



State of Florida  
Division of Emergency Management

**Safeguarding Tomorrow**  
**Revolving Loan Fund**  
**Intended Use Plan**

Fiscal Year 2023

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## I. INTRODUCTION

Legislation authorizing the Safeguarding Tomorrow Revolving Loan Fund in the State of Florida is expected to pass prior to the 2023 Florida Legislative Session ending on May 5, 2023. This legislation, when it becomes law, will direct the Florida Division of Emergency Management (Division) to establish a hazard mitigation revolving loan program. This legislation would amend chapter 252.35(2), Florida Statutes, and provide the authority to the Division to begin the official rulemaking process according to chapter 120, Florida Statutes, including public workshops and comment periods. Additionally, the Division will conduct targeted outreach to local communities to gather input for the development of the program.

Because the Division does not yet have the authority to begin the rulemaking process, there are aspects of this Intended Use Plan (IUP) that are unable to be completed at this time. In sections where processes will be defined through rulemaking, a statement has been included indicating that this IUP will be updated after the rule(s) are in place. The amended IUP will be submitted to the Federal Emergency Management Agency (FEMA) upon completion.

### 1.1 Status of the Florida Safeguarding Tomorrow Revolving Loan Fund

This IUP provides details on the State of Florida's plans to effectively utilize the federal fiscal year (FY) 2023 funds.

The Florida Division of Emergency Management is responsible for emergency management in the State of Florida per chapter 252, Florida Statutes and will provide programmatic and financial oversight of administering the revolving loan fund.

This IUP is the central component of the State of Florida's Safeguarding Tomorrow Revolving Loan Fund grant application and communicates the Division's plans to stakeholders who include local communities the public, FEMA, and other state agencies. This IUP provides specific details on key aspects of the program including our state's short- and long- term goals, the prioritization process we use to rank projects and the list of projects eligible to receive funding from available Safeguarding Tomorrow RLF funding.

## II. USES OF THE ENTITY SAFEGUARDING TOMORROW RLF

### 2.1 Entity Program Objectives

The overall objective of the revolving loan program is to provide financial assistance to local communities with completing hazard mitigation projects with the intention of reducing risk to life, property, and insurance, as well as reducing federal disaster payments.

Program objectives, including prioritization methods to determine which local communities are most in need of financing assistance will be determined via the rulemaking process.

### 2.2 Entity Program Goals

#### *2.2.1 Connection to Other Plans and Goals*

Funding decisions under this fund will align with the goals and objectives of the Florida Enhanced State Hazard Mitigation Plan.

Other relevant plans in the state of Florida include the Enhanced State Hazard Mitigation Plan, the Florida Comprehensive Emergency Management Plan, the Florida Transportation Plan, and the Statewide Flooding and



Sea Level Risk Resilience Plan. There are many other state planning mechanisms that this revolving loan program will align with which are detailed in the Enhanced State Hazard Mitigation Plan.

### *2.2.2 Mitigation and Resiliency Goals*

The Division intends for this program to assist with achieving the goals and objectives within the Enhanced State Hazard Mitigation Plan, as well as assisting communities with financing the projects on their FEMA-approved Local Mitigation Strategy Plan Prioritized Project List.

### *2.2.3 Short-Term Entity ST RLF Goals*

The short-term goals of the revolving loan fund program are as follows:

- Begin rulemaking process to establish guidelines for the program.
- Establish and implement the entity loan fund as authorized under the forthcoming Florida Statute and agency rule.
- Develop program support materials for local communities who may be interested in loan funding for hazard mitigation projects.
- Develop internal programmatic and financial management Standard Operating Procedures to ensure strict program and project compliance with federal and state regulations.
- Maintain a system to collect project proposals from local communities to be drawn from when loan funding becomes available.
- Prioritize outreach and technical assistance to communities that lack capacity, including low-income geographic areas and underserved communities.

### *2.2.4 Long Term Entity SF RLF Goals*

The long-term goals of the revolving loan fund program are as follows:

- Establish a continuously state and federally funded program.
- Take lessons learned from the first fiscal year of program to improve program and materials for future fiscal years.
- Maximize use of funds by aligning with other planning and funding mechanisms such as DEP's Resilient Florida.
- Administer the program so that its revolving nature is assured in perpetuity. The long-term financial integrity of the entity loan fund will be maintained through the judicious use and management of its assets and by realizing an adequate rate of return. Also, the fiscal, technical, and managerial integrity of the entity loan fund will be assured by preventing fraud, waste, and abuse.
- Establish effective and transparent prioritization methodology in Florida Administrative Rule.
- Establish routine outreach and program support materials to ensure communities submit project proposals for funding consideration.
- Become familiar with federal programmatic and financial requirements to ensure strict compliance for the entity and for loan recipients through monitoring.



## 2.3 Entity Program Priorities

### *2.3.1 Increase Resilience and Reduce Risk*

The program will fund various project types including those outlined in the Notice of Funding Opportunity and other FEMA guidance materials.

The Division published a Frequently Asked Questions document and a Public Notice on March 15, 2023, to educate local communities about the revolving loan fund program and to solicit project proposals. The solicitation was conducted via a survey link in the Public Notice. As of April 17, 2023, the survey had received 11 responses which are detailed below:

- Incomplete: 7
- Complete: 6

All of the 6 projects that had a complete survey were hazard mitigation projects and no projects were related to zoning and land use planning or building code adoption and enforcement.

The six projects are listed below. Additional information is available in the Project Proposal List as an attachment to the application.

- Arcadia Stormwater System
- Deerfield Beach College Park Drainage Improvements
- Destin Undergrounding of Overhead Utilities
- Hollywood North Beach Undergrounding
- Hollywood Beach Utility Improvement
- Longwood Fire Station Relocation

### Administrative and technical assistance

The use of funds for administrative costs and technical assistance will be determined through rulemaking after the Division has been granted the authority via legislation.

### *2.3.2 Partnerships*

Partnerships will be emphasized in the criteria and prioritization methodology determined through rulemaking after the Division has been granted the authority via legislation.

### *2.3.3 Regional Impacts*

Regional impacts will be emphasized in the criteria and prioritization methodology determined through rulemaking after the Division has been granted the authority via legislation.

### *2.3.4 Major Economic Sectors and National Infrastructure*

Major economic sectors and national infrastructure will be emphasized in the criteria and prioritization methodology determined through rulemaking after the Division has been granted the authority via legislation.

## 2.4 Cost Share

The ability to use loan funds for cost share for FEMA Hazard Mitigation Assistance grants will be determined through rulemaking after the Division has been granted the authority through legislation.



Of the 6 projects submitted, only one was identified as a match project.

- Arcadia Stormwater System

### III. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

#### 3.1 Loan Management Information

The loan management process will be determined through rulemaking after the Division has been granted the authority via legislation. Topics expected to be addressed in rule or in subsequent Standard Operating Procedures (SOPs) include the loan application process as well as the application review and prioritization process.

Once funding has been received into the revolving loan fund, information will be published about the financial assistance available, as well as short-, medium-, and long-term financial projections.

#### 3.2 Criteria and Method for Loan Distribution

The criteria and methods for disbursing funds to loan recipients will be determined through rulemaking after the Division has been granted the authority via legislation. Topics expected to be addressed in rule or in subsequent SOPs include:

- Criteria and methodology for determining if a loan applicant has the required technical, financial, and managerial capacity to ensure compliance.
- Methodology to target funding to low-income geographic areas and underserved communities and how interest rates will differ by community.
- Methodology to determine the various types of assistance and interest rates for loan applicants based on needs.
- Monitoring procedures for loan applicant performance and compliance.

#### 3.3 Creating a Project Proposal List

##### *3.3.1 Prioritization Methodology*

Prioritization methodology and processes will be determined through rulemaking after the Division has been granted the authority via legislation. The Division will develop a ranking system based upon federal guidance as well as input from stakeholders and the public. Categories likely to be part of the prioritization methodology include: duration of the project, population benefited, alignment with various requirements, and readiness to proceed.

##### *3.3.2 Tie-Breaking Procedure*

Tie-breaking procedures will be determined through rulemaking after the Division has been granted the authority via legislation.

##### *3.3.3 Project Proposal List*

Appendix D in this IUP is the Project Proposal List.



## IV. FINANCIAL MANAGEMENT

### 4.1 Financial Status of the Florida Safeguarding Tomorrow Revolving Loan Fund

This section will be updated with relevant information after the Division has been granted the authority through legislation and funding has been received.

### 4.2 Financial terms of loans

#### 4.2.1 *Standard loans*

The Financial Terms for Standard Loans under this program will be determined through rulemaking after the Division has been granted the authority via legislation.

#### 4.2.2 *Loans for Low-Income Geographic Areas or Underserved Communities*

The Financial Terms for Loans for Low-Income Geographic Areas or Underserved Communities under this program will be determined through rulemaking after the Division has been granted the authority via legislation.

### 4.3 Loan Disbursements

The anticipated amount of assistance the fund plans to disburse as loans for FY 23 is undetermined at this time. After a prioritization methodology has been established through rulemaking, the six submitted projects will be prioritized and considered for next steps in the process, such as completing loan applications. The total funding requested for the 6 projects is \$48,840,000. Florida understands it is unlikely to receive that amount in a capitalization grant for FY 23 and only has \$1,000,000 available for the required 10% match. Projects will be prioritized and funded until funding runs out. After that, projects will remain on the project proposal list until they are withdrawn or funded under this program in future fiscal years.

The fund utilization goal is a performance measure used to evaluate how efficiently an entity loan fund is disbursing capitalization grants as loans. The calculation is cumulative assets divided by cumulative funds available for projects. The Division will establish a target measure through the rulemaking process but will follow FEMA recommendations of at or above 100%.

The Division will work with local governments to understand potential revenue streams that can support projects and activities that are not revenue producing.

## V. ENTITY PROGRAM MANAGEMENT

### 5.1 Local Capacity Development

This revolving loan fund program will support local communities by assisting them with developing their own capacity for completing hazard mitigation projects, as well as empowering the Division to develop resources to further assist local communities with developing capacity. Every county in Florida has a FEMA-approved Local Mitigation Strategy plan, as well as a Prioritized Project List. Projects on these lists total over \$12 billion. This program will open new funding streams and allow communities to complete more of these identified hazard mitigation projects.

### 5.2 Environment and Historic Preservation Compliance

The Bureau of Mitigation within the Division conducts reviews for Environmental and Historic Preservation (EHP) compliance for FEMA Hazard Mitigation Assistance grant programs. The staff that complete EHP reviews for HMA



grants will also assist with reviewing projects to be funded through this revolving loan fund program. Requirements will align with FEMA and state regulations and may be specified in rulemaking.

## VI. PUBLIC PARTICIPATION

### 6.1 Public Meetings and Comment Activities

This section will be updated after the rulemaking process is complete; however, it should be noted that in Florida the rulemaking process includes public meeting and public comment requirements. Additionally, it is the intention of the Division to conduct additional outreach and gather input from stakeholders and the public in the development of this program.

## VII. AUDITS AND REPORTING

### 7.1 Compliance with Federal Reporting Requirements

To ensure transparency and accountability, all program materials will be posted on the Division's website after rulemaking and SOP development.

The Division will utilize the services of the State of Florida Auditor General to conduct an independent audit to ensure financial integrity for the Annual and Biennial Audits.

The Division 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 State of Florida's Safeguarding Tomorrow RLF program. Among other parameters, FEMA will use the data from the audits and reporting to evaluate how the entity loan funds:

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

The Division 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, the Division will enter the required project benefits data into FEMA's ND Grants by the end of the fiscal year for this IUP.

### 7.2 Publication of Information

The frequency and location of publication of information will be determined during the rulemaking process but will include updates at regular intervals during and after the period of performance.

### 7.3 Loan Recipient Auditing and Reporting

Auditing and reporting requirements of loan recipients will be determined during the rulemaking process but will include measures to monitor project performance and adherence to the approved scope of work, as well as financial performance.





## APPENDIX A

### A.1 Loan Application Process

The loan application process will be determined through rulemaking after the Division has been granted the authority via legislation. This section will be updated after the rule(s) have been completed.

### A.2 Financial Planning Methodology

The financial planning methodology will be determined through rulemaking after the Division has been granted the authority via legislation. This section will be updated after the rule(s) have been completed.



## APPENDIX B

### B.1 Loan Distribution Methodology

The loan distribution methodology will be determined through rulemaking after the Division has been granted the authority via legislation. This section will be updated after the rule(s) have been completed.



## APPENDIX C

### C.1 Project Proposal List Prioritization Methodology

The project proposal list prioritization methodology will be determined through rulemaking after the Division has been granted the authority via legislation. This section will be updated after the rule(s) have been completed.