIC, FMA, HMGP, and LPDM fall under the umbrella of HMA. In Iowa, HSEMD is the pass-through entity that administers HMA subgrants.

Term / Acronym	Meaning
HMGP	<p>Hazard Mitigation Grant Program. A FEMA-administered grant program that is activated for a specific state after presidentially-declared disasters.</p> <p>In Iowa, HSEMD manages this program.</p>
HSEMD	<p>Iowa Department of Homeland Security and Emergency Management. Iowa’s state agency responsible for coordinating all stages of the disaster cycle (Mitigation, Prevention, Preparedness, Response, and Recovery), including managing FEMA-administered funding programs.</p>
IFA	<p>Iowa Finance Authority. Iowa’s state agency responsible for administering several financing programs for individuals and public entities, including the DWSRF and CWSRF.</p>
IUP	<p>Intended Use Plan. An outline of how the STRLF program will be administered in the state for a given fiscal year.</p>
Local Government	<p>“The term “local government” means—</p> <p>(A) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government;</p> <p>(B) an Indian tribe or authorized tribal organization, or Alaska Native village or organization, that is not an Indian tribal government as defined in paragraph (6); and</p> <p>(C) a rural community, unincorporated town or village, or other public entity, for which an application for assistance is made by a State or political subdivision of a State.”</p> <p>42 U.S.C. § 5122 (8)</p>

Term / Acronym	Meaning
Low Income Geographic Area	<p>This term is defined in 42 U.S.C. 5135 § (m)(6), referring to 42 U.S.C. 3161, which includes</p> <p>“(1) Low per capita income</p> <p>The area has a per capita income of 80 percent or less of the national average.</p> <p>(2) Unemployment rate above national average</p> <p>The area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate.”</p> <p>The methodology FEMA uses for determining if a census tract is “low income” uses the U.S. Census Bureau’s American Community Survey (ACS) 5-year Estimates Detailed Tables on https://data.census.gov. Specifically, tables B19301 (per-capita income) and DP03 (employment). HSEMD follows this methodology.</p>
LPDM	<p>Legislative Pre-Disaster Mitigation. Congressionally-directed mitigation spending program administered by FEMA.</p>
NFIP	<p>National Flood Insurance Program. A program administered by FEMA to provide flood insurance to flood-prone properties. Communities with FEMA-delineated floodplains can participate in the program, allowing residents to purchase insurance.</p>
PPL	<p>Project Proposal List. A list of hazard mitigation projects proposed to be funded with STRLF funding, submitted concurrently with this IUP.</p>
RL/SRL	<p>Repetitive Loss / Severe Repetitive Loss. These are properties that have been repetitively damaged by flooding and have incurred a set amount of flood insurance claims. Different precise definitions exist under the NFIP and HMA.</p>

Term / Acronym	Meaning
SRF, CWSRF, DWSRF	<p>(Clean Water / Drinking Water) State Revolving Fund. A nationwide revolving loan program under the U.S. EPA to fund state-administered revolving loan funds intended to help jurisdictions improve infrastructure to comply with wastewater and drinking water regulations.</p> <p>In Iowa the CWSRF and DWSRF are administered jointly by the Department of Natural Resources and the Iowa Finance Authority</p>
STRLF	<p>Safeguarding Tomorrow Revolving Loan Fund. A nationwide revolving loan fund program established by the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act. FEMA is authorized to award capitalization grants to states so that states can establish or expand the state administered programs.</p>
<p>Underserved Community</p> <p>CDC SVI Community</p> <p>(Used interchangeably)</p>	<p>For the purposes of the Iowa STRLF, "underserved" refers to census tracts with a Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SVI) score of 0.8 or higher on the national ranking. Census tracts scores can be explored at https://svi.cdc.gov/map.html.</p> <p>Tribal jurisdictions are considered underserved.</p>