

Innovation in Funding Hazard Mitigation Programs – Implementing the STORM Act

DRAFT

Poster Showcase
#IAEM24

Deloitte.

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Division: Non-Competitive

Hazard Mitigation Revolving Loan Fund (RLF) Programs provide yet another tool that emergency managers can use to induce innovation into pre- and post-disaster hazard mitigation and resilience activities. Innovation is necessary in an ever-evolving threat and hazard environment.

CHALLENGE

- While revolving loan funds are common water quality programs, they are new to emergency management
- The regulatory and compliance aspect of a revolving loan fund is administratively complex
- Even with a low 1% interest, RLFs have a payback requirement

BACKGROUND

- The Safeguarding Tomorrow through Ongoing Mitigation (STORM ACT) became law on January 1, 2021*
- The Infrastructure Investments & Jobs Act (IIJA) provided \$500 mil through 2026 for the RLF Program*
- Diversifying funding sources beyond limited and short-term grants can enhance financial stability and sustainability, supporting both immediate and long-term hazard mitigation needs.

APPROACH



Identifying broad program goals (to align with broader agency priorities)

- Understand how STORM compliments existing HM and resilience programs
- Build a program that is in-line with state priorities
- Prioritize vulnerable communities



Establish Financial Targets & Mechanisms

- Develop short, intermediate, and long-term financial goals
- Establish amortization schedule, loan disbursement schedule, interest rates.
- Implement required paperwork



Develop Intended Use Plan (IUP)

- Capture key program characteristics
- Apply for Federal STORM grant

IMPACT

- ✓ **Rapid Program Development:** Deloitte developed a robust state-level STORM program in less than three months.
- ✓ **Federal Award:** The client received a sizable federal award to match state funds infused in the program.
- ✓ **Enduring Program:** The program augments existing HM and resilience funding, providing sufficient flexibility for communities needing assistance.
- ✓ **Flexibility:** Alternative funding sources, such as revolving loan funds or public-private partnerships, often come with fewer restrictions than grants, allowing for more flexible use of funds.
- ✓ **Social Equity:** A mix of funding sources can be designed to address social equity, ensuring that vulnerable populations receive the support they need for hazard mitigation.

REFERENCES

*FEDERAL EMERGENCY MANAGEMENT AGENCY – SAFEGUARDING
TOMORROW THROUGH ONGOING MITIGATION
[HTTPS://WWW.FEMA.GOV/GRANTS/MITIGATION/LEARN/STORM-RLF](https://www.fema.gov/grants/mitigation/learn/storm-rlf)