

Introduction

1.1 Status of the West Virginia Safeguarding Tomorrow through On-Going Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF)

Summary of the Intended Use Plan

The Resilient West Virginia Revolving Loan Fund (RWVRLF) is a program that offers low-interest loans (no more than 1%) to local governments to help finance projects and activities that mitigate the effects of natural hazards. Loan funds will be utilized for FY 2026-2029 grant cycles and beyond.

Eligible applicants can take out RWVRLF loans on behalf of:

- Homeowners
- Businesses
- Non-profit organizations
- Communities

What can the loan funds be utilized for?

Loan funds will be used for increasing resilience and mitigating the effects of disasters. This will include providing non-federal match for the FEMA Hazard Mitigation Assistance (HMA) programs and Public Assistance 406 Mitigation projects. Other federal mitigation grant funding opportunities may qualify.

Mitigation of the following impacts will be prioritized:

- Floods
- Snowstorms
- Tornadoes
- Extreme heat
- Severe storms & storm surges
- High water levels and/or shoreline erosion
- Drought
- Wildfires
- Earthquakes

Loan funds may also be used to towards:

- Low-impact development
- Wildland-urban interface management
- Conservation areas
- Reconnection of floodplain & open space projects
- Building code adoption
- Zoning & land use planning
- Satisfying a local government's non-federal cost share requirement for hazard mitigation grants (e.g., Hazard Mitigation Grant Program [HMGP], Flood Mitigation Assistance [FMA], or Building Resilient Infrastructure and Communities [BRIC] programs)

What are the advantages of RWVRLF implementation?

There is a limited amount of available funding that eligible entities can leverage as non-federal match commitment in WV. The RWVRLF loan program addresses a funding gap in communities that do not have the funding available at the time of the grant application but have access to local revenue that could be used to cover loan repayment installments. The RWVRLF addresses financial equity and program accessibility challenges which can be a barrier to grant participation.

RWVRLF Advantages:

- A presidential disaster declaration is not required to be eligible for the loan.
- Participation in the National Flood Insurance Program is not required.
- Funds can be put towards the non-federal match of hazard mitigation grants, expanding the ability of communities to access funding sources.
- Funds are designed to be accessible to West Virginia's underserved communities. In line with FEMA's stated program priorities, WV will aim to administer 40% of the loan funds to underserved communities.
- Funds prioritize access to mitigation projects, which have been shown to save \$6 in future recovery costs for every \$1 spent on them, on average.

Application and proposed administration of the RWVRLF

The West Virginia Emergency Management Division (WVEMD) will apply for the FY 2024 Safeguarding Tomorrow RLF, while developing the framework of post award administration under the direction and purview of the WV Governor's Office. The WVEMD will act as the primary programmatic entity for the oversight, management, and coordination for the funds.

Pre-award the WVEMD has engaged in preliminary discussion with the West Virginia Water Development Authority (WVWDA) seeking agency partnership. WVWDA has existing funding mechanisms suitable for adaptation for RWVRLF purposes.

The WVEMD has discussed post award establishment of a Memorandum of Understanding (MOU) with the WVWDA or another suitable entity for joint administration of the loan fund.

Under post-award the MOU agreement would identify the partner agency as the administrator of the loan component of the RWVRLF, and the WVEMD would be the programmatic grant award administrator for eligible FEMA projects utilizing the RWVRLF funding. The entity managing the RWVRLF funding component would be entitled to management costs associated or generated by the fund for the purpose of executing their MOU responsibilities.

Please note this is a general overview of the discussed pre and post award management proposal, final arrangements are to be determined with oversight from the WV Governor's Office as the primary source of the initial non-federal share commitment to application.

In summation, the WVEMD will provide the programmatic management of the disseminated funds utilized for non-federal match for the expressed purpose of utilizing the funds towards FEMA HMA grants. Through the MOU agreement, the partner agency will administer and facilitate the dissemination of the loan funds and repayment details.

The WV Governor's Office is the primary source for the non-federal match for the application. The WV Governor's Office will retain primary leadership, oversight, and management authority

of the RWVRLF. The WV Governor's Office retains the right for final review and dissemination of the developed RWVRLF process, procedures, and policies. The WVEMD will serve as the WV Governor's designated agent related to programmatic execution of RWVRLF program.

1.2 Updates for Fiscal Year 2024 Safeguarding Tomorrow RLF

This is West Virginia's first Intended Use Plan, therefore this section is not necessary.

Uses of the West Virginia Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF)

2.1 West Virginia Program Objectives

How will the entity loan fund provide loans to local governments most in need of financing assistance?

All HMA project applications will be reviewed and prioritized based on the most vulnerable communities. Selected projects with a need and interest in a loan will be referred for the loan application process. Through utilization of the RWVRLF, communities will be able to maximize their limited financial resources for a potential three time return on investment for mitigation projects designed to provide community resilience for future disasters. Through equitable RWVRLF mitigation projects, communities can create sustainable strategic long-term solutions.

How will the entity loan fund support hazard mitigation projects and activities to reduce risks from natural hazards for homeowners, businesses, nonprofit organizations, and communities by decreasing the loss of life and property, the cost of insurance, and federal disaster payments?

The proposed RWVRFL will support mitigation grant funding opportunities by establishing a consistent, sustainable funding stream for the non-federal match contributions for HMGP, BRIC, and FMA mitigation project applications. Historically the non-federal match contribution towards these projects were based upon the communities' cash match capabilities at the time of application. With the RWVRFL as an option, West Virginia takes a significant step towards providing the needed financial resources and funding for many communities to undertake mitigation projects. With the match secured, communities can focus on planning for and undertaking mitigation programs once not thought possible.

Funding through the RWVRLF over 20 to 30-year terms at a 1% annual rate will allow communities strategic financial planning options to address current and future hazard identified in their hazard mitigation plans while allowing them to retain financial capital on hand to manage daily operations. Furthermore, the RWVRLF provides a funding mechanism for underserved communities. Through the RWVRLF, these communities can coordinate with partner agencies and other municipalities on funding priorities that reduce the risk of socially and economically vulnerable peoples. The RWVRLF will provide additional access to annual mitigation programs, such as the BRIC program. By RWVRLF leveraging to access annual BRIC funding, communities will have additional avenues to enhance community resilience and reduce the time it takes to recover after disaster.

2.2 West Virginia Program Goals

2.2.1 Connection to Other Plans and Goals

Describe how the fund will be used in line with existing planning efforts, including the Hazard Mitigation Plans, and other programs and efforts to reduce impacts of major disasters.

The RWVRFL will support obtainment of grant funding to address communities' strategic objectives and priorities as outlined in both Hazard Mitigation and Community Comprehensive plans.

Hazard mitigation planning reduces loss of life and property by minimizing the impact of disasters (FEMA 2024). Communities participating in current FEMA Hazard Mitigation Assistance and Public Assistance grant funding programs are required to maintain Regional Hazard Mitigation plans. Mitigation planning is the process used by state, tribal, and local leaders to understand risks from natural hazards and develop long-term strategies that will reduce the impacts of future events on people, property, and the environment. Through the Hazard Mitigation Planning process, public involvement is utilized for community risk assessments to develop priority mitigation strategies. Then, developed mitigation projects to support mitigation strategies are identified for future priority HMA funding cycles.

A Community Comprehensive Plan is an essential feature of long-term planning communities, as the process and function of the documentation is to establish long-term strategic vision for future land in relation to the community's environment. A comprehensive plan articulates a series of goals, objectives, policies, actions, and standards that are intended to guide the day-to-day decisions of elected officials and local government staff. Comprehensive plans are also cited in local and regional Hazard Mitigation plans, supporting consideration for future joint mitigation and community development projects.

Combined with the grant application objectives of both community Hazard Mitigation Planning and Comprehensive Planning, priorities will be supported to create community resilience to mitigate both pre and post disaster impacts. The RWVRLF leveraged as the non-federal match will allow communities to address known hazard issues with resilience-focused grant-funded solutions. Lastly, by addressing identified community hazards through resilience projects, future disaster response activities can theoretically be minimized reducing the strain of post disaster Emergency Management response activities. Minimizing future communities and state demands for post disaster response activities creates additional community resilience.

2.2.2 Mitigation and Resiliency Goals

Provide information about plans to achieve mitigation and resiliency benefits per 42 U.S.C. Section 5135(g)(2)(B).

Reducing future damage and loss associated with hazards

The RWVRLF application will specifically cite the 2023 WV Hazard Mitigation Plan's (WVHMP) strategic mitigation goals aligned with regional and state hazard mitigation efforts. This documentation will be attached to the developed application package to ensure data driven mitigation project decisions are aligned with minimizing communities' future financial burdens.

These activities will be across the following programs:

- Hazard Mitigation Grant Program

- Building Resilience Infrastructure in Communities
- Flood Mitigation Assistance
- Flood Mitigation Assistance / Swift Current
- Public Assistance 406 Mitigation

Reducing the number of severe repetitive loss (SRL) structures and repetitive loss (RL) structures

The RWVRLF will be utilized by communities for Flood Mitigation Assistance (FMA) and FMA Swift Current. The RWVRLF will be used to provide non-federal match contributions towards both.

Through these programs, FEMA makes federal funds available to state, local, tribal and territorial governments to reduce or eliminate the risk of repetitive flood damage to buildings and structures insured under the National Flood Insurance Program (NFIP). Specifically, the FMA Swift Current effort provides funding to mitigate buildings insured through the NFIP after a major disaster declaration following a flood-related disaster event to reduce risk against future flood damage.

Decreasing the number of insurance claims due to injuries resulting from major disasters or other natural hazards

Utilization of the FMA and FMA Swift Current grant opportunities supported by the RWVRLF to conduct acquisition demolition, flood proofing, and elevation of structures reduces the future occurrences of NFIP related SRL or RL insurance claims.

Increasing community ratings under the NFIP Community Rating System (CRS)

By leveraging the RWVRLF funding support for FMA grants, communities can minimize future NFIP claims and increase their resilience ratings through the CRS program. By decreasing future insurance claim exposure, CRS premiums can be reduced resulting in more affordable NFIP insurance programs per community. These cost savings can be utilized to leverage the RWVRLF repayments, increase communities credit rating status, and be applied for future RWVRLF grant application proposals.

2.2.3 Short-Term Safeguarding Tomorrow RLF Goals

Include a list of short-term goals that will guide decisions for the loan fund. Entities may define short-term goals according to their needs or local communities' needs. Short-term goals may include results that can be measured during the Period of Performance.

How will the loan fund support recipients with completing projects?

As previously noted, securing the non-federal match required for FEMA HMA grant applications is a challenge for many WV communities facing capacity and capability challenges. Additionally, communities eligible for a reduced non-federal match of 10% based upon FEMA's analysis of the communities CJEST rating can leverage the RWVRLF to access project potential that has not been previously available.

How will the loan fund efficiently disburse loans to recipients?

Throughout the duration of the RWVRLF, funds will be disbursed in the same manner as a non-federal share contribution from the State towards a local project. As expenses towards the eligible and approved RWVRLF project are incurred, the applicant can submit a request to release the non-

federal match commitment pending review for appropriateness and allowability. This will occur on a predetermined frequency basis.

How will the loan fund monitor and assess how the recipient executes the project?

Applicants will apply for the RWVRLF loan funds through the managing state entity via application package containing.

- Loan application paperwork
- Supporting repayment criteria
- Fully developed project application
- Other documentation as required

The WVEMD team will monitor project progress and execution through mandatory quarterly reporting.

How will the entity work together with low-income geographic areas and underserved communities?

The WVEMD will focus on community outreach regarding RWVRLF opportunities to specific areas in WV using the FEMA Social Vulnerability Index (SVI) resource. FEMA (2024) stated social vulnerability is the susceptibility of social groups to the adverse impacts of natural hazards, including disproportionate death, injury, loss, or disruption of livelihood. Additionally, the WVEMD will focus RWVRLF opportunities to communities identified as being located within the FEMA designated Community Disaster Resilience Zones (CDRZ). FEMA (2024) indicates that projects within CDRZ will build disaster resilience across the nation by driving federal, public, and private resources to the most at-risk and in-need jurisdictions. CDRZ projects are designed to build and strengthen community resilience across the rural communities in WV.

References:

FEMA. (2024a, January 1). Social vulnerability. Social Vulnerability | National Risk Index. <https://hazards.fema.gov/nri/social-vulnerability>

FEMA. (2024a, January 1). Community disaster resilience zones. FEMA.gov. <https://www.fema.gov/partnerships/community-disaster-resilience-zones>

How will the entity identify and arrange projects that achieve program priorities quickly and efficiently?

Hazard mitigation projects using the RWVRLF will be arranged for rapid and efficient funding by identifying and ranking projects based on:

- Project Criteria meeting regional and state Hazard Mitigation Planning Goals and objectives
- SVI / CJEST, CDRZ ranking score
- Order of Project Application
- Successful screening and award of RWVRLF package
- Other criteria as outlined by the WV Governor's Office

2.2.4 Long-Term Entity Safeguarding Tomorrow RLF Goals

How will the loan fund be managed to maintain a lasting source of funds?

The generated 1% interest accrued during sub applicant loan repayments will be deposited into the general loan fund. Additionally, the compounded interest for the un-issued loan funds residing in

the account will remain in the loan fund as capital. Periodically, the WV Governor's Office reserves the right to add additional discretionary funds to increase the residual loan capital.

What financial metrics will be used to make sure the fund is well-managed and remains continuously effective?

The timeliness and completion of the repayment of issued loan funds will be monitored on a quarterly basis to ensure that a consistent flow of repayment is occurring, applicants are following the necessary rules, and a healthy percentage of the loan funds are in cycle. The RWVRLF will make use of additional metrics that will be set forth through an MOU.

How will the entity loan fund continue to select projects effectively and clearly?

The WVEMD will retain programmatic oversight to ensure that loan applications are for projects that are in line with agency goals and the original intent of the RWVRLF as well as being consistent with the WVSL.

How will the entity work with local communities to ensure a steady flow of eligible projects are submitted and ready for funding?

The WVEMD will work through the WV Regional Planning and Development Councils to leverage the Hazard Mitigation Planning Process to address local communities strategic project priorities.

Additionally, through regionally targeted Planning Integration Grants Development (PIGD) workshops, a pipeline of local communities' projects can be identified based on mitigation priorities for development, application, and execution.

How will the entity promote equity to low-income geographic areas and underserved communities throughout the life of the loan fund?

The WVEMD will promote equity by targeting areas in WV that rank high in SVI or are part of a CDRZ community.

How will the entity use current and future assets and choose local projects in need of funding?

The WVEMD will assess current and future community needs priorities based on data provided from the Regional and State Hazard Mitigation plans. Data provided in the approved FEMA hazard mitigation plan updates will be cross referenced with the prospective projects and up to date FEMA database resources to ensure the best data driven solutions are considered.

What methods will be in place to ensure capitalization grants and revolving income are used effectively?

The quarterly report process utilized for all current FEMA HMA programs will be applied at the state level by WVEMD and an MOU partner to ensure continuity and quality of RWVRLF program delivery.

A quarterly report is a summary or a collection of a communities RWVRLF financial statements, such as balance sheets and income statements, issued every three months. Any inconsistency identified in the communities' RWVRLF repayment process, or issues in the State's delivery can be identified and rectified to maintain programmatic compliance and timeliness.

How will the entity ensure that it follows federal program requirements?

By conducting quarterly report processes designed to reflect federal program requirements and maintaining a Federal Audit inspection-ready mindset.

How will the entity support recipients with following federal requirements?

Support will include ensuring that all RWVRLF programmatic processes, policies, and quarterly report processes are designed to meet federal standards. Additionally, RWVRLF program recipients will formally acknowledge the funding program will follow the same Federal standards of grant award program management as other FEMA HMA programs to include compliance with the Uniform Guidance for Federal Awards. This guidance provides a government-wide framework for grants management which will be complemented by additional efforts to strengthen program outcomes through innovative and effective use of grant-making models, performance metrics, and evaluation.

2.3 West Virginia Program Priorities

Complete the following sections using information about the development of your Project Proposal List.

2.3.1 Increase Resilience and Reduce Risk

How will the entity loan fund support projects that increase resilience and reduce risk of harm to natural and built infrastructures? The following subsections offer potential actions to increase resilience and reduce risk.

Provide information that addresses the following prompts, as applicable.

2.3.1.1 Hazard Mitigation

How will the entity award loans to support hazard mitigation planning?

The RWVRLF will only be eligible to support applications for FEMA HMA programs, and PA 406 mitigation applications. These applications must be in alignment with regional and State Hazard Mitigation plans.

How will the loan fund be used to support local hazard mitigation activities that reduce the impacts of natural hazards? Include which hazards the entity plans to address. Eligible natural hazards may include:

- ***Drought,***
- ***Extreme heat,***
- ***Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms,***
- ***Wildfires,***
- ***Earthquakes,***
- ***Flooding, including the construction, repair, or replacement of a non-federal levee or other flood control structure,***
- ***Shoreline erosion,***
- ***High water levels, and Storm surges.***

The RWVRLF funded HMA projects must have a programmatic nexus to established WV regional and State Hazard Mitigation plan identified mitigation actions to be eligible.

2.3.1.2 Zoning and Land Use Planning

If the loan fund will include projects for zoning and land-use planning, provide information that addresses the following prompt:

How will the entity loan fund be used to carry out zoning and land-use planning changes? The following bullets display approved zoning and land use activities.

- ***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.***
 - As outlined in the Regional and State Hazard Mitigation Plans
- ***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.***
 - As outlined in the Regional and State Hazard Mitigation Plans
- ***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.***
 - As outlined in WV state and regional HMPs then cross reference with community comprehensive development plans.
- ***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 outlined in the Regional and State Hazard Mitigation Plans

2.3.1.3 Building Code Adoption and Enforcement

If the fund will be used to support building code adoption and enforcement, provide information that addresses the following prompt:

How will the entity loan fund be used to support building code adoption and enforcement?

WV does not mandate or enforce statewide building codes. Local communities have the authority to enforce local building codes. Within the context of FEMA HMA programs, building code outreach, development, and enforcement projects are allowable activities. The RWVRLF may be used as non-federal match to support building code applications.

2.3.1.4 Cost Share

An entity loan fund may provide a loan to a local government for its non-federal match requirement of a grant under one of FEMA's HMA grant programs if the use follows all relevant program and legal requirements. An applicant should list any potential projects where a loan may be used for

this purpose in the Project Proposal List submitted with its application. Federal funds that are used to meet the non-federal match requirement must meet the purpose and eligibility requirements of both the relevant HMA grant program and the Safeguarding Tomorrow RLF program. Local governments interested in using loan funding as matching funds for a HMA grant should work with the applying entity to understand funding priorities, ensure the project is captured in the entity's 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.

If it applies, provide information that addresses the following prompts:

How will the entity loan fund be used to support loan recipients paying the cost share for federal and non-federal grants?

The RWVRLF will only be utilized for non-federal match towards FEMA HMA grants. No other activities will be considered for the RWVRLF.

What is(are) the name(s) of the other grant program(s) for which the loans will provide matching funds?

Grant application using RWVRLF funds towards these programs will be considered:

- Hazard Mitigation Grant Program
- Building Resilience Infrastructure in Communities
- Flood Mitigation Assistance
- Flood Mitigation Assistance / Swift Current
- Public Assistance 406 Mitigation

2.3.2 Partnerships

How will the entity loan fund include partnerships between eligible entities to carry out a project or similar projects?

The proposed partnership through MOU between the WVEMD and WVVDA will build upon previous mitigation funding ventures in which the WVVDA supports the non-federal match for FEMA HMA grant awarded generator projects for critical infrastructure.

2.3.3 Regional Impacts

How will the entity loan fund support projects that consider regional impacts of hazards on river basins, river corridors, micro-watersheds, macro-watersheds, estuaries, lakes, bays, coastal regions, wildland-urban interfaces, and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires?

As previously noted, the RWVRLF will facilitate project applications related to resilience activities that are prioritized and outlined in the FEMA approved Regional Hazard Mitigation Plans and State Hazard Mitigation Plan.

2.3.4 Major Economic Sectors and Natural Infrastructure

How will the loan fund help projects that make key economic sectors and critical national infrastructure more resilient? This includes areas like ports, power and water facilities, essential bridges and waterways for interstate commerce and global commodity supply chain assets located within the entity's jurisdiction.

WV has several cross agency and regional planning initiatives to fund resilience initiatives in rural communities related to FEMA community lifelines of Water and Energy.

Regarding the FEMA Energy community lifeline, the WVEMD has been focusing on creating micro-resilience grids for rural critical infrastructure projects designed maintain post disaster operations.

Regarding the FEMA Water lifeline, the WVEMD is working with WV Regional Planning and Development councils to map waste, storm, and freshwater systems in CDRZ zones.

The RWVRLF will be key in providing funding for development of future projects related to these priority efforts.

Criteria and Method for Distribution of Funds

3.1 Loan Management Information

Does the loan fund currently contain funds that are available to be disbursed as loans?

No, not currently.

What is the loan application process for financial assistance from the loan fund?

RWVRLF solicitation will originate through the WVEMD during the HMA application process, interested communities that pass screening will be recommended over to the WWDA (pending MOU) for internal RWVRLF application.

How will the entity use financial planning to ensure funding is available in the future?

A joint annual review of the RWVRLF will be conducted (analyzing quarterly report metrics) to determine financial performance and forecasting. The WVEMD / MOU Partner / WV Governor's Office will advise on any corrective actions that need to be implemented to ensure that the financial longevity and stability of the RWVRLF is being maintained.

What are the short-, medium-, and long-term financial projections for the fund?

- Short-term financial (Year one)
 - Receiving funding
 - Solicit 5 community application participants
 - Issue RWVRLF loan funding to 3-5 community sub-applicant
- Medium-term (Years two through six)
 - Successfully fund 36-month period of performance for HMA grant award
 - Recoup 50% or more outstanding sub-applicants RWVRLF re-payments
- Long-term (Years seven +)
 - Grow RWVRLF applicant list to ten plus sub-applicant awards
 - Portfolio divestment of original 3-5 community awards
 - Financial sustainment of original +/- 65% capital on hand, with projected program return on loans to equal or greater than original starting capital plus 1% adjusted with inflation

3.2 Criteria and Method for Loan Distribution

What are the criteria and methods for disbursing funds to loan recipients? The following prompts may support defining criteria and methods.

How will the entity determine if loan applicants have the required skills and resources to meet requirements?

The WVEMD and MOU partner will determine communities' eligibility based on combination of criteria:

- A Communities' current Credit rating
- Operational revenue statements
- Disclosure of capital funds, or community assets (for collateral)
- Statement of annual cash flows aligned with proposed RWVRLF loan repayment within budget.
- Declaration of city or county special excise tax revenue to support RWVRLF payments.
- Community property as collateral
- Any other criteria as determined by the WVEMD financial team, WVWDA (pending MOU) or the WV Governor's Office.

How will the entity loan fund target funding for low-income geographic areas and underserved communities? How will interest rates vary?

A variable interest greater no greater than 1% rate offered for designated SVI and CDRZ eligible WV communities seeking HMA application.

Pending non-federal match requirement for HMA programs, projects qualifying for 10% non-federal match may be eligible for a lower interest rate.

How will the entity determine different types of assistance and interest rates for loan applicants based on their needs?

Communities that do not meet the SVI or CDRZ requirements that must meet the 25% non-federal match requirement for HMA grants will receive a flat RWVRLF rate of 1% interest.

3.2.1 Creating a Project Proposal List

Entities are required to provide a list of project proposals that include local government hazard mitigation projects per 42 U.S.C. Section 5135(b)(1)(A). These lists should be prioritized to identify how the entity will use the capitalization grant funds.

3.2.1.1 Prioritization Methodology

Provide a summary of the methodology the entity used to prioritize projects in the Project Proposal Lists. FEMA recommends creating a ranking system to determine the priority order of projects to be funded. Categories for ranking may include, but are not limited to:

Duration of a project (multi-year vs. annual)

- Standard FEMA HMA 36-month period of performance projects will be considered

Population served

- SVI scores as rated by the CJEST tool, cross referenced by the population composition

Projects aligned with the statutory objectives

- HMA projects aligned with FEMA post disaster grant application requirements or FEMA annual HMA eligibility priorities / project requirements as outlined in FEMA's Notification of Funding Opportunities (NOFO) announcements.

Projects aligned with the Hazard Mitigation Plan

- As documented as mitigation goals and priorities in five-year FEMA approved regional and state Hazard Mitigation plans.

Readiness to proceed

- Timely completion of application documentation requirement, demonstration of community interest and established communication of intent.

Projects that promote equity objectives

- Priority consideration for projects that receive 90% Federal funding eligibility based on CDRZ or SVI rating.

3.2.1.2 Tie-Breaking Procedure

Provide information about how the entity will determine which project to select if the projects have equal scores.

In the event of an even score between RWVRLF project rankings, a committee of Hazard Mitigation stakeholders will assemble to form a decision-making panel to determine the outcome.

Financial Management

4.1 Financial Status of the West Virginia Safeguarding Tomorrow RLF

If the entity intends to combine the financial administration of the loan fund with the financial administration of another revolving loan fund established by the entity and not associated with the Safeguarding Tomorrow RLF program, provide the following:

Provide the name of the agency handling the program's finances and explain the entity's role in managing the financial side of the program.

Tentatively, the WVWDA will administer the RWLRLF program's financial transaction leveraging their existing skills and expertise managing other related WV focused loan funds supporting infrastructure development.

Describe how the entity will separately account for the following: the capitalization grant, entity share, repayment of loans, and interest earned on amounts in the entity loan funds.

The WVEMD utilizes the EMGrants project management system for HMA reimbursement requests. In the final steps of the reimbursement process, the financial department organizes and prepares the non-federal match and Federal share payments through specific account designations. During this process, funds can be drawn from the corresponding communities RWVRLF account.

The community will not have access to these funds directly, they will be treated as a credit managed by WWDA or another partner.

In return the community, as per their RWVRLF agreement, will make payments on the outstanding loan balance.

Describe how the emergency management agency will keep control over assistance priorities and oversight activities.

As mentioned throughout, during quarterly reporting, the WVEMD will assess the program's administration and execution for efficiency.

Provide the name of any other revolving loan fund(s) with that will be combined with the entity's loan fund under this program for the purpose of financial management.

No other funds will be provided by the RWVRLF. The initial non-federal contribution will be provided from the WV Governor's Office.

How will the entity loan fund be used to pay the administrative costs for starting the loan fund and operating it, as per 42 U.S.C. Section 5135(f)(6)(A)?

Administrative costs will be paid from the fund in accordance with a cost allocation plan and separate from other amounts in the fund.

What percentage of funding for this fiscal year is expected to be used for administrative costs?

The anticipated administrative costs will follow the allowable limits outlined in the notice of funding opportunity. The loan fund administration costs are allowable, provided the costs do not exceed the limits established in 42 U.S.C. § 5135 (f)(1)(C). Entity loan fund administrative costs may not exceed \$100,000 per year, 2 percent of the capitalization grants made in that fiscal year, or 1 percent of the value of the entity loan fund, whichever amount is greatest, plus the amount of any fees collected by the entity for administrative purposes. Fees collected should be reasonable and align with the program's purpose of providing low-interest loans to local governments.

4.1.1 Address the Financial Status of the Loan Fund

This information is required for the previous and current fiscal years if the information is available. For new applicants, this information is NOT required. FEMA suggests making a table using the following prompts.

4.1.1.1 Fund Sources

What are the sources of the funds in the entity loan fund? This includes the capitalization grant, entity match, bonds, loan repayments, interest repayments, and investment earnings.

How are the funds in the entity loan fund used? This covers administrative expenses, transfers, capital projects, and bond debt service.

If it applies, include details about any loan refinancing activity.

West Virginia is a new applicant; therefore, this information is not required.

4.1.1.2 For the Current Fiscal Year

Where are the sources of the funds in the entity loan fund? This includes the capitalization grant, entity match, bonds, loan repayments, interest repayments, and investment earnings.

How are the funds in the entity loan fund used? This covers administrative expenses, transfers, capital projects, and bond debt service.

If it applies, include details about any loan refinancing activity.

West Virginia is a new applicant; therefore, this information is not required.

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 entity 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; entities 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 entity loan fund.

4.2.1 Standard Loans

How will the fund set terms for standard loans? What will interest rates be? What is the expected repayment timeline? How will the entity confirm that borrowers have or will establish a dedicated source of revenue?

Standard loan terms will be made at an interest rate of 1.00%, or less for eligible communities, for a 20-year or less term after project completion. Such loans will be appropriately secured by a general obligation pledge, certain revenues, or an annual appropriation. Anticipated repayments are expected to be scheduled at the time of the loan agreement which may be altered due to project completion date changes. All loans are subject to a credit review and due diligence by using underwriting criteria.

4.2.2 Loans for Low-Income Geographic Areas or Underserved Communities

Provide information about loan terms for communities that are categorized as low-income geographic areas or underserved using the loan term limits in 4.2 and the following prompts:

How will the entity revolving loan fund set terms for loans to low-income geographic areas or underserved communities? What will interest rates be? What is the expected repayment timeline? How will the entity check that borrowers have or will identify a dedicated revenue source for repayment?

Terms for loans for eligible communities will be made at an interest rate of 1.00% for a 30-year or less term after project completion. The length of the loan will not be longer than the expected design life of the project. Such loans will be secured by a general obligation pledge, certain revenues, or an annual appropriation.

4.3 Loan Disbursements

Provide information on the following prompts:

How much of the fund does the entity plan to use as loans for fiscal year (YEAR)?

It is anticipated that 50% of the loan fund will be utilized within the first active fiscal year of use.

What is the funds utilization goal? The utilization goal measures how loan funds effectively disburse loans. The calculation is cumulative assets divided by cumulative funds available for projects. Entities establish a target measure that best aligns with their specific needs. FEMA suggests aiming for a pace level around or above 100%. If entities are falling behind or experiencing a decline, they should review loan policies, procedures, and outreach. Pace levels exceeding 100% typically indicate advanced loan commitment.

The RWVRLF will target to utilize 100% allotment of the available funds.

Has the entity worked with local governments to identify possible revenue sources to support projects and activities that do not make money, per 42 U.S.C. Section 5135(f)(1)(A)(iii)?

Not currently. However, this will occur as required.

V. Entity Program Management

5.1 Technical Assistance

If applicable, provide information that addresses the following prompts:

How will the entity loan fund be used to provide technical assistance to recipients, per 42 U.S.C. Section 5135(f)(6)(B)?

WV will provide technical assistance with regard to the actual loan program through the RWVRLF. Technical assistance will be provided when developing HMA grant applications and promote the use of the RWVRLF to off-set the non-federal match.

What percentage of the fiscal year's funding is expected to be used for technical assistance?

It is unknown at this time but will not exceed 5% at a maximum.

5.2 Local Capacity Development

Provide information on how the loan fund is helping local communities by building their capacity.

As the RWVRLF will be a newly established fund, WV will prioritize local capacity development through developing technical assistance webinars to educate and assist local governments in executing this new loan program, including loan management and project evaluation trainings.

HMA staff will also be available to assist local governments in developing and implement effective hazard mitigation policies and plans.

5.3 Environmental and Historic Preservation Compliance

Describe how the entity plans to follow Environmental and Historic Preservation (EHP) compliance procedures. This includes how proposed projects will be pre-screened and which activity types will be submitted to FEMA for review. Note: FEMA will provide entities with guidance and materials to complete this section.

WV will be reliant on FEMA to screen project applications for EHP compliance and will pass along any EHP requirements through the sub-award grant agreement.

5.4 Public Meetings and Comment Activities

Provide information on the following items:

How did the entity include public input, consultations with government agencies, and feedback from interested groups before submitting the annual Intended Use Plan?

On 02/28/2024 the WVEMD advertised public notice of intent to file for the Safeguarding Tomorrow Revolving Loan Fund Program. The WVEMD consulted with the State Resilience Office (SRO) as well as the WVWDA on possibilities and considerations to take into account for the Intended Use Plan and general requirements of the application. On 5/17/2024 WVEMD advertised public notice via the WVEMD agency website to comment on the Intended Use Plan through 5/22/2024.

How has the entity used information from public meetings and comment activities to assist in carrying out the loan fund?

Public Feedback collected has been incorporated into the WV FY 2024 STORM Act application narrative.

Describe the public notice process and actions taken to address public comments for project proposals.

The WVEMD utilizes a combination of formal and informal communication mediums to advertise agency programs.

These delivery methods include but are not limited to the following activities:

- Notification on Agencies' website
- Agency Social Medium platforms
- Agency conferences, trainings, and outreach initiatives
- Word of Mouth
- Direct outreach through purposeful sampling

Feedback regarding agency programs is shared in the following ways:

- Surveys
- Email
- Word of Mouth
- Notification from the WV Governor's office
- WVEMD Public Information Officer

No formal public comment was received for action despite formal public notice.

VI. Audits and Reporting

6.1 Compliance with Federal Reporting Requirements

Complete the template language below:

To ensure clarity, all program materials are posted on our website (emd.wv.gov). We will use the services of an appropriate audit capable entity to run an independent audit to ensure finances are correct for the one and two-year audits.

We commit 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 RWVRLF 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.

We 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, we 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

Provide information about the frequency and location of the Publication of Information requirement. Per 42 U.S.C. Section 5135(h)(2), the entity should publish and periodically update all projects receiving funding from the loan fund. This includes project location, type and amount of assistance provided from the loan fund, the expected funding schedule, and the expected date of project completion. Note: The recipient should publish information publicly on a preferred platform and at times most suitable to the recipient during, and after, the Period of Performance.

WV will publish and periodically update all projects receiving loan from the RWVRLF. The complete list of projects, including location, type of assistance, amount of assistance, the expected funding schedule, and expected date of project completion will be available on the WVEMD's website (emd.wv.gov).

6.3 Loan Recipient Auditing and Reporting

WV will require loan recipients to complete internal quarterly reports to ensure that projects are staying within the scope of the project application and to determine if there are any issues with timelines or funding that need to be addressed. These internal reports will be separate from the required FEMA reports on ND grants. WV will also require quarterly site visits to any construction projects for quality control reasons. It is expected that all borrowers follow local and State requirements for auditing to ensure that all federal and state statutes are being followed and that all projects comply.