

Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM Act) Revolving Loan Fund



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Overview

- The [Safeguarding Tomorrow through Ongoing Risk Mitigation \(STORM\) Act](#) became law on Jan. 1, 2021 and authorizes FEMA to provide capitalization grants to states, eligible federally recognized tribes, territories and the District of Columbia to establish revolving loan funds that provide hazard mitigation assistance for local governments to reduce risks from natural hazards and disasters. The Act amends the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#).
- These low interest loans will allow jurisdictions to reduce vulnerability to natural disasters, foster greater community resilience and reduce disaster suffering.



Revolving Loan Fund

The Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF) will enable eligible entities to create a revolving loan fund for hazard mitigation projects, cost match, nature-based solutions, upfront project design costs, or for smaller projects that may not qualify for other Hazard Mitigation Assistance Grant Programs.

A **revolving loan fund (RLF)** is a funding mechanism where loans are issued from the administering entity to eligible recipients for a project, and then after the project is completed, the loans are repaid to the loan fund with interest.



Objective

The objective of the Safeguarding Tomorrow RLF program is to capitalize applicant established revolving loan funds that will provide loans to local governments most in need of financing assistance to complete hazard mitigation projects and activities that will reduce risks from natural hazards for homeowners, businesses, nonprofit organizations, and communities in order to decrease the loss of life and property; the cost of insurance; and federal disaster payments.

Eligible Activities



- Costs associated with mitigation activities for:
 - Drought and prolonged episodes of intense heat
 - Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms
 - Wildfires
 - Earthquakes
 - Flooding
 - Shoreline erosion
 - High water levels
 - Storm surges
 - Building code adoption and enforcement
 - Local government implementation of zoning and land use planning
 - Cost share/match for other HMA Grants
- **All the above eligible items have additional limits per the NOFO.**

Program Information

- **Total available nationwide year 1:** \$50,000,000
- **Total 5-year federal investment:** \$500,000,000
- **Loan ceiling:** Individual jurisdiction loan maximum is \$5,000,000.
- **Required Match:** 10% cash match to be added to the grant from FEMA
- Once an applicant (State) receives notification from FEMA of a potential grant award, the applicant (State) must confirm its intent to contribute not less than 10 percent of the proposed grant to the entity loan fund. On or before the award is received, the applicant must contribute to the entity loan fund an amount equal to at least 10 percent of the capitalization grant. If the 10% is less than the grant amount, FEMA will reduce the grant amount to make it 10%.

Program Information

Loan recipient: MUST be a local government.

Equity: Goal is that 40% of overall benefits generated by the entity loan funds flow to underserved areas.

This program does not fall under the Justice40 Initiative by President Biden. However, FEMA's goal is to follow those same guidelines with 40% of funding benefitting underserved and disadvantaged communities.






Interest rate: **Interest rate for loans must be **1% or less**.

**This will affect the building out of available funds for this program. The idea is that FEMA funds for five years and after that the program becomes viable and continues to grow so the State can continue to provide these very low-cost loans to local governments.

Engagement

- Going into future funding cycles, FEMA will continue to leverage existing communication channels to request and solicit stakeholders' participation in varying engagement opportunities with state, local and tribal governments, and other interested organizations. FEMA will also host webinars and workshops for varied public and private stakeholders, including disadvantaged communities.
- FEMA intends to learn from stakeholders about how they plan to utilize the new program to develop a more effective and customer-focused program.



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Thank you