Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Revolving Loan Fund GOHSEP FISCAL YEAR 24 Intended Use Plan

STATE OF LOUISIANA – GOVERNOR’S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS (GOHSEP)



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**List of Acronyms**

**AAR**- After-Action Reports

**ATSDR**- Agency for Toxic Substances and Disease Registry

**CCR**- Central Contractor Registry

**CDC**- Center for Disease Control

**CRPC**- Capital Region Planning Commission

**CWPPRA**- Coastal Wetlands Planning, Protection and Restoration Act

**DOL**- Department of Labor

**EFT**- Electronic Funds Transfer

**EHP**- Environmental Planning and Historic Preservation

**EJI**- Environmental Justice Index

**EMMA**- Electronic Municipal Market Access

**EOP**- Louisiana State Emergency Operations Plan

**FASB**- Financial Accounting Standards Board

**FEMA**- Federal Emergency Management Agency

**FFR**- Federal Financial Report

**GAAP**- Generally Accepted Accounting Principles

**GAGAS**- Generally Accepted Government Auditing Standards

**GOHSEP** – State of Louisiana Governor’s Office of Homeland Security and Emergency Preparedness

**HMP**- Hazard Mitigation Plan

**IIJA-** Infrastructure Investment and Jobs Act

**IUP** – Intended Use Plan

**LAHM**- Louisiana Hazard Mitigation database.

**ND Grants**- FEMA Non-Disaster Grants System

**NGOs**- Non-Governmental Organizations

**NOFO**- Notice of Funding Opportunity

**NRHP**- National Register of Historic Places

**PARS**- Payment and Reporting System

**RLF**- Revolving Loan Fund

**SAL**- Hazard Mitigation State Applicant Liaison

**SAM**- System for Award Management

**SHMP**- State Hazard Mitigation Plan

**SIEC**- Statewide Interoperability Executive Committee

**SPR**- Stakeholder Preparedness Report

**STORM**- Safeguarding Tomorrow through Ongoing Risk Mitigation

**SVI**- Social Vulnerability Index

**THIRA**- Threat and Hazard Identification and Risk Assessment

**UEI**- Unique Entity Identification Number

# Introduction

This section details the purpose of the Intended Use Plan (IUP) for the Safeguarding Tomorrow Revolving Loan Fund (RLF) Program for fiscal year 2024 (FY 2024). The Louisiana Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) is the body responsible for both programmatic oversight and fiscal administration of the RLF in this initial year of the program.

## GOHSEP’s Hazard Mitigation Revolving Loan Fund (RLF)

This Intended Use Plan (IUP) describes GOHSEP’s approach to administering Louisiana’s Hazard Mitigation RLF Program, hereto referred to as the RLF. This IUP outlines GOHSEP’s priorities, policies, and evaluation criteria that GOHSEP will use to effectively manage the program.

### Enabling Legislation

On June 16, 2022, Governor John Bel Edwards signed [Act No. 524](https://www.legis.la.gov/legis/ViewDocument.aspx?d=1289586) which authorized GOHSEP to establish a RLF program to provide assistance for projects that reduce disaster risks 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, or as otherwise required by federal law or grant agreements. This loan program offers another funding source and complements GOHSEP’s other existing Hazard Mitigation Assistance (HMA) programs.

### Oversight

The RLF program will use monitoring and oversight controls in line with existing GOHSEP processes for grant management. These processes involve communication with the loan applicants (pre-award), and loan recipients (once funds are awarded), throughout all phases of the process.

GOHSEP’s approach includes:

* Evaluating applicant’s requested use of the RLF and ability to repay the loan,
* Executing a loan agreement with the applicant which includes loan repayment terms, schedule, and interest rates,
* Regular communication with loan recipients for both programmatic and financial tracking,
* Required quarterly reporting from loan recipients.

If needed, additional programmatic oversight and monitoring strategies may be implemented to assist the compliant administration of the RLF.

### Administering the RLF

GOHSEP has established a separate financial account for the capitalization grant. This account will house funds related to this program, including capitalization funds, interest earned on the account balance, principal repayments, and interest repayments. The capitalization grant will then be disbursed to eligible loan recipients for projects included on the proposal list in the State’s application selected for funding in accordance with the priorities established by the State. GOHSEP will leverage its existing fiscal management Standard Operating Procedure (SOP) for payment processing to disburse funding.

For the first two years of the loan, the loan recipient will only pay interest, then after the second year will begin to pay principal. GOHSEP intends to bill the loan recipient quarterly to coincide with quarterly reporting requirements. Each loan recipient will have between 20 – 30 years to repay the loan depending if the project is in a low-income geographic areas and underserved communities, in accordance with the FY24 Safeguarding Tomorrow RLF Program Notice of Funding Opportunity (NOFO) and defined in Appendix D.

Additionally, GOHSEP and the loan recipient may agree on an amortization schedule for a lesser period, as may be more applicable for loans of smaller funding amounts. GOHSEP is responsible for the preparation of the invoices for submission to the loan recipients. GOHSEP may track payments using Microsoft Excel, Sharepoint, and/or its grants database, GOHSEP Grants (https://gohsepgrants.la.gov). As part of a potential technical assistance program, GOHSEP may also perform financial planning. For example, there is a structure in place (including legal team) for delinquent payments whereby GOHSEP’s financial team could (along with the legal team) work with the loan recipient to adjust payment schedule, along with other strategies to assist in the repayment of loans.

## Updates for FY 2024

Updates for FY 2024 are included through the body of this document.

# Uses of GOHSEP’s Safeguarding Tomorrow Revolving Loan Fund (RLF)

This section describes the RLF goals and details on how GOHSEP intends to provide loans to eligible loan applicants. The section also includes GOHSEP’s plan to 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.

## GOHSEP RLF Program Objectives

GOHSEP established a set of priorities objectives for the first year of the RLF program (FY 2023), which we will carry over into this second year of the program (FY 2024). The objectives are:

1. Serving disadvantaged, underserved, and socially vulnerable areas proposing projects to foster resilience (defined in XI. Appendix D),
2. Providing the non-federal cost share for existing hazard mitigation projects, or those projects where an application for federal assistance has been submitted.
3. Mitigation projects that address risk reduction from the hazards that impact the State of Louisiana – flooding and wind-related hazards,
4. Projects not eligible under other HMA grants.

### Providing Loans to Local Governments in Need of Assistance

In line with RLF Priority 1, the Justice40 initiative, adherence to federal implementation guidance, Executive Order 14008, and other relevant regulations, GOHSEP may designate 40% of the benefit of projects financed through the fund in disadvantaged communities. GOHSEP will determine the need to provide loan funds to local governments in need of financing through:

* Strategic stakeholder engagement with a formal stakeholder engagement plan for subsequent years that includes outreach to disadvantaged Parishes, under-resourced municipal governments, and tribal entities. This outreach already coincides with the outreach done for the [State Hazard Mitigation Plan](http://gohsep.la.gov/MITIGATE/HM-PLANNING/State-Hazard-Mitigation-Plan#:~:text=Louisiana%E2%80%99s%20Hazard%20Mitigation%20Plan%28SHMP%29%20was%20approved%20by%20FEMA,commitment%20creating%20stronger%2C%20more%20resilientcommunitiesthrough%20hazard%20mitigation%20activities.) (HMP) update as well as general GOHSEP stakeholder grant outreach activities. After the first year of the program, and as we are finalizing the project proposal list and IUP for the second year, GOHSEP is measuring participation from vulnerable communities, and is analyzing gaps and barriers that prevented further participation, and will use the outcomes to set improvement metrics to enhance loan participation by disadvantaged communities as appropriate in future cycles. We have already identified that the burden of repayment of a loan versus the benefit of accepting a Hazard Mitigation Assistance grant that does not have to be repaid places disadvantaged communities at risk, and is a barrier that must be overcome if this program is to be a true resource to those communities.
* Evaluating loan applications based on social, economic, and environmental vulnerability. The scoring criteria can be used to analyze loan applications using the Center for Disease Control (CDC) Social Vulnerability Index (SVI). The Climate and Economic Justice Screening Tool (CEJST), will be used to geographically identify disadvantaged communities.

### Supporting Hazard Mitigation Projects and Activities to Reduce Risks from Hazards

In line with the third priority area discussed in Section 2.1., this program complements GOHSEPs existing suite of HMA programs that includes Flood Mitigation Assistance (FMA), Building Resilient Infrastructure and Communities (BRIC), and Hazard Mitigation Grant Program (HMPG). While the RLF is not a traditional grant but instead a low-interest loan, it provides another funding mechanism for communities to advance their hazard mitigation initiatives and priorities. Beyond the main priorities for the RLF, GOHSEP could also support projects that:

1. Are collaborative in nature and that are otherwise ineligible for other funding sources,
2. Fund mitigation and adaptation planning projects and provide technical assistance for development of future projects that seeks to decrease the loss of life and property, the cost of insurance, and federal disaster payments,
3. Are innovative project types including Nature Based Solutions (NBS) and those that pair green and gray infrastructure techniques and provide multiple benefits.

With the goal of breaking the cycle of disaster, GOHSEP developed a scoring criteria inclusive of the above priorities. The scoring criteria not only evaluate loan applications based on alignment to the State HMP, but also it seeks for alignment with local government’s HMPs, and/or for opportunities to support projects focusing on updating key elements of local governments’ HMPs. In addition, to leverage any current or future local government mitigation efforts, GOHSEP is not excluding any of the intended uses under the STORM RLF Program.

The priority hazards that of significant concern in Louisiana are flood and wind-events (including severe storms, hurricanes, and tropical storms). The impacts from these hazards are exacerbated by coastal land loss. Effective mitigation implementation in Louisiana may decrease the loss of life and property for homeowners, businesses, nonprofit organizations, and communities. FEMA Loss Avoidance Studies, State inspection studies, and other community data suggest the effectiveness of implementing hazard mitigation projects.

## GOHSEP Program Goals

The following section describes GOHSEP’s short- and long-term goals for the RLF program. In addition, this section summarizes the ways that GOHSEP uses this RLF to complement existing policies and initiatives.

### Connection to Other Plans and Goals

GOHSEP believes planning is the cornerstone of reducing the impacts of hazards and disasters. Planning efforts are continuous and evolving instruments to anticipate actions, realize opportunities, and guide response, recovery, and mitigation activities. The scoring criteria for loan application measures connection to the State HMP, GOHSEP’s Strategic Plan, and the project’s ability to achieve overarching goals established in Louisiana. GOHSEP fosters a unified approach to planning by integrating the following plans and initiatives in the sections immediately below:

#### Hazard Mitigation Plan

In 2024, GOHSEP updated the [State HMP](http://gohsep.la.gov/MITIGATE/HM-PLANNING/State-Hazard-Mitigation-Plan#:~:text=Louisiana%E2%80%99s%20Hazard%20Mitigation%20Plan%28SHMP%29%20was%20approved%20by%20FEMA,commitment%20creating%20stronger%2C%20more%20resilientcommunitiesthrough%20hazard%20mitigation%20activities.) which establishes a framework for hazard mitigation strategy, risk assessment, and goals and objectives at the state and local level. The goals and objectives of the State HMP include improving resiliency through public awareness/education and supporting local and regional mitigation initiatives. Per 42 United States Code Section 5135(g)(2)(A), the RLF will likely align with the priority hazards outlined in the previous section (2.1).

As mentioned, GOHSEP envisions the RLF as an extension of the HMP and as an opportunity to assist both local and tribal governments in the development and/or implementation of FEMA-approved Local or Tribal HMPs. Many mitigation grant programs are highly competitive, such as BRIC, or are disaster dependent as is the case with the HMGP. The RLF may fund important mitigation efforts not funded by other mitigation grants. GOHSEP will analyze in the application process if applicants have a FEMA-approved Local or Tribal HMP, which is an RLF program requirement, except for local governments receiving a loan for hazard mitigation planning related projects.

The implementation of the first year of the RLF coincided with the required update of the Louisiana State HMP for 2024. As part of the HMP update, the State discussed goals and eligible projects with stakeholders, to include required information regarding the RLF in the updated State plan. GOHSEP recognizes the importance of working with local communities and Tribal nations to define the ongoing priorities of the RLF.

#### GOHSEP Strategic Plan

GOHSEP’s Strategic Plan covers FY 2024-2025 through FY 2027-2028 and prioritizes the following goals:

1. **Prevent and protect against hazards or threats by detection, deterrence, and mitigation efforts.**
2. Prepare the state to respond to and recover from emergencies and disasters at the individual, local and state levels.
3. Lead and/or coordinate Louisiana’s response to all-hazards events.
4. Administer and coordinate all aspects of disaster recovery.
5. **Lead the effective and efficient delivery of Hazard Mitigation Assistance programs for the State of Louisiana to reduce risks to life and property by lessening the impacts from future natural disasters.**
6. Establish and maintain, through the Statewide Interoperability Executive Committee (SIEC) an infrastructure that provides an interoperable environment at the local, state, and federal level.
7. **Provide a Center of Excellence for GOHSEP and its stakeholders.**

The implementation of the Hazard Mitigation RLF program directly aligns to GOHSEP Strategic Plan goals no. 1, 5, and 7 in **bold** above. GOHSEP, along with other state entities, submitted actions to foster climate resilience.

#### Climate Action Plan

The State of Louisiana released its first [Climate Action Plan](https://gov.louisiana.gov/assets/docs/CCI-Task-force/CAP/Climate_Action_Plan_FINAL_3.pdf) in February 2022. Specifically, GOHSEP supported Strategy 2 of the plan: *Increase access to and deployment of distributed energy resources*. The strategy focuses on the use of renewable resources, energy affordability, community resilience and protecting the environment. In line with this plan, the RLF may fund green infrastructure mitigation projects. GOHSEP demonstrates a commitment to these types of mitigation initiatives through the inclusion of *Enhances the Natural Environment* as a project scoring criterion measurement.

#### Whole Community Approach

GOHSEP adopts a Whole Community Approach, whereby the agency seeks to leverage relationships with communities to bolster mitigation and risk reduction efforts.

The Whole Community Approach recognizes that government alone is not enough to meet the challenges of an emergency or disaster event, especially those that are catastrophic. GOHSEP may prioritize projects leveraging resources and promoting collaboration among Federal, local, Tribal, and State partners; non-governmental organizations (NGOs) like faith-based and nonprofit groups; and private-sector industry, individuals, families, and communities. GOHSEP included elements of the Whole Community Approach in the selection criterion. This includes prioritizing projects that have included a diverse set of stakeholders in their design and project planning.

At the local level, planning efforts are assisted through local committees. Required by statute, each Parish, or Police Jury President through the Parish Director of a local office of homeland security and emergency preparedness (OHSEP) must form a Parish Emergency Management Advisory Committee (PEMAC). The PEMAC offers suggestions and counsel on homeland security and emergency management issues and guides planning efforts. These groups provide vital input into hazard mitigation and risk reduction activities.

#### Other Disaster Response, Mitigation, and Recovery Plans and Initiatives

In addition to the above plans, GOHSEP may use the priorities and principles of these adjacent plans to inform the RLF program priorities:

* Louisiana State Emergency Operations Plan
* 2019 Louisiana State Mass Care Feeding Plan
* Louisiana Unified Shelter Plan
* Louisiana State Emergency Operations Plan (EOP) 2022
* Louisiana Statewide Communications Inoperability Plan (SCIP)
* Louisiana Family Disaster Plan
* Louisiana Early Learning Center Basic Emergency Plan
* Louisiana Model Home Health/Hospice Emergency Plan
* Nursing Home Model Emergency Preparedness Plan
* After-Action Reports and Improvement Plans (AAR) for Hurricanes Katrina, Rita, Gustav, Ike, Isaac, Barry, Hurricanes of 2020, and Ida

### GOHSEP Hazard Mitigation Revolving Loan Fund Goals

The goals that the GOHSEP RLF intends to achieve per 42 United States Code Section 5135(g)(2)(B) are:

* **Mitigation and Resilience Goal 1:** Support the inclusion of communities that historically are underserved.
* **Mitigation and Resilience Goal 2:** Foster resilience across the state to reduce impact from hazards.
* **Mitigation and Resilience Goal 3:** Support communities in funding historically underfunded projects that enhance resilience.

The three goals align with the overall State Hazard Mitigation Program. The Louisiana Homeland Security and Emergency Assistance and Disaster Act (Louisiana Disaster Act) R.S. 29:721-739 remains the driving legislation that affects preparedness, response, recovery, and mitigation programs. The goals of the Louisiana Disaster Act related to mitigation are as follows:

1. To reduce vulnerability of people and communities of this state to damage, injury, and loss of life and property resulting from natural or man-made catastrophes, riots, or hostile military or paramilitary action,
2. To authorize and provide for cooperation in emergency or disaster prevention, mitigation, preparedness, response, and recovery,
3. To authorize and provide for management systems represented by coordination of activities relating to emergency or disaster prevention, mitigation, preparedness, response, and recovery by agencies and officers of this state, and similar state-local, interstate, and foreign activities in which the state and its political subdivisions may participate.

Among its many functions, the Louisiana Disaster Act established GOHSEP and its responsibilities. The Act authorizes GOHSEP’s HMA Division to administer HMGP and Non-Disaster HMA Grants. The HMA, managed by the HMA Division Assistant Director and the State Hazard Mitigation Officer (SHMO), conducts outreach to communities, provides technical assistance to applicants, and manages grants to sub-recipients. Sub-recipients may include state agencies, local governments, federally recognized Native American tribes, and private non-profit organizations.

Another notable policy is the establishment of the Coastal Zone Boundary in Louisiana Revised Statutes Article 49, §214.24. The Coastal Zone Boundary provides for state management of coastal resources in areas with a high level of coastal influence, promotes consistency with the Coastal Master Plan, and allows for reduction of coastal hazards and wetland impacts through permit review of development proposals. This work is conducted by Department of Natural Resources (DNR) Office of Coastal Management - Permits & Mitigation Division and demonstrates Louisiana’s strong commitment to coastal sustainability and improves the state’s chances for federal funding for mitigation.

The Revolving Loan Fund Program falls under the administration of the GOHSEP’s HMA Division, and the above two policies help shape the first and second year of the RLF.

### Short-Term GOHSEP Hazard Mitigation RLF Goals

In line with the needs of GOHSEP as well as the local communities across the state of Louisiana, GOHSEP has established the following five short-term goals for the program:

#### Short Term Goal 1: Support applicants with their hazard mitigation and resilience needs by closing the funding gap with other grant programs.

GOHSEP recognizes that current grant programs fall short of fully addressing the State’s hazard mitigation and resilience needs. Local Parishes often lack resources to meet the non-federal cost share for HMA grants. In addition, local communities with innovative resilience and mitigation projects are not always effective in obtaining HMA grants due to very specific HMA grant requirements. The focus of this program is to expand eligibility and access to funding to allow loan recipients to complete resilience-focused projects that are otherwise ineligible for HMA funding and to provide the non-federal match for HMA grants.

#### Short Term Goal 2: Implement a system for tracking project effectiveness through close monitoring and supervision of loan recipients

GOHSEP will implement a loan monitoring system to monitor project effectiveness and adherence to the intent of the loan program. This system could include regular check-ins with program participants in the form of regular reporting, annual site visits, and occasional outreach in line with the standard GOHSEP HMA grant monitoring processes. Quarterly reports may include information such as project completion percentage, milestone tracking, and discussion of anticipated project challenges. Throughout the lifecycle of the project, GOHSEP will monitor progress and promote adherence to statewide resilience goals through progress reports, including project complete percentage updates; site visits; and frequent re-evaluating of project implementation timeline goals.

#### Short Term Goal 3: Efficiently and effectively disperse funds to loan recipients

Effectively dispersing funds to support projects is a priority for the program. To support this goal, GOHSEP will complete timely financial suitability reviews of applicants, review project plans for completion, and prioritize funding to meet GOHSEP’s equity goals. Upon federal grant award, GOHSEP strives to disperse funds within 9-12 months of receiving funding from FEMA, though the Notice of Funding Opportunity (NOFO) allows for a 24-month period of performance. GOHSEP is prioritizing this program given the acute need of local Parishes to receive this funding.

#### Short Term Goal 4: Prioritize historically underserved communities for funding

GOHSEP knows that historically the communities who have a high degree of need and disaster often lack the resources and the capacity to obtain hazard mitigation funding. To work towards overcoming this historic disparity GOHSEP has prioritized the communities in need of this program. Using guidelines from the CEJST and the CDC/ATSDR Social Vulnerability Index GOHSEP, which is also used in the current version of FEMA’s National Risk Index, provides weighted rankings to communities with the least capacity to address hazard mitigation and resilience. GOHSEP’s scoring criteria also considers the hazard vulnerability of the applicant in addition to the effectiveness of the project. GOHSEP will continue to solicit project proposals from low-income and underserved communities through targeted and effective outreach.

#### Short Term Goal 5: Advance program priorities through identification and funding of projects in line with strategic priorities

As a disaster-prone state, GOHSEP has identified coastal storm, sea level rise, shoreline erosion, and severe storms as priority hazards in the state. GOHSEP has also prioritized projects that serve disadvantaged communities, provide the non-federal match for mitigation grants, address priority hazards in the state, and projects that are not traditionally covered through other HMA competitive grants. GOHSEP prioritizes projects that are aligned to statewide priorities in addition to ones that are identified in the Louisiana State HMP. By aligning projects to statewide priorities GOHSEP can promote the use of Federal funding in an effective manner that aligns to state priorities.

### Long-Term GOHSEP Hazard Mitigation RLF Goals

GOHSEP has also established the following six long-term goals driving decision-making processes and guiding the State in meeting the different needs of local communities participating in this program. These goals also assist in establishing program benchmarks that are measured throughout the period of performance.

#### Long Term Goal 1: Establish the Hazard Mitigation RLF as a self-sustaining program

To achieve this, GOHSEP will strategically issue project loans, utilizing the interest on loans to create a program that will become self-sustaining, funding additional mitigation projects for decades to come. Moreover, in subsequent fiscal years GOHSEP may continue to request capitalization grants from FEMA to spur additional lending. Finally, GOSHEP will consider requesting additional state appropriation to bolster the revolving loan fund to supplement the funds available through the program.

#### Long Term Goal 2: Implement sound financial program mechanisms

GOHSEP will establish sound financial metrics to manage the fund efficiently and effectively, including measurements of timely repayment of principal and interest, timely collection of overdue balances, quarterly review of the cash balance of the loan fund, status of funded projects through site visits and progress reports, and increased measurements of resilience. These fiscal measures are in line with industry standards and other RLF programs operating in Louisiana.

#### Long Term Goal 3: Align projects to statewide resilience and hazard mitigation priorities

As one program within GOHSEP’s overall hazard mitigation suite of products supporting local communities in the State, the priorities of the program align with other HMA programs under GOHSEP’s purview. These priorities include hazards likely to impact Louisiana, prioritizing community-based programs, and emphasizing equity in hazard mitigation.

#### Long Term Goal 4: Create an inventory of scoped and/or shovel-ready projects to fund

GOHSEP intends to maintain dialogue around the state to encourage entities to pursue funding opportunities for high-priority projects. This goal will be accomplished through an annual public notice of the funding opportunity under the STORM RLF, by including this RLF program in existing roadshows and monitoring programs and standardizing the project solicitation process to allow for applicants the option to pursue the RLF with other grants. This goal includes maintaining a list of projects that were otherwise not selected for HMA funding due to eligibility issues or funding constraints.

#### Long Term Goal 5: Prioritize funding for communities with the greatest need

GOHSEP will continue to prioritize funding for low-income and underserved communities through an annual revisit of the project ranking criteria, as well as public dissemination of the project scoring for the funding period, an open comment period to add/adjust existing criteria, and adjustments or updates to social vulnerability indices and other criteria used to measure need. GOHSEP intends to provide expedited financial aid to those systems qualifying as disadvantaged communities/low-income geographic areas throughout the life of the RLF. Additionally, GOHSEP will re-visit project prioritization criteria on an annual basis to promote engagement with disadvantaged communities.

#### Long Term Goal 6: Ensure compliance with relevant federal laws, policies, and other key guidance

GOHSEP intends to implement a series of controls based on federal law and the intent of FEMA. This includes applying federal requirements (e.g., environmental review). These controls will be intertwined throughout the programmatic and fiscal management documents supporting the program overall.

### Long-Term and Short-Term Performance Matrix

The following table provides a summary of GOHSEP’s RLF program’s goals by aligning all long-term and short-term RLF program goals with their respective performance indicators.

| Short-term Goals | Applicable  Long-Term Goals | Performance Indicator(s) |
| --- | --- | --- |
| *ST 1: Support applicants with their hazard mitigation and resilience needs by closing the funding gap with other grant programs.* | *LT 1: Establish the Hazard Mitigation Revolving Loan Fund as a self-sustaining program*  *LT 3: Align projects to statewide resilience and hazard mitigation priorities* | Number of loan recipients with cost-share type projects. |
| *ST 2: Implement a system for tracking project effectiveness through close monitoring and supervision of loan recipients* | *LT 2: Implement sound financial program mechanisms*  *LT 6: Ensure compliance with relevant federal laws, policies, and other key guidance* | Compliance with applicable reporting requirements and inputs from loan recipients and loan administrator. |
| *ST 3: Efficiently and effectively disperse funds to loan recipients* | *LT 1: Establish the Hazard Mitigation Revolving Loan Fund as a self-sustaining program*  *LT 2: Implement sound financial program mechanisms* | Disbursement period. Distribute funds within 9-12 months of receiving funding from FEMA. |
| *ST 4: Prioritize historically underserved communities for funding* | *LT 5: Prioritize funding for communities with the greatest need* | 40% program’s fund targeting historically underserved communities. |
| *ST 5: Advance program priorities through identification and funding of projects in line with strategic priorities* | *LT 3: Align projects to statewide resilience and hazard mitigation priorities*  *LT4: Create an inventory of scoped and/or shovel-ready projects to fund.* | All projects funded aligned with State and Local Hazard Mitigation Plans, including programs priorities. |

## GOHSEP Program Priorities

The following subsections discuss potential actions, aligned with GOHSEP RLF program priorities, to increase resilience and reduce disaster risk.

### Increase Resilience and Reduce Disaster Risk

As a part of the scoring criteria of the loan applications, GOHSEP will evaluate projects based on the connection to disaster risk reduction and increased resilience. Additionally, during the development of the RLF, GOHSEP has communicated with over 60 individual jurisdictions about HMA program priorities. The program will support GOHSEP’s existing hazard mitigation program priorities.

These existing priorities include:

* Support the capacity of the State to implement mitigation policies, practices, and programs,
* Improve communication, collaboration, and integration among stakeholders,
* Identify technical feasibility and cost-effectiveness of proposed mitigation measures and projects.

These priorities feed the overall scoring criteria and prioritization of projects within this program (reflected in the scoring criteria in [Section III](#_Prioritization_Methodology)). The overall goal of this program is to support local jurisdictions as they work to address the priority hazards both in line with the Louisiana State HMP as well as local community HMPs and other strategic planning elements.

Scoring criteria for applications is based on a weighted scoring that allows GOHSEP to prioritize resilience and disaster risk reduction. Categories assessed include:

* Alignment to State HMP priorities and strategic plan,
* Flood and/or wind risk reduction,
* Social vulnerability reduction,
* Environmental vulnerability reduction,
* Whole Community Approach,
* Economic resilience enhancement,
* Infrastructure resilience enhancement.

#### Hazard Mitigation

GOHSEP will administer loans to those high-priority hazard mitigation planning efforts in accordance with 42 USCS 5135 (f)(1)(B). Specifically, GOHSEP’s Grants and Administration Division and Legal Team will support the fiscal administration of the loans, including setting loan terms, coordinating repayment efforts, establishing amortization schedules for each loan recipient, and collecting payments. The RLF will support various hazard mitigation activities that address natural hazards impacting Louisiana, namely, severe storms and wind events (including hurricanes, tornadoes, and high windstorms), and flooding (including the construction, repair, or replacement of a nonfederal levee or flood control structure). Flooding also includes high water levels and storm surge. Per 42 USCS 5135(f)(3), one of the highest weighted scoring criteria of loan applications is relation of the project to flood and/or wind risk reduction.

#### Zoning and Land-Use Planning

For the first two RLF cycles, GOHSEP did not receive project proposals focusing on zoning and land-use planning activities for mitigation. However, for future years GOHSEP may use up to a maximum of 10 percent of the program’s budget to fund projects focusing on zoning and land-use planning related mitigation activities (per 42 USCS 5135(f) (3-5)). GOHSEP intends to evaluate all loan applications, including zoning and land use planning related proposals following the three-step process established in the current intended use plan for assessing loan applications; for details refer to [Prioritization Methodology](#_Prioritization_Methodology). Below are types of potential uses for zoning and land use related mitigation activities authorized under 42 United States Code Section 5135(f)(4).:

* Development and improvement of zoning and land-use codes to incentivize and encourage low-impact development, resilient wildland–urban interface land management and development, natural infrastructure, green stormwater management, conservation areas adjacent 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, thereby allowing agricultural producers to receive compensation for assuming greater flood risk that would alleviate flood exposure to population centers and areas with critical national infrastructure.
* Study and creation of land-use incentives that reward developers for greater reliance on low-impact development stormwater best management practices, thereby exchanging density increases for increased open space and improvement of neighborhood catch basins to mitigate urban flooding, reward developers for including and augmenting natural infrastructure adjacent to and around 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 impact.

#### Building Code Adoption and Enforcement

For the first two RLF cycles, GOHSEP did not receive project proposals to support building code adoption and enforcement. However, for future cycles GOHSEP may use up to a maximum of 10% of the program’s budget to fund building code adoption and enforcement related projects (per 42 United States Code Section 5135(f) (3-5)). Examples of these type of projects are building code adoption and enforcement of the latest published editions of relevant building codes, specifications, and standards for the purpose of protecting the health, safety, and general welfare of the building’s users against disasters and natural hazards (per NOFO guidelines, 12.b.4.ii).

GOHSEP intends to evaluate all loan applications, including building code related proposals following the three-step process established in the current intended use plan for assessing loan applications; for details refer to [Prioritization Methodology](#_Prioritization_Methodology).

#### Administrative and Technical Assistance

In accordance with the guidelines set forth in the NOFO[[1]](#footnote-2), the State requests 2*%* of the anticipated capitalization grants, for administration set-aside funds, which will be funded from this capitalization grant. The administration set-aside will be used to pay salaries and associated expenses of new and existing personnel devoting time to the administration of the program. GOHSEP will determine how many personnel are required and who that staff will be and will adjust as needed throughout the life of the program. The amount of the capitalization grants each year will determine the amount of administrative costs and staff required. Administration set-aside funds can also be used to procure supplies and required staff training, to provide entities with the tools and financial assistance they need to obtain and maintain the technical, financial, and managerial capacity needed to ensure compliance with USCS 5135(g)(2)(D). In terms of the direct technical assistance component, after the second year of the program, GOHSEP will contemplate the provision of Hazard Mitigation Technical Assistance to existing or potential RLF participants. For more details refer to [Local Capacity Development](#_Local_Capacity_Development).

### Partnerships and Loan Application Submission

GOHSEP encourages partnerships between eligible loan applicants to foster mitigation that benefits a larger area. However, GOHSEP requires that one applicable jurisdiction submit a loan application on behalf of any partnership and be the signatory for each project they are applying for. For instance, if a jurisdiction has three projects located within their community, they will submit three separate loan applications. Jurisdictions can partner with other eligible entities for projects; however, only eligible jurisdictions can submit the loan application and manage the loan fund, which includes the interest repayments. Even when a partnership exists between two or more jurisdictions for a project, one jurisdiction will have to submit on behalf of that partnership and be the responsible party. The maximum the loan amount per project proposal remains at $5 million, regardless of any partnerships.

GOHSEP will require applicants to consolidate efforts to one loan application and establish a Memorandum of Understanding, Memorandum of Agreement, or Cooperative Endeavor Agreement between the entities involved in the project and will require only one entity to assume responsibility for the direct management of loan funds and interest repayment. The agreement will stipulate who the responsible entity is for repayment, what the terms of the partnership are, and the responsibilities of each entity. GOHSEP will ensure that this process complies was CFR 42 Section 5135(d)(3)(B).

### Regional Impacts

GOHSEP recognizes that building resilience requires regional solutions. In response, GOHSEP will apply the Hazard Mitigation Revolving Loan Fund wherever prudent and feasible to support those projects that address the regional impacts of hazards. Currently, GOHSEP has existing infrastructure in place to mitigate concerns effectively and efficiently regarding regional impacts of natural hazards. Louisiana is divided into nine homeland security and emergency preparedness planning regions which GOHSEP uses in conjunction with its Regional Support program. Each region is supported by at least one Hazard Mitigation State Applicant Liaison (SAL) who is a GOHSEP employee. The SALs assist their regional Parishes with all aspects of implementing FEMA HMA grant funding and its related projects. Each SAL is trained to provide programmatic guidance on all HMA grants including the HMGP, FMA, and BRIC Programs. This leadership infrastructure helps the state to effectively identify and implement regional hazard mitigation solutions that affect constituents across the state.

|  |  |
| --- | --- |
|  | Region 1 Parishes:  Orleans, Saint Bernard, Plaquemines, and Jefferson Parishes  Hazard Mitigation State Applicant Liaison  Steve Pratt  Email: Steve.Pratt@iem.com  Mobile: 225-303-6550 |
|  | Region 2 Parishes:  East Baton Rouge, West Baton Rouge, Ascension, Iberville, Pointe Coupee, East Feliciana, and West Feliciana Parishes  Hazard Mitigation State Applicant Liaisons  Brian McGovern (East Baton Rouge Only)  Email: Brian.Mcgovern@la.gov  Office: (225) 267-2961  Mobile: (347) 645-6714  Devonne Campbell  Email: devonne.campbell2@la.gov  Mobile: 225-266-8626  Office: 225-267-2866 |
|  | Region 3 Parishes:  Lafourche, Saint John, Saint Charles, Saint James, Assumption and Terrebonne Parishes  Hazard Mitigation State Applicant Liaisons  Lakeivea Warren, Section Chief  Email: lakeivea.warren@la.gov  Mobile: 225-324-6073  Elba Meador  Email: Elba.Cintron-Meador@iem.com  Mobile: 225-405-5036  Office: 225-376-5104 |
|  | Region 4 Parishes:  Lafayette, Evangeline, Saint Landry, Acadia, Saint Martin, Iberia, Vermilion, and Saint Mary Parishes  Hazard Mitigation State Applicant Liaison  Charlene Christophe  Email: Email: Charlene.Christophe@iem.com  Office: 225-376-5387  Mobile: 225-620-7992 |

|  |  |
| --- | --- |
|  | Region 5 Parishes:  Beauregard, Allen, Calcasieu, Jefferson Davis, and Cameron Parishes  Hazard Mitigation State Applicant Liaisons  Charlene Christophe  Email: Charlene.Christophe@iem.com  Office: 225-376-5387  Mobile: 225-620-7992  Claudia Kirtikar (Calcasieu Only)  Email: Claudia.Kirtikar@la.gov  Office: 225-267-2584  Mobile: 225-939-7228 |
|  | Region 6 Parishes:  Vernon, Sabine, Natchitoches, Winn, Grant, Rapides, LaSalle, Catahoula, Concordia, and Avoyelles Parishes  Hazard Mitigation State Applicant Liaison  Roland Spano  Email: Roland.Spano@la.gov  Office: 225-337-3729  Mobile: 225-337-0139 |
|  | Region 7 Parishes:  Caddo, Bossier, Webster, Claiborne, Bienville, Red River and DeSoto Parishes  Hazard Mitigation State Applicant Liaison  Chris Olvey  Email: Christopher.Olvey@la.gov  Office: 225-267-2757  Cell: 318-237-8333 |
|  | Region 8 Parishes  Ouachita, Union, Lincoln, Jackson, Caldwell, Richland, Morehouse, Franklin, West Carroll, East Carroll, Madison, and Tensas Parishes  Hazard Mitigation State Applicant Liaison  Chris Olvey  Email: Christopher.Olvey@la.gov  Office: 225-267-2757  Cell: 318-237-8333 |
|  | Region 9 Parishes:  Livingston, Washington, Saint Tammany, Saint Helena, and Tangipahoa Parishes  Brian McGovern (Livingston only)  Email: Brian.Mcgovern@la.gov  Office: (225) 267-2961  Mobile: (347) 645-6714  Hazard Mitigation State Applicant Liaison  Kristal Craig  (225) 267-2595  Email: Kristal.Craig@la.gov |

#### Additional Regional Collaborations

GOHSEP will also work with trusted partners to support regional hazard mitigation projects. For example, GOHSEP coordinates with partners including the Acadiana Planning Commission, the Imperial Calcasieu Regional Planning & Development Commission and the Capital Region Planning Commission (CRPC), which is a Council of Governments serving eleven Louisiana parishes (Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana). Through planning and communication, CRPC coordinates and collaboratively addresses regional issues related to transportation, land use, economic development, and the environment. In addition, the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) passed in 1990 is designed to identify, prepare, and fund construction of coastal wetlands restoration projects, managed by the CWPPRA Task Force. As a future action and part of this enduring program, GOHSEP will work with the CWPPRA Task Force to specifically support projects which mitigate impacts of hazards on river basins, river corridors, micro-watersheds, estuaries, lakes, bays, and coastal regions.

In addition, GOHSEP has leveraged its relationship with the Louisiana Water Initiative (LWI) to support regional hazard mitigation projects. In 2018, the state launched the Louisiana Watershed Initiative, introducing a new watershed-based approach to reducing flood risk in Louisiana, guided by the following principles:

* Using scientific tools and data,
* Enabling transparent, objective decision-making,
* Maximizing the natural function of floodplains, and
* Establishing regional, watershed-based management of flood risk.

LWI is pursuing a holistic approach to watershed management, one that goes beyond conventional mitigation measures and incorporates nature-based solutions. LWI is also developing computer models to better understand flood risk and help select projects best suited for investment in each watershed region. By investing in efforts that build statewide flood defense, Louisiana will better safeguard its communities and culture for generations to come, as well as provide an example for other states facing similar flood risk challenges. GOHSEP will continue to work for better coordination and collaboration between the state and regional planning entities.

### Major Economic Sectors and Critical Infrastructure

Louisiana is home to some of the nation’s leading economic sectors and critical infrastructure. Data from the Louisiana Office of Risk Management, as highlighted in the 2024 SHMP, show 8,783 state-owned properties with a total building and contents replacement value of approximately $15.2 billion. The economy of Louisiana employs 1.91M people. The largest industries in Louisiana are construction (140,795 people), elementary & secondary schools (135,128 people), and restaurants & food services (128,383 people), and the highest paying industries are computer & peripheral equipment manufacturing ($136,502), securities, commodities, funds, trusts & other financial investments ($130,300), and pharmaceutical & medicine manufacturing ($126,342) (Data USA).

In public meetings related to updating of the Louisiana State HMP GOHSEP provided information to applicants on the acceptable and encouraged usages of the RLF. In the RLF scoring criteria, GOHSEP will assess loan applications for the proposed outcome to operationalize strategy that will reduce impacts and address capability gaps to improve disaster outcomes. The State HMP denoted that the primary hazard that impacts that is projected to cause the most loss to state assets are 100-year floods (projected at a loss of over $51.2 million in critical facilities and state assets by 2050) followed by wind (projected at a loss of over $15 million in assets by 2050) (SHMP, page 19). Using the [National Centers for Environmental Information (NCEI) Storm Database](https://www.ncdc.noaa.gov/stormevents/choosedates.jsp?statefips=22%2CLOUISIANA) and filter for coastal flood, flash flood, flood, heavy rain, high wind, hurricane (typhoon), storm surge/tide, strong wind, thunderstorm wind, tropical depression, and tropical storm impacting Louisiana from 01/01/2023 and 12/31/2023, over 500 events impacted the state (as defined by NCEI). In this period no named hurricanes impacted Louisiana, however, $878,200 in estimated public property damage still occurred. The estimate is made by National Weather Service using all available data at the time of the publication as of 4/17/2024.

While the NCEI data is limited to 500 events in a searched period, expanding the data range to 01/01/2023 and 01/31/2024 and coastal flood, flash flood, flood, heavy rain, hurricane (typhoon), and tropical storm event types demonstrated that when Louisiana is impacted by named Hurricanes and wide-spread flooding events, the property damage estimates significantly increase, with the amount in this range being $9,079,584,000. Limiting the search to hurricane (typhoon), tropical depression, and tropical storm for a decade (01/01/2013 and 01/31/2024), public property impact estimates are $22,876,460,000, showing the costly impact of these types of events in Louisiana.

Using the above data points as a small sampling, the connection to why GOHSEP selected to prioritize projects related to reduction in flood and wind events is readily noticeable. In the RLF project scoring criteria, points are awarded to projects that bolster reduction of the hazards flood and wind, that are continuously the costliest disasters in Louisiana.

## Cost Share

GOHSEP will consider and encourage loans by local governments to satisfy a local government’s non-federal cost-share requirement for other FEMA HMA grant programs, including HMGP, BRIC, and the FMA programs.

To align with the timelines for these programs, GOHSEP will ask loan applicants to list all possible cost share loans in their application materials to allow options to award loans to those projects. GOHSEP will list any potential projects where a loan may be utilized for this purpose in the project proposal list submitted in the capitalization grant application.

Federal funds that are used to meet the non-federal cost-share requirement must meet the purpose and eligibility requirements of both the relevant HMA grant program and the Safeguarding Tomorrow RLF program.

GOHSEP will work with local governments interested in using loan funding as matching funds for an HMA grant. This includes providing information about available funding for use to match and if applicable assisting with the timing of grant award and loan award. Loan applicants will have the opportunity to submit project applications for cost share, as well as all other proposed projects until the closure date.

GOHSEP will not limit the percentage of funding that can be dedicated to cost share projects, except as may be applicable during project proposal scoring using the criteria previously described. GOHSEP will not provide loans to a local government for the non-federal cost share requirement for any other federal grants/cooperative agreements, or for lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, no grant funds may be used to sue the federal government or any other government entity.

# Criteria and Method for Distribution of Funds

## Loan Management Information

Below is a chart that displays the anticipated funding for both FY 2023 and FY 2024:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **STORM RLF Award (90%)** | **State Match (10%)** | **TPC (100%)** | **Management Costs (2% of Capitalization Grant)** |
| **FY23 (Pending Award)** | $6,917,284 | $768,587 | $7,685,871 | $138,346 |
| **FY24** | $10,908,017 | $1,212,002 | $12,120,019 | $218,160 |
| **Combined Total** | **$17,825,301** | **$1,980,589** | **$19,805,890** | **$356,506** |

GOHSEP anticipates this funding being available for entities to apply for per 42 USCS 5135(g)(2)(C). Existing infrastructure in place for other grant programs will drive the loan application process for the Hazard Mitigation RLF.

### Loan Application Process

GOHSEP accepted proposed projects until April 5, 2024, at 12:00 (noon) CT using the STORM Project Proposal Survey link: [FY24 STORM RLF Project Proposal Survey](https://www.surveymonkey.com/r/QBGZT6M) .

Following the funding authorization from FEMA, eligible loan applicants that submitted project proposals will be notified by GOHSEP for additional information (as needed), projects will be evaluated, and loan applicants will be notified about project evaluation results. Accepted loan applicants will then be asked to complete a full loan application. Program priorities and available funding are factors that will be considered when determining which project proposals are selected and may then complete a loan application.

**Note:** GOHSEP reserves the right to amend application deadlines or add an additional application cycle to the fiscal year within the bounds of federal guidance and requirements.

### Financial Planning

As a part of the loan application, the applicant provides a project plan which details its strategy, goals, and implementation plans for the funds being received. Additionally, the applicant must provide its last three audits working alongside the bond commission to ensure the applicant can make interest and principal payments. The applicant must agree to have their financial statements reviewed annually, both prior to the loan as well as after the loan has been provided.

In addition, a requirement for the program by FEMA is that short-, medium-, and long-term financial projections be provided as tools to monitor and manage the program. These assumptions and projections were prepared for the purpose of receiving capitalization grants for the management of the program; therefore, they should not be used for any other purpose. Furthermore, even if the hypothetical assumptions described in Appendix A materialize, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Refer to [Appendix A for financial projections for the FY24 Intended Use Plan](#_Appendix_A).

### Short, Medium and Long-Term Financial Projections

For the first two years, GOHSEP projects a total loan fund as reflected in the chart below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **STORM RLF Award (90%)** | **State Match (10%)** | **TPC (100%)** | **Management Costs (2% of Capitalization Grant)** |
| **FY23 (Pending Award)** | $6,917,284 | $768,587 | $7,685,871 | $138,346 |
| **FY24** | $10,908,017 | $1,212,002 | $12,120,019 | $218,160 |
| **Combined Total** | **$17,825,301** | **$1,980,589** | **$19,805,890** | **$356,506** |

GOHSEP intends to distribute $7.7 million of the loan fund (withholding $138,346 for administrative costs) for the FY 2023 STORM RLF award, and $12.1m for the FY24 STORM RLF award (withholding $218,160 for administrative costs), within their respective POPs, with 40% of all grants benefitting disadvantaged communities where possible. GOHSEP may allocate up to 5% of program budget towards technical assistance (per Notice of Funding Opportunity (NOFO) guidance (D.12.e.4).

In the medium term, GOHSEP is projecting no repayments within the first two years. GOHSEP assumes for STORM RLF FY 2024, all capitalization grants will be awarded by the end of 2024, with loan funds disbursed by GOHSEP by the end of 2026 (though per guidance projects do not need to be complete during this performance period). Therefore, per NOFO guidance (B.12.II.4.ii), GOHSEP will anticipate repayment to commence one year after project completion. “Repayment Year 1” of repayments against the initial $7.7 million of loans is not estimated to begin before 2029, where loan funds are distributed in 2025 and 2026, and project completion is estimated to take approximately three years, with repayments beginning around 2029-2030. FY 2024 STORM RLF will follow the same repayment model, with repayments projected to begin 2030-2031.

Medium and longer-term projections do not currently account for GOHSEP receiving any additional capitalization grants into the loan fund beyond the initial two years. Depending on the average loan amount, GOHSEP intends to use loan repayments to create additional loans (number of loans per year in other years will vary depending on actual loan values vs. expected fund balance from repayments) in future years. Furthermore, GOHSEP is driving financial modeling on the assumption that additional loans beyond the first two years will be to underserved or disadvantaged communities – which may have up to a 30-year repayment term.

## Criteria and Method for Loan Distribution

GOHSEP, in coordination with the Louisiana Legislative Auditor, will perform a fiscal analysis of the local applicant that would be responsible for the loan at the local level. GOHSEP has existing structure in place to administer the loan funds, including repayment monitoring, progress of projects, and collection of payments. GOHSEP will be guided also by Louisiana Legislative Auditor resources, including fiscally distressed municipalities resources, to understand and evaluate loan applicants’ fiscal scenarios.

### Summary of Capacity Development Support

Per the NOFO, Louisiana can use up to 5% of the State Program Management set-aside funds to support its capacity development program. Staff positions and outside contractors will be funded to provide loan recipients with the tools and financial assistance they need to obtain and maintain the technical, financial, and managerial capacity needed to ensure compliance with USCS 5135(g)(2)(D). The goal of the program is to identify the technical, financial, and managerial impediments confronted by RLF participants. After identifying the impediments, GOHSEP will determine and implement solutions to capacity problems more appropriately. Such solutions could include technical or financial assistance or encouragement of consolidation, collaboration, regionalization, and contract operations and maintenance cooperatives. The State agrees to demonstrate compliance with the capacity development authority and the capacity development strategy. For more details refer to [*Section V. GOHSEP Program Management*.](#_GOHSEP_Program_Management)

### Summary of Strategy for Low-Income Areas & Underserved Communities

Following the prioritization put forth in the State HMP, the scoring criteria for loan application includes prioritization for communities at highest risk followed by communities undergoing development, and finally, community commitment to mitigation. GOHSEP will utilize the CDC/ATSDR’s Social Vulnerability Index to identify the communities at a higher risk.

Additionally, prior to the application closure for FY 2024, GOHSEP conducted outreach to the Federally recognized tribes in Louisiana to ensure they can apply for loans. Federally recognized tribes in Louisiana include the following: Chitimacha Tribe of Louisiana, Coushatta Tribe of Louisiana, Jena Band of Choctaw Indians, and Tunica Biloxi Indian Tribe of Louisiana. GOHSEP, via the Louisiana Office of Indian Affairs, distributed an email to these Tribes informing them of the funding opportunity through the Hazard Mitigation RLF and detailing important information for project proposal and submission.

### Strategy for Loan Structure and Loan Recipient Performance Monitoring

GOHSEP will apply a 1% interest rate across the board for proposed projects. Although interest rates will remain constant for all applicants, the State will address low-income geographic areas and underserved communities during the project-selection process, specifically considering the impact that mitigation projects could have on low-income and underserved communities. In terms of monitoring, GOHSEP has existing structures in place to administer the loan funds, including repayment monitoring, progress of projects, and collection of payments. Specifically, the process for monitoring loan recipient performance for the Hazard Mitigation RLF follows the structure already established for grants performance monitoring. GOHSEP regularly meets with representatives from FEMA Region VI to coordinate project monitoring activities. Each calendar quarter, GOHSEP will compile the loan recipient progress reports and produces a consolidated quarterly report that is sent to FEMA Region VI for review. The consolidated quarterly report identifies changes from previous report, areas of concern, and strategies to address problems.

Standard loans from the fund will have up to a 20-year repayment period; underserved or disadvantaged borrowers will have up to a 30-year repayment period.

Per the program NOFO, loan repayments will begin not more than one-year beyond project completion, with GOHSEP modeling assuming the repayments may begin in the second year after the loan is disbursed. For simplicity of modeling, project completion coincides with performance period timeline. It is understood there are no requirements for project completion to occur within the performance period.

It is the goal of GOHSEP to fund future loans by interest and principal repayments then distribute loans to underserved communities.

As it stands presently, GOHSEP does not anticipate requiring origination or loan administration fees on a per loan basis, at least for the first two years of the RLF.

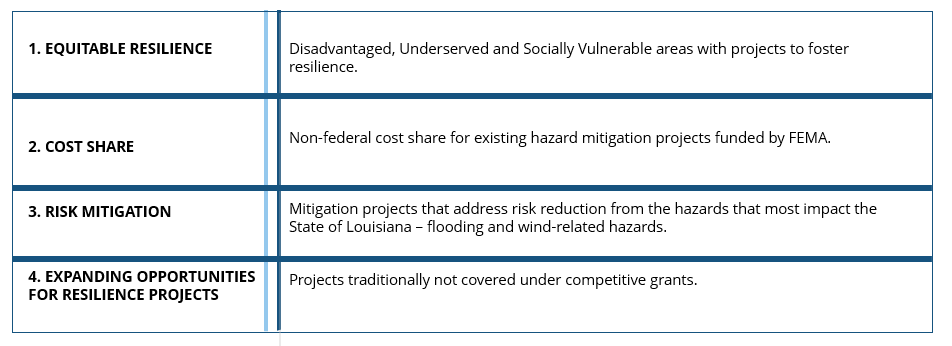
## Creating a Project Proposal List

The current project proposal list is based on the project proposals submitted to GOHSEP by April 5, 2024. As noted, GOHSEP reserves the right to amend application deadlines or add an additional application cycle to the fiscal year within the bounds of federal guidance and requirements. Where possible and prudent, GOHSEP will submit and fund all eligible project proposals in its STORM RLF application. Where that is not possible or prudent, GOHSEP will adhere to the prioritization methodology described in this IUP.

### Prioritization Methodology

GOHSEP has established a set of priorities/criteria to rank RLF loan applications submitted by entities across the state:

Figure 1: Louisiana RLF priorities



GOHSEP will implement a three-step process for assessing project proposals. GOHSEP will designate a minimum of three members to an RLF-Review panel to score loan applications submitted to the RLF program. RLF-Review Panel evaluators may include an external representative (e.g., the State Chief Resilient Officer) and representatives from GOHSEP mitigation and finance teams. The same reviewers will review all the projects throughout the entire three step process.

The following section describes GOHSEP’s three-steps approach to project prioritization. To better align projects to state priorities, GOHSEP in coordination with the RLF- Review Panel will use the following process prioritize project proposals:

**Step 1: Project & Fiscal Review**

Prior to the scoring below, GOHSEP will confirm that the applicant has either:

* a non-expired HMP or
* the funds are for updating the HMP.

Except for local governments receiving a loan for hazard mitigation planning, local governments that receive a loan under the Safeguarding Tomorrow RLF program must have a FEMA-approved local or Tribal HMP. If the applicant meets this requirement, the project will go through two scoring rounds.

For the first scoring round, if the applicant scores below a 3 on any category, GOHSEP will follow up with the applicant to provide technical assistance to improve the application, where possible. If credit or repayment concerns are identified, GOHSEP will work with the applicant to determine if pursuit of a 1% interest loan is viable. Applicants will be provided a window of response time to ensure the loan review process is not delayed.

| **Step 1: Project & Fiscal Review** | | | | |
| --- | --- | --- | --- | --- |
| Category | Description & Methodology Reasoning | Highest Score | Lowest Score | Weighted Score (multiplier for priority) |
|  | | | | |
| Project Plan | 5 = Fully executable project; 4 = Viable project with some revisions needed; 3 = Good basis for project with moderate revisions needed; 2 = Project plan requires significant revisions; 1= Unrealistic project with unattainable goals | 5 | 1 | x3 (highest 15; lowest 3) |
| Bond Rating | 5 = Entity credit check fully clear; 4 = Minor credit check concerns; 3 = Some credit concerns; 2 = Significant concerns; 1 = Too many concerns to proceed | 5 | 1 | X3 (highest 15; lowest 3) |
| Outstanding Payments to GOHSEP Existing Grants | 5 = No outstanding payments; 4 = Minor outstanding payments with plan for repayment in place; 3 = Some outstanding payments with plan for repayment in place; 2= significant repayments with somewhat of a plan to repay; 1 = Substantial repayment concerns with no repayment plans in place | 5 | 1 | X2 (highest 10, lowest 2) |
| Cost Effective | 5 = Project is cost effective; 4 = Project is mainly cost effective; 3 = Project is somewhat cost effective; 2 = Project is minimally cost effective; 1 = Project is not cost effective | 5 | 1 | X1 (highest 5, lowest 1) |
| Fiscal Plan | 5 = Strong repayment plan of 1% interest in place; 4 = Good repayment plan of 1% interest in place; 3 = Somewhat of a repayment plan of 1% interest in place; 2 = primarily unviable of repayment plan of 1% interest in place; 1 = no repayment plan | 5 | 1 | X1 (highest 5, lowest 1) |
| Highest Possible Score: 50  Lowest Possible Score: 10  \*25 is a minimum score threshold for GOHSEP to consider providing technical assistance to support an improved and viable loan application | | | | |

**Step 2: Assessment of project in terms of RLF Priority Projects and mitigation and resilience goals**

For the second step, the RLF-Review Panel will review the applications using the following criteria. The scores are then averaged to create a project prioritization list. The highest score would be the top prioritized project while the lowest score would be the lowest prioritized project.

This process can proceed for any projects that did not necessitate follow up with the loan applicant for an improved project plan or fiscal concerns. Loan applicants demonstrating a need for technical assistance will be referred to GOHSEP’s loan management capacity building initiatives. For details refer to section V. Entity Program Management, Local Capacity Development.

To comply with funding restrictionsand to provide a diversity of initiatives, proposed projects moving to the second step will be also classified based on the “Allowable Use of Entity Loan Funds” per 42 United States Code Section 5135(f) (3-5) and FY24 NOFO Section D.12. These areas at the minimum will include:

* 1. Zoning and land use planning,
  2. Building codes,
  3. Mitigation,
  4. Non-federal cost share for FEMA’s HMA grant programs.

However, as discussed in previous subsections, per 42 United States Code Section 5135(f) (3-5), GOHSEP may use a maximum of 10% of the program’s budget both for 1) zoning/land-use planning and 2) mitigation project areas.

Step 2 includes assessing the project in terms of their alignment to program goals including:

1. Serving disadvantaged, underserved, and socially vulnerable areas proposing projects to foster resilience. **Mitigation and Resilience Goal 1:** Support the inclusion of communities that historically are underserved.
2. Mitigation projects that address risk reduction from the hazards that most impact the State of Louisiana – flooding and wind-related hazards. **Mitigation and Resilience Goal 2:** Foster resilience across the state to reduce impact from hazards.
3. Projects not eligible under other HMA grants and Project traditionally not covered under competitive grants, such as non-Federal cost share; or those projects where an application for federal assistance has been submitted. **Mitigation and Resilience Goal 3:** Support communities in funding historically underfunded projects that enhance resilience.

| **Step 2: Assessment of Project in terms of RLF priority projects and mitigation and resilience goals** | | | | |
| --- | --- | --- | --- | --- |
| Category | Description & Methodology Reasoning | Highest Score | Lowest Score | Weighted Score (multiplier for priority) |
|  | | | | |
| CEJST, Justice 40, CDC/ATSDR Social Vulnerability Index | 5 = High; 4 = Medium-High; 3= Low-Medium; 2 = Low; 1= No data  [CDC/ATSDR Social Vulnerability Index (SVI) | Place and Health | ATSDR](https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html) *(To find the score, first input the Louisiana as the state, click “zoom to level 8” and click from counties to census tracts. Only use parish level data if the project impacts the entire parish)* | 5 | 1 | X3 (highest 15; lowest 3) |
| Alignment to SHMP Priorities and Strategic Plan | 5 = Highly aligned; 4 = Align with most goals; 3= aligned with some goals; 2 = Align with 1 goal; 1= Not aligned | 5 | 1 | X3 (highest 15; lowest 3) |
| Flood and/or Wind Risk Reduction | 5 = Exceptionally reduces risk; 4 = Greatly reduces risk; 3= Moderately reduces risk; 2 = Somewhat reduces risk; 1= No risk reduction | 5 | 1 | X3 (highest 15; lowest 3) |
| Social Vulnerability Reduction | 5 = Exceptionally reduces vulnerability; 4 = Greatly reduces vulnerability; 3= Moderately reduces vulnerability; 2 = Somewhat reduces vulnerability; 1= No vulnerability reduction | 5 | 1 | X3 (highest 15; lowest 3) |
| Enhances the Natural Environment | 5 = Exceptionally enhances; 4 = Greatly enhances; 3= Moderately enhances; 2 = Somewhat enhances; 1= No enhancement | 5 | 1 | X2 (highest 10, lowest 2) |
| Whole Community Approach | 5 = Highly inclusive/includes strong partnerships; 4 = Greatly inclusive/includes good partnerships; 3= Moderately inclusive/includes partnerships; 2 = Somewhat inclusive/weak partnerships; 1= Not inclusive/no partnerships | 5 | 1 | X2 (highest 10, lowest 2) |
| Economic Resilience Enhancement | 5 = Exceptionally enhances economic resilience; 4 = Greatly enhances economic resilience; 3= Moderately enhances economic resilience; 2 = Somewhat enhances economic resilience; 1= Does not enhances economic resilience | 5 | 1 | X2 (highest 10, lowest 2) |
| Infrastructure Resilience Enhancement | 5 = Exceptionally enhances infrastructure resilience; 4 = Greatly enhances infrastructure resilience; 3= Moderately enhances infrastructure resilience; 2 = enhances infrastructure resilience; 1= Does not enhances infrastructure resilience | 5 | 1 | X1 (highest 5, lowest 1) |
| Inclusive Planning | 5 = Highly Inclusive; 4 = Many inclusive elements; 3 = Somewhat inclusive; 4 = Less than 2 elements of inclusion; 5 = no elements of inclusion. *(Projects that incorporate innovative, inclusive planning and preparedness approaches consider elements like physical access, language access, and information access)* | 5 | 1 | X1 (highest 5, lowest 1) |
| Highest Possible Score: 100  Lowest Possible Score: 20 | | | | |
| ***Stop here unless EHP is a factor*** | | | | |
| Only score EHP if applicable to the project | | | | |
| EHP Compliant | 5 = Highly compliant; 4 = Medium-High compliance; 3= Moderately Compliant; 2 = Somewhat Compliant; 1= Not Compliant | 5 | 1 | X1 |
| If a loan applicant scores a 1-3, GOHSEP will provide technical assistance to the loan applicant. If the score is not able to move above a 3 after technical assistance, the loan application will not move forward until EHP considerations are met. | | | | |

\*\*For projects requiring EHP reviews: GOHSEP will not issue a loan until an EHP review is completed for the proposed project. For more details refer to section, [V. Entity Program Management, *Environment and Historic Preservation Compliance subsection*](#_Environment_and_Historic)*.*

### Tie-Breaking Procedures

**Step 3: Tie Breaking Procedures**

In the event of a tie, GOHSEP will proceed to step 3. While unlikely, it is possible that two projects may achieve the same score. In this case, GOHSEP in coordination with the RLF- Review Panel will consider additional criteria and rank the projects using the following tie-breaking methodology.

| **Step 3: Tie-Breaking Procedure** | | |
| --- | --- | --- |
| Application Identifier Number: | | |
| Item | Description | Points |
| Environmental Justice Index | The community demonstrates substantial need as indicated by the census tract level data of the [Environmental Justice Index (EJI) (cdc.gov)](https://www.atsdr.cdc.gov/placeandhealth/eji/index.html) | 25 |
| Connection to local/state strategy | The project is part of a broader strategy identified by the community. The project is one piece in a larger project. | 25 |
| Application completeness | The loan applicant is not only a strong credit candidate, but the application is thorough, includes all key aspects of project planning | 25 |
| Labor Standards | The project incorporates strong labor standards to ensure high-quality work. | 25 |

As the administrator of the program, GOHSEP reserves the right to exercise discretion when it comes to funding projects and prioritizing projects that are in line with Louisiana’s broader resilience and risk reduction goals. In addition, GOHSEP may choose not to fund projects where the loan applicant does not have the fiscal and/or programmatic capability to administer the program, including demonstrating that loan recipients have the capability and history of compliance with federal and state regulations promoting the protection of civil rights for protected populations (e.g., Federal civil rights statutes, Davis-Bacon Act and Labor Standards, along with other applicable DHS and FEMA regulations).

### Project Proposal List

In line with requirements from the STORM NOFO, GOHSEP has solicited project proposals and has compiled these proposals into a comprehensive “Project Proposal List.” The listing of project proposals is detailed on next page and arrange preliminarily in funding priority order. Based on the funding received from the capitalization grant, GOHSEP will score all projects using the criteria outlined in the IUP.

For FY 2024 and for the pending FY 2023 funding award, GOHSEP intends to fund all of the proposed projects, for a total project cost of $19,805,890.

FY 2024 Project Proposal List

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Project Title** | **Jurisdiction** | **Project Type** | **Low Income Area** | **Non-Federal Cost Share Usage** | **HMA Grant Program (for cost share as applic)** | **Requested Loan Amount** |
| King and Hahn Drainage Improvements | St. Charles Parish | Stormwater Management - Culverts | Yes | No | N/A | $4,000,000.00 |
| Real Time Crime Center Structural Wind Retrofit | City of New Orleans/Orleans Parish | Retrofitting Public Structures - Wind | Yes | Yes | HMGP 1786-0073 | $3,537,039.00 |
| New Orleans Criminal District Court Structural Wind Retrofit | City of New Orleans/Orleans Parish | Retrofitting Public Structures - Wind | Yes | Yes | 4080-071-0002 Hurricane Isaac HMGP | $2,435,422.30 |
| Cut Off - Hung Dao Local Drainage Improvement Project Scoping | City of New Orleans/Orleans Parish | Feasibility, Engineering and Design Studies | Yes | Yes | FY 2022 BRIC, EMT-2022-BR-021-0011 (applied for) | $357,840.00 |
| Lafitte Greenway Drainage Improvement Project Scoping | City of New Orleans/Orleans Parish | Feasibility, Engineering and Design Studies | Yes | Yes | FY 23 BRIC EMT-2023-BR-012-0002 (applied for) | $577,716.00 |

# Financial Management

## Financial Status of GOHSEP Safeguarding Tomorrow Revolving Loan Fund

The following sections detail GOHSEP’s sources and uses of the assets within the entity loan fund for both the previous and current fiscal years. Since federal FY 2023 was GOSHEP’s first year having an established entity loan fund, sections related to previous year information are not applicable to this IUP. Additionally, and as described previously, at the time of the writing of the FY 2024 IUP, GOHSEP has not yet received the award from the FY 2023 STORM RLF program. Therefore, the sections below describe what GOHSEP projects the fund to look like by the end of calendar year 2024.

### Summary of Assets in GOHSEP Loan Fund (for Previous Fiscal Year)

This section is only partially applicable, as the program does not currently carry a federal balance, as it has not yet received the funding from FEMA for FY 2023. The 10% capital contribution from the State of Louisiana is available and is addressed further in the section below. Section 4.1.2 captures the summary of assets in the GOHSEP loan fund as projected for the end of the calendar year 2024, to encompass FY23 and FY24 STORM RLF funding.

### Summary of Assets in GOHSEP Loan Fund (for Current Fiscal Year)

The below table provides information regarding the sources and uses of GOHSEP loan fund for federal FY 2023 and FY 2024, once the FY 2023 and FY 2024 funding has been awarded and received by GOHSEP:

|  |  |  |
| --- | --- | --- |
| Provide information about the **sources of assets** in the entity loan fund | Capitalization grant | $17,825,301 in funding sourced from FEMA. |
| Entity match | The State intends to contribute 10% of the total capitalization grant(s) awarded by FEMA. The 10% match for FY23 is already in the fund, totaling $768,587. |
| Bonds | No assets in the loan fund are sourced from bonds. |
| Loan principal repayments | Loan principal repayments are projected to replenish the available fund balance. Specifically, payments of principal and interest will be allocated to the RLF pool for additional loans, in each consecutive year for 20- or 30-year repayment period, depending on type of loan (Standard vs. Underserved) and with the exception of the portion eligible for administration and operational costs. Principal repayments will be tracked independently from interest repayments in the available loan balance. |
| Loan interest repayments | Loan interest repayments commence in 2029 or 2030, or one year after project completion, as applicable per FY of the RLF, and are projected to contribute to the available fund balance. Specifically, payments of principal and interest are allocated to the available total amount, or balance of the funds available to be loaned, in each consecutive year for 20- or 30-year repayment period, depending on type of loan (Standard vs. Underserved). |
| Investment earnings | The fund is administered through one interest-bearing account. This account is intended for the administration of the RLF program and is separate from GOHSEP’s other accounts. Investment earnings are reallocated to the available total amount each fiscal year. |
| Provide information about the **uses of assets** of the entity loan fund | Administrative expenses | Entity loan fund administrative costs may not exceed $100,000 per year, 2% of the capitalization grants made in that fiscal year, or 1% 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. |
| Transfers | Transfers (regarding payments) are used to provide the borrower with the initial fund disbursement. Subsequently, payments are typically made to GOHSEP’s account via transfer (traditionally EFT). |
| Capital projects | The loan funds local government projects that reduce vulnerability to natural disasters, foster greater community resilience, and reduce disaster suffering. While most projects financed through this loan are for capital projects, loans may be awarded for HMA-eligible, non-capital investments, that bolster community resilience. |
| Bond debt service | This does not apply; principal and interest for bonds will not be incurred by GOSHEP as part of this loan program. |

## Financial Terms of Loans

### Standard Loan Terms per 42 USC Section 5135(g)(2)(F)

Local jurisdictions in the State of Louisiana, e.g., Parishes and municipalities (cities/towns or other census-designated places) are eligible to apply for loan funding. Direct applications from the residential sector (homeowners) are not eligible to apply for loan funding.PerNOFO guidance (D.10.b), except for local governments receiving a loan for hazard mitigation planning, local governments that receive a loan under the RLF program must have a FEMA-approved Local or Tribal HMP.

#### Lender

State of Louisiana Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP).

#### Eligible Uses

Allowable projects generally fall under the four project categories below. A full description of allowable costs can be found under the FY24 NOFO Section D.12 and **42 USC 5135 (f) (3-5)**.

According to **42 USC 5135 (f) (3-5)**, funds may be used for:

1. Mitigation:

* Costs associated with projects or activities that mitigate the impacts of natural hazards including, drought, intense heat, severe storms (including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms), wildfires, floods, earthquakes, and other natural hazards,
* Eligible activities may include the construction or modification of natural or built infrastructure to increase resilience and reduce risk of harm.

1. Zoning and land-use planning:

* Development and improvement of zoning and land-use codes that incentivize and encourage low-impact development, resilient wildland-urban interface land management and development, natural infrastructure, green stormwater management, conservation areas adjacent 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 alleviate flood exposure to population centers and areas with critical national infrastructure,
* Study and creation of land-use incentives that reward developers for greater reliance on low impact development stormwater best management practices, exchange density increases for increased open space and improvement of neighborhood catch basins to mitigate urban flooding, reward developers for including and augmenting natural infrastructure adjacent to and around 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.

1. Building codes:

* To enable units of local government to establish and carry out the latest published editions of relevant building codes, specifications, and standards for the purpose of protecting the health, safety, and general welfare of the building's users against disasters and natural hazards.

1. Non-federal cost share:

To provide for a local government’s non-federal cost share requirement of a grant under one of FEMA’s HMA grant programs, provided that the use is otherwise in accordance with all applicable legal and programmatic requirements.

#### Prohibited Uses

Recipients of FEMA federal financial assistance are prohibited from obligating or expending federal award funds on certain telecommunications and video surveillance products and from contracting with certain entities for national security reasons. Effective August 13, 2020, FEMA recipients may not use any FEMA funds under open or new awards to:

1. Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system,
2. Enter, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system,
3. Enter, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. For more details about telecommunications equipment or services please refer to NOFO (D.12.a).

Furthermore, as perNOFO guidance (D.12), GOHSEP may not provide loans to a local government for the non-federal cost share requirement for any other federal grants/cooperative agreements (excluding FEMA HMA Programs), or for lobbying, or intervention in federal regulatory or adjudicatory proceedings. Finally, no grant funds may be used to sue the federal government or any other government entity.

#### Minimum Loan

There is no specified minimum amount for the first two years of the RLF program. GOHSEP may amend this standard for future program cycles.

#### Maximum Loan

GOHSEP shall not provide a loan greater than $5 million to finance a single hazard mitigation project (42 USC Section 5135 (7))*.*

#### Project Financing

100% of the loan amount is disbursed to approved borrowers, after loan closing, in a lump sum.

#### Loan Tenors

All loans are fully amortized not later than 20 years after the date the project is completed, or 30 years after the date the project is completed for projects in a low-income geographic area as defined at 42 U.S.C. § 5135(m)(5).

#### Interest Rates

Interest rates shall be 1% fixed for both standard and disadvantaged loan recipients. Annual principal and interest payments will commence not later than one year after project completion.

#### Payment Schedules

After the execution of the loan agreement, loan recipients are provided amortization schedule(s), which project payments to principal and interest, as well as loan balances based on quarterly payments over the loan tenor. Loan repayment will commence not later than one year after project completion.

Loan agreement may include provisions to prepay the outstanding loan(s) in whole or the option for partial principal payments without penalty.

#### Minimum Borrower Capital Contribution

There is no required capital contribution from the loan recipient.

#### Loan Application Procedures

After the GOHSEP reviews prospective projects provided via the survey tool, they will provide email notice to the loan applicant of its eligibility. If the applicant is an eligible jurisdiction and its proposed project is eligible, the applicant will receive an email invitation to apply for loan funding, along with a loan application. Applications must follow the specified deadlines and requirements set forth in this document.

1. Loan applicants must submit one electronic version of all documents (loan application and supporting documentation) via email to the GOHSEP Hazard Mitigation mailbox at:

[GOHSEPHM@la.gov](mailto:GOHSEPHM@la.gov)

1. Should issues arise with the electronic submission, applicants may mail or deliver a USB flash drive containing all documents to the GOHSEP at the following address:

*c/o Sandra Dugas Gaspard*

*Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP)*

*Hazard Mitigation Revolving Loan Program*

*7667 Independence Blvd.*

*Baton Rouge, Louisiana 70806*

Normal office hours are from 7:30 AM to 4:00 PM on weekdays.

Please direct inquiries relating to the loan application and approvals process to Sandra Dugas Gaspard via email at [Sandra.Dugas@la.gov](mailto:sean.wyatt@la.gov) and copy [GOHSEPHM@la.gov](mailto:GOHSEPHM@la.gov).

Figure 2: Summary of Application Procedures through Loan Closing, for Approved Borrowers

#### Application Fees and Other Fees

For the first two years of the revolving loan fund program, fees to local governments seeking funds are not applicable for loan application processing, loan origination, or closing costs. Note that this is subject to change in subsequent years.

#### Default and Delinquency

If the borrower fails to comply with the financial or material provisions of this loan agreement, or with any of the laws or regulations that may hereafter be prescribed by the entity, or materially fails to comply with any of the duties imposed on the borrower by statute, state and federal law, or regulation, within the time period after delivery of written notice by the entity specifying the non-compliance and indicating the intention of entity to terminate the Agreement by reason thereof, GOHSEP may terminate this loan agreement.

If the borrower fails to pay principal and interest when due and the default continues for the time-period specified in the written notice thereafter, the entity may, at its option, declare the entire balance (compiling all quarterly payments applicable to the Agreement) of the loan payable hereunder to be immediately due and payable and may exercise any and all rights and remedies available to the entity at law or in equity and may immediately terminate the Agreement.

The borrower will be in default if: (a) Borrower does not pay principal and interest payments when due or other amounts that are owed; (b) Borrower violates the Agreement, rules, or applicable laws, regardless of whether arrest or conviction occurs; (c) Borrower gives incorrect or false information in the loan application; (d) Borrower or its agents are arrested, convicted, or given deferred adjudication for an offense involving the management of federal funds; (e)as otherwise allowed by law.

GOHSEP may, at its discretion, and in compliance with applicable state and federal law and regulation, arrange for amended payment plans or credit arrangements to facilitate the full repayment of the loan amount.

#### Loan Application & Documentation

The loan applicant shall submit to GOHSEP a completed loan application to include, at minimum, the following forms (as required by project type):

1. Standard forms contained in the appendices of this IUP
   1. Revolving Loan Reporting Form
   2. Davis Bacon Certified Payroll and Instructions
   3. Davis Bacon Acknowledgement Form
   4. Environmental Questionnaire
   5. National Historic Preservation Act (NHPA)/State Historic Preservation Office (SHPO) Compliance Form
   6. W-9 Form – Request for Taxpayer Identification and Certification
   7. RR – 2023 Form (Reimbursement Request)
2. Written project plan – an implementation plan to carry out the project, specifically:
   1. Description of the specific scope of work, including **Anticipated Project Completion Date**
   2. Where available, detailed project budget estimate including projected hours, estimated quantities, etc.
   3. Experience completing similar mitigation or capital improvement projects.
   4. Details on who will complete the work – is project internal, contracted, or a combination?
   5. Copy of entity’s procurement policy.
   6. If project involves contract work, approach to procure services – how will the work be bid in accordance with state, federal, and local contracting/procurement standards?
   7. Proposed timeline to complete project.
   8. The GPS coordinates of the proposed project.
      1. If not applicable, a written description of the communities impacted.
   9. Description of mitigation benefit, using performance metrics to gauge success (as detailed in the section below).
3. Management information that clearly indicates the parties responsible for loan administration AND project management. For example, an organizational chart with key contact details and their roles.
4. Credit history and financial statements.
5. Statement proving the entity has sufficient collateral to repay RLF funding.
6. Information regarding other guarantees on the project, if applicable.
7. Cash flow projections, including a statement that identifies a funding stream for repayment of the loan, along with projections for cash flow from that funding stream over the loan period.

#### Performance Measures

This RLF is intended to maximize public benefit, primarily through projects that contribute to the economic development and/or resiliency of a community. For this reason, loan applicants must address performance measures as part of the loan application. Loan applicants must be prepared for their projects to be evaluated on the below performance indicators and may choose to include further metrics to increase the likelihood of loan approval:

1. Number and type of jobs created or retained
2. Increase in tax revenue
3. Private funding relative to public investment
4. Benefits to low and moderate-income citizens, from business ownership to job opportunities
5. Number and type of partnerships

#### Loan Servicing

##### Disbursement

Within seven business days of closing, GOHSEP will initiate payment of the lump-sum amount via EFT in accordance with GOHSEP’s *Payment Processing SOP*. Loan recipient must ensure bank information is current by corresponding with the assigned contact within GOHSEP Hazard Mitigation.

##### Monitoring

GOHSEP will use tracking mechanisms including Excel models, amortization schedules, and GOHSEP Grants to monitor timeframes, calculate payments, and monitor payments associated with each loan. All loan payment schedules will be kept updated with payments posted including principal and interest.

##### Notifications

Official correspondence is administered from GOHSEP to the loan applicant’s authorized official’s email address. The loan recipient is asked to direct all inquiries relating to this loan to its assigned contact.

##### Reporting

Per FY24 NOFO guidance on Federal Reporting Requirements, GOHSEP will prepare and share with FEMA and make available to the public (as required) financial and project progress reports to include details regarding vendor payment date, posting dates, and other pertinent information. Specifically, as required by the RFL program (FY 2024 NOFO (F)(3a.I-II), GOHSEP must report obligations and expenditures through a Federal Financial Reporting Form (FFR) to FEMA and file the FFR electronically using the Payment and Reporting Systems. The FFR must be submitted quarterly throughout the POP, including partial calendar quarters, as well as in periods where no grant award activity occurs. The final FFR will be due within 120 calendar days after the end of the POP. Except for the final FFR due at 120 days after the end of the POP for purposes of closeout.

The following reporting periods and due dates will apply for the FFR:

|  |  |
| --- | --- |
| **Reporting Period** | **Report Due Date** |
| October 1 – December 31 | January 30 |
| January 1 – March 31 | April 30 |
| April 1 – June 30 | July 30 |
| July 1 – September 30 | October 30 |

In addition to the FFR reports, GOHSEP must report on the grant’s progress quarterly to DHS/FEMA using the Quarterly Performance Report in ND Grants, including partial calendar quarters and periods where no grant award activity occurs. Reports will be due within 30 days from the end of the first federal quarter following the initial grant award. For details about publication of information please refer to [Publication of Information](#_Publication_of_Information).

In terms of closeout reporting, per FY24 NOFO (F) (3.c.I), within 120 calendar days after the end of the period of performance for the award or after an amendment has been issued to close out an award before the original POP ends, GOHSEP must liquidate all financial obligations and must submit the following:

1. The final request for payment, if applicable.
2. The final FFR (SF-425).
3. The final progress report detailing all accomplishments, including a narrative summary of the impact of those accomplishments throughout the period of performance.
4. Other documents required by this NOFO, terms and conditions of the award, or other FEMA guidance.

For more information about GOHSEP reporting requirements and auditing please visit [Audits and Reporting](#_Audits_and_Reporting).

Loan recipients will be responsible to report to GOHSEP (lender) about the status of the project implementation and related costs. For details about loan recipient reporting responsibilities please refer to [Project Reporting](#_Project_Reporting), [Reporting Requirements](#_Reporting_Requirements) and [Loan Recipient Auditing and Reporting](#_Loan_Recipient_Auditing).

Loan Termination

Loans are terminated when the term of the original loan agreement reaches completion. Due to the unsecured nature of these loans, a Termination Statement is not required. The following figure illustrates the loan termination process.

Figure 3: Loan Servicing from Initial Disbursement until Loan is Paid Off

#### Estimated Underwriting Criteria

The following is a list of the estimated underwriting criteria:

* Evaluation of applicant’s financial standing, for example: recovery/mitigation funds stewardship:
* If the applicant received federal grants through a state-level pass through entity, was it compliant with reporting and documentation requirements? Does the entity have any substantial overpayments on outstanding grants? GOHSEP will apply risk criteria and historical information from the PART team in the evaluation of applications.
* Evaluation of the applicant’s audited financial statements with emphasis on:
  + Capital
  + Collateral
* Analysis of capacity using financial ratios based on audited financials, for example:
* Quick Ratio (liquidity) to gauge the applicant’s ability to meet its short-term obligations
* Net assets ratio (solvency) to gauge the applicant’s ability to meet its long-term obligations
* Debt to assets (leverage) to evaluate if applicant is overly reliant on debt for financing assets
* If the applicant has issued bonds, evaluation of municipal security (bond) risk using official statements and information from the Electronic Municipal Market Access (EMMA) website.

#### Loan Terms

As noted, GOHSEP intends to offer 20 and 30-year terms for standard loans depending on the scope and size of the project/work involved and the financial standing of the entity (Applicant must provide their last three annual audits as part of the loan process). GOHSEP intends to keep the interest rate of loans the same for all applicants 1%, which is the capped amount allowed under the RLF program. Project prioritization for underserved and historically marginalized communities are heavily weighted in the scoring criteria for project selection.

#### Environmental Review

GOHSEP may delegate to a borrower all of the responsibilities for environmental review, decision making, and action pursuant to applicable Federal environmental laws that would apply to GOHSEP were GOHSEP to undertake projects under this section as Federal projects, so long as the participating borrower carries out such responsibilities in the same manner and subject to the same requirements as if GOHSEP carried out such responsibilities.

For projects requiring an EHP review, GOHSEP will not issue any loan until an EHP review is completed.

Extension requests can be submitted to FEMA for project that must undergo a complex environmental review that cannot be completed within the established period of performance (POP). Recipients should submit all proposed extension requests to FEMA for review and approval at least 60 days prior to the end of the period of performance and must follow guidelines provided in FY 2023 Safeguarding Tomorrow RLF NOFO (H.5).

#### Loan Recipient Responsibilities

Loan recipients have several responsibilities including but not limited to:

##### Repaying the loan

Loan recipient must repay the loan at the annual percent interest rate, as set by the loan agreement.

##### Completing project before the project end date

Loan recipient must complete the project within the project period, as specified in the loan agreement. Time extensions are required for any project which exceeds the completion date set forth in the loan agreement. Projected start date should be no later than "Anticipated Project Completion Date.”

##### Tracking loan expenditures

Loan recipient is responsible for maintaining an audit-ready record of transactions. For details regarding supporting documentation please refer to the [Record Retention](#_Record_Retention) section.

##### Project Reporting

Additionally, loan applicants must submit quarterly project progress information to GOHSEP’s Hazard Mitigation Division. Reporting will start at the execution of the loan agreement, continue through project completion, and cease upon receipt of a Project Completion Report from the loan recipient to GOHSEP. The terms and conditions of the loan agreement will specify the format, tools and information required for reporting programmatic metrics as identified by FEMA and the state and federal government.

##### Completing GOHSEP RRF Process in GOHSEP Grants

The Applicant is responsible for submitting required documentation as per GOHSEP policy, to demonstrate that project costs were incurred in accordance with GOHSEP’s payment policy. The process and timing of loan disbursement/reimbursement requests will be stipulated in the loan agreement, and will include the following, particularly if loans are not paid out in whole as one initial disbursement:

1. Signed RRF Form (Standard form available from GOHSEP)
2. Appropriate summary forms, separating each cost incurred by FEMA’s 5 work types: Contract Work, Force Account Labor, Force Account Equipment, Materials, and Rented Equipment. Must sum to the amount requested on the signed RRF form.
3. Invoices and/or receipts (for Contract Work, Materials – if purchased, Rental Equipment)
4. Proofs of payment for each invoice claimed in the form such as both front and back of canceled check(s) OR bank statement(s).
5. Records indicating the payments associated with FAL (e.g., payroll register), FAE (equipment report), Materials (material report) – if used from stock.
6. Proof of contract – (for contract work, materials – if purchased, rental equipment) – only applies to cases where borrower is expensing >$10,000 for a specific vendor within one calendar year.
   1. If contract is not available, please ensure proof of payment is included in submission as per the above.
7. Proof of procurement – (for contract work, materials – if purchased, rental equipment) – only applies to cases where borrower is expensing >$30,000 for a specific vendor within one calendar year.
   1. If procurement is not available, loan applicant may provide a cost analysis to demonstrate cost reasonableness in accordance with (cite standards for FEMA cost analyses), or GOHSEP may provide a cost analysis at the loan applicant’s request.

#### Program Requirements

All loan recipients receiving funding under GOHSEP’s RLF program will be required to comply with

the following program requirements:

##### Terms and Conditions

Loan recipient will agree to abide by the General Terms and Conditions highlighting

requirements which are especially pertinent to federal grants and loans made by GOHSEP.

##### Project Completion

All loans that receive funding from GOHSEP should be completed on, or before the “Anticipated Project Completion Date.”

##### Required Registrations

All loan recipient and Contractors must be registered and in good standing in accordance with the

requirements below, and all Contractors must also be licensed in Louisiana and in good standing with the Louisiana Secretary of State's Office.

##### Unique Entity Identification Number (UEI)

Prior to beginning work, loan recipient, contractors, and subcontractors must obtain a UEI number or, if necessary, update their organization’s information. UEI Number assignment is free for all businesses required to register with the US Federal Government for contracts or grants. Once you receive

this number, please be sure to file it appropriately as you will need it to register with the

Central Contractor Registry/System for Award Management database (below). To request your

UEI Number or update your information via the Web, please visit the following URL:

<https://sam.gov/content/home>. For technical difficulties, email [GOHSEPHM@la.gov](mailto:GOHSEPHM@la.gov) or call the UEI

Government Customer Response Center at 1-866-705-5711.

##### System for Award Management (SAM) – formerly Central Contractor Registry (CCR)

All loan recipients, contractors, and subcontractors must always maintain current registration in the SAM database during which they have an active award funded with Infrastructure Investments and Jobs Act (IIJA) funds. The SAM database is the Federal Government’s primary registrant database. It collects, validates, stores, and disseminates data in support of federal grants, cooperative agreements, and other forms of assistance. Registrants must update or renew their registration at least once per year to maintain an active status.

1. To register your UEI # for free to the SAM's database, visit the following link: <https://www.sam.gov>
2. For assistance with account creation or modification, reference the following link: [SAM.gov | Help](https://sam.gov/content/help). Under “Explore popular help topics, access “Managing My Entity, Registration, and Reporting”. This section includes FAQs and Training Videos to guide your registration process.
3. To change or modify your registration, from the sam.gov homepage, select Get Started, Renew Entity, or Check Entity Status on the right-hand side of the page. Additional help, and user guides are available here: [GSAFSD articles - GSA Federal Service Desk Service Portal](https://www.fsd.gov/gsafsd_sp?id=gsafsd_kb_articles&sys_id=7c9927011bb3d5543565ed3ce54bcb32)
4. Should you need further assistance, contact the Federal Service Desk directly at the following link: [GSAFSD Service Portal Landing - GSA Federal Service Desk Service Portal](https://www.fsd.gov/gsafsd_sp)

You must renew and revalidate your registration at least every 12 months from the date you

previously registered. However, you are strongly urged to revalidate your registration

more frequently to ensure that SAM is up to date and in sync with changes that may have

been made to DUNS and IRS information. If you do not renew your registration, it will

expire. An expired registration will affect your ability to receive contract awards or

payments, submit assistance award applications via Grants.gov, or receive certain payments

from some federal government agencies.

**NOTE: The borrower as well as every contractor paid under the loan must have a valid DUN's**

**Number and be registered in the SAM's database.**

##### Transparency Requirements

All files, progress reports, financial reports, and documents will be posted on federal and state

websites for public viewing. Federal law mandates substantial reporting and documentation

of funded activities as well as more intensive monitoring and auditing.

##### Reporting Requirements

All loan recipients must report on the use of said funds for purposes of transparency and oversight. All funds issued under the Hazard Mitigation RLF program are subject to unparalleled scrutiny, with specific distribution and reporting requirements by the Federal Government and the State of Louisiana.

##### Quarterly Progress Reports

Loan recipients will be required to submit quarterly progress and expenditure reports in accordance with the loan fund requirements. Progress reports for one quarter should be submitted by the loan recipient to GOHSEP by the second business day of the second month of the subsequent quarter. If this business day falls on a Saturday or Sunday, the loan recipient will submit their report on the following Monday. These reports will include, at a minimum, progress in the accomplishment of the scope of work and progress of each project. These reports should include sufficient information to complete the Federal Financial Report (FFR) form (SF-425) required by FEMA. This reporting deadline is subject to change should FEMA reporting requirements become more often. GOHSEP reserves the right to structure reporting requirements on a project-specific basis. Reporting should be submitted electronically to GOHSEPHM@la.gov as well as mail the hard copies with original signatures to the Governor’s Office of Homeland Security and Emergency Preparedness, Loan Recipient Monitoring, 7667 Independence Blvd., Baton Rouge, Louisiana 70806.

##### Fiscal Reporting

The loan recipient is accountable for all funds received under the Hazard Mitigation RLF including those expended by project partners, vendors, contractors, and subcontractors. The Borrower shall maintain effective control and accountability over all borrowed funds, equipment, property, and other assets under the loan as required by GOHSEP.

##### Davis-Bacon Act

The Bipartisan Infrastructure Law (BIL) includes provisions which expressly provide that Davis-Bacon labor standards apply to all construction projects receiving funding under particular programs created by or funded through BIL – these projects include Roads, bridges and public transit; Airports, ports, and waterways; water infrastructure, power and grid; and enhanced disaster resiliency.

To receive any funding under this loan program, Borrowers must comply with the requirements of this Act. The Davis-Bacon Act (40 U.S.C. 3141-3148) requires payment of locally prevailing wages (including fringe benefits) to laborers and mechanics on federal government contracts more than $2,000 for construction, alteration, or repair (including painting and decorating) of public buildings or public works who are employed directly on the site of the work. Moreover, contractors and subcontractors on covered projects must pay all laborers and mechanics weekly and submit weekly certified payroll records to the designated project manager. The provisions of the Davis-Bacon Act apply to both contractors and subcontractors.

Loan recipients of the Louisiana Revolving Loan Fund Program must ensure that any laborers and mechanics employed on projects funded or assisted in whole or in part by IIJA funds are

paid prevailing wages as determined by the Secretary of Labor for construction, alteration, and/or repair. Davis-Bacon labor standard clauses and applicable wage determinations must be included in covered construction contracts. If the entity receiving IIJA assistance for such projects employs subcontractors, it must ensure that the Davis- Bacon Act requirements flow down to the subcontractors employing the laborers who perform the work.

##### Wage Determination

Davis-Bacon Wage Determinations (WDs) specify the prevailing wages, including fringe benefits, that prevail for the described classes of laborers and mechanics employed on construction projects of a similar character in the locality. Borrowers must submit to GOHSEP a document containing the most current Department of Labor (DOL) Wage Determination(s) for the worker classifications applicable to the work being performed by employees or contractors.

In almost all instances, general WDs are available on sam.gov and should be used in bid solicitations and contracts on which the Davis-Bacon labor standards apply. Project WDs should only be requested under certain circumstances. Guidance for selecting and incorporating the appropriate general wage determination for the project type is provided in All Agency Memoranda (AAM) 130. Multiple wage determinations may apply where there are separate construction types and the different type of construction is at least 20 percent of the project cost or exceeds $2.5 million – guidance provided in AAM 131 and 236.

Please note that the rates posted at the DOL site are minimums. A Borrower and contractors/subcontractors contracting out work on a covered project must provide the

wage determination to the contractors or subcontractors 10 calendar days prior to issuing the solicitation. In addition, the Borrower must submit each subcontractor’s UEI number, name, amount contracted, a description of the contract activity, and the subcontracts associated with any part of the services specified in each project’s Scope of Work to the GOHSEP within ten (10) days from the selection of the subcontractor. This information should be submitted electronically to [la-hm@la.gov](mailto:la-hm@la.gov).

##### Payroll Records

Loan recipients and contractors/subcontractors working on projects funded through the Hazard Mitigation Revolving Loan Fund shall maintain payrolls and basic records relating to payroll during the work and preserve them for a period of three years thereafter for all laborers and mechanics working on the project. They must also ensure that all laborers and mechanics on a project funded or assisted in whole or part with IIJA funds are paid on a weekly basis and must submit weekly certified payroll

records. The U.S. Department of Labor (DOL) – Wage and Hour Division Form WH-347 shall be used

to submit weekly certified payroll records. This form can be found at: http://www.dol.gov/whd/forms/

wh347.pdf.

The certified payrolls must be completed and submitted to GOHSEP within 7 days of the pay date, via email at la-hm@la.gov.

##### Borrower Acknowledgement of Davis-Bacon Act Requirements

By submitting a loan application for the Hazard Mitigation Revolving Loan Fund, the prospective loan recipient a) acknowledges the Davis-Bacon Act requirements detailed both in this Intended Use Plan (IUP) and in IIJA, b) commits to providing the most current Wage Determinations, and c) commits to providing certified payroll records.

For more information on the Davis-Bacon and Related Acts, please see the resources available on the Department of Labor’s website at https://www.dol.gov/agencies/whd/government-contracts/construction/guidance.

##### Federal, State and Municipal Requirements

All projects must obtain any required permits and comply with applicable federal, state, and municipal

laws, codes, and regulations for work performed and procurement under this award.

##### Procurement Processes

Since IIJA is applicable to this RLF program, loan recipients must award contracts funded in whole or in part with IIJA funds as fixed-price contracts using competitive procedures. Loan recipients must also provide a summary to GOHSEP of any contract awarded by the recipient that is not fixed price and not awarded using competitive procedures.

##### Publications and Public Relation Events

All publications which are intended for distribution and are financed, wholly or in part, by these loan funds must contain the following verbiage:

“Funds are made possible through the Infrastructure Investment and Jobs Act and the STORM Revolving Loan Program administered by the Governor’s Office of Homeland Security and Emergency Preparedness”.

The recipient must notify GOHSEP five business days in advance of all public relations events related to IIJA-funded activities whereby the public and/or media is invited to participate and provide an opportunity for involvement.

##### Record Retention

The recipient should keep records sufficient to permit the tracking of funds to a level of expenditure adequate to ensure that funds have not been inappropriately expended. Borrower must maintain records for at least three (3) years following the loan close-out date, unless GOHSEP notifies the recipient that a longer period is required.

Record retention may include digital and electronic data, documents, receipts, invoices, and other relevant materials. The Borrower agrees to provide full access to all relevant materials and provide copies upon request by GOHSEP.

*Loan Payment(s)/Reimbursement*

The Applicant is responsible for submitting required documentation as per GOHSEP policy, to demonstrate that project costs were incurred in accordance with GOHSEP’s payment policy. The process and timing of loan disbursement/reimbursement requests will be stipulated in the loan agreement, and will include the following, particularly if loans are not paid out in whole as one initial disbursement.

In those instances, the recipient will complete a Request for Reimbursement (RRF) form. The request must include the loan award number, a sequential invoice number assigned by the subgrantee, and be accompanied by documentation supporting the request. The reimbursement request must be based on actual costs incurred.

Requests for Reimbursement shall include:

* Final approved budget by category.
* Cumulative expenditures to date, previously reimbursed expenditures, and current expenditures per the request.
* Itemized invoices and/or receipts. Invoices must include company name, address, and zip code; along with proof of work performed, if applicable, this could include a report with a description of work and photos.
* Proof of payments for all invoices claimed in the reimbursement.
* Proof of procurement for vendor invoices more than $30,000 in a calendar year.
* Proof of compliance with any applicable state, local and federal regulations (e.g., Louisiana’s Public Bid Law; Louisiana Procurement Code; Louisiana Contractors Licensing Laws and Statues)
* Proof of contract, if applicable, including change orders or task orders, that cover the full requested amount and time frame of the invoices – this applies to vendor invoices more than $10,000 in a calendar year.

Example of back up documentation:

* Personnel – payroll spreadsheet showing time worked within the invoice period.
  + Spreadsheet shall contain salary information, applicable contract IDs, complete name of employee, percent of time applied to grant along with the number of hours, description of work performed and fringe benefits per person.
  + Fringe – include in payroll spreadsheet.
  + Proof of payment for personnel related expenses, e.g., paystubs or similar documentation with canceled checks and/or deposit receipts (deposit slip).
* Equipment and Supplies – Invoices and/or receipts and proof of payments. Equipment invoices shall be a detailed list over all equipment/materials purchases including quantity, model number, description, and unit price.
* Contractual – invoice and documentation that the item has been paid for (recipient shall verify invoice).
* Construction – invoices, receipts marked paid, proof of payments and any other documents that properly validate expenses.

#### Loan Terms for Low-Income Geographic Areas or Underserved Communities

For disadvantaged borrowers, loan may be repaid up to 30 years after the date on which the project is completed and/or no longer than the expected design life of the project.

#### Project Completions

All loans that receive funding from the RLF should be completed on, or before the "Anticipated Project Completion Date".

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

#### Low-Income Geographic Area

Pursuant to 42 United States Code Section 5165(m)(6), a “low-income geographic area” is an area,

pursuant to 42 United States Code Section 3161(a)(1), that meets one of the two following criteria:

1. “The area has a per capita income of 80% 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% greater than the national average unemployment rate.”

#### Underserved Communities

Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through

the Federal Government, defines “underserved communities” as “populations sharing a particular

characteristic, as well as geographic communities, that have been systematically denied a full

opportunity to participate in aspects of economic, social, and civic life...” and includes communities

such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific

Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual,

transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas;

and persons otherwise adversely affected by persistent poverty or inequality.

As used in this document, underserved communities also include “communities environmentally

overburdened,” which are communities adversely and disproportionately affected by environmental

and human health harms or risks, and “disadvantaged communities,” as referenced in Executive

Order 14008, Tackling the Climate Crisis at Home and Abroad, and defined in Office of Management

and Budget’s Memo M-21-28: Interim Implementation Guidance for the Justice40 Initiative.

#### Scoring Criteria inclusive of Low-Income Geographic Areas or Underserved Communities

To extend credit to a class of communities who, under the industry’s customary standards of creditworthiness, probably would not receive such credit or would receive it on less favorable terms than are ordinarily available to other applicants applying to the organization for a similar type and amount of credit. A creditor may affirmatively solicit or encourage members of traditionally disadvantaged groups to apply for credit, especially groups that might not normally seek credit from that creditor. In response, GOHSEP will prioritize historically marginalized and under-resourced communities through technical assistance on loan applications and subsequently for funding by allocating 40% of program’s budget available for loans for underserved communities where possible. This will ultimately depend on participation and project proposal submission(s) from low-income and/or underserved communities. For such purposes, the scoring criteria for loan applications strongly weighs loan applications from underserved communities. For the first two years, GOHSEP will utilize the 2020 Centers for Disease Control and Prevention (CDC)/Agency for Toxic Substances and Disease Registry (ATSDR)'s Social Vulnerability Index (SVI) as well as CEJST.

## Loan Disbursements

GOHSEP intends to disburse the full capitalization grant from FEMA plus the required non-federal share for FY 2024, in addition to any loan funds as available from FY 2023, within their respective POPs. Louisiana intends to maintain our fund utilization rate at or near 100%. GOHSEP will prepare and send Loan Closing Documents for the borrower’s signature. Once the executed Loan Closing Documents are received by GOHSEP, an initial disbursement may be made from the GOHSEP dedicated bank account housing loan funds. The disbursement will be made directly to Applicants’ bank account. A case manager will be assigned to work with the borrower through the disbursement process and schedule subsequent disbursements until the loan is fully disbursed. The loan may be adjusted after closing due to changing circumstances, such as increasing the loan for unexpected repair costs.

### Local Government Potential Revenue Streams

GOHSEP’s technical assistance is available to support loan applicants, as needed, in identifying revenue streams for loan interest repayment.

# GOHSEP Program Management

## Local Capacity Development

Per 42 United States Code Section 5135(f)(6)(B) Louisiana can use up to 5%, for each fiscal year, of the State Program Management set-aside funds to support its capacity development program. GOHSEP local capacity development program may consist of a combination of technical assistance focusing on loan management related capacity and technical assistance to assist local governments to build the capacity needed to develop and implement hazard mitigation plans and policies. In the first two years GOHSEP may focus on loan and program management technical assistance. Staff positions and outside contractors may be funded to provide entities with the tools and financial assistance they need to obtain and maintain the technical, financial, and managerial capacity needed to ensure compliance with USCS 5135(g)(2)(D). The goal of the program will be to identify the technical, financial, and managerial impediments confronted by the local communities. After identifying the impediments, GOHSEP will be able to determine and accomplish solutions to capacity problems, including the need for hazard mitigation technical assistance more appropriately. Such solutions could include technical or financial assistance or encouragement of consolidation, collaboration, regionalization, and contract operations and maintenance cooperatives. GOHSEP agrees to demonstrate compliance with capacity development authority and the capacity development strategy.

After the second year, GOHSEP will contemplate the provision of Hazard Mitigation Technical Assistance to existing or potential RLF participants. In the 2024 Hazard Mitigation Plan, the analysis of local mitigation planning tools revealed that the capacity to implement mitigation varies across Louisiana parishes and tribes. Many local entities face challenges in their attempts to implement mitigation policies and programs as they often do not have the necessary resources to implement certain mitigation activities. For instance, many parishes lack the time and/or expertise to carry out mitigation policies and programs. Many local municipalities have one staff member or perhaps a part time staffer focused on mitigation policies and programs. Some do not have staff with the required expertise to include GIS, floodplain management, planning, etc., which makes it difficult to apply for funding and/or carryout mitigation tasks.

The State of Louisiana views the RLF as an avenue to provide support to local and tribal governments with the mitigation needs not previously met. As noted in the SHMP (2024), GOHSEP works with the Louisiana Economic Development (LED)’s Community Competitiveness Initiative to offer support to community adherence to emergency preparedness principles including mitigation and emphasizes its importance in an “economic development” capacity building program. The Revolving Loan Fund can support identified projects that enhance local existing capacities.

## Environment and Historic Preservation Compliance

Consistent with other federal grant programs, projects funded through this loan program that could impact the environment must abide by Environmental Planning and Historic Preservation (EHP) requirements. GOHSEP intends to provide loan applicants with FEMA’s *Environmental Planning and Historic Preservation (EHP) Checklist* as a pre-screening mechanism to identify those projects which may be subject to EHP requirements.

### Environmental Planning and Historic Preservation (EHP) Compliance

The EHP review of loan projects occurs after the award of the capitalization grant. Entities will be asked to indicate within their loan application materials which projects would require EHP review. GOHSEP recognizes that projects that may impact the environment, including, but not limited to, the construction of communication towers, modification or renovation of existing buildings, structures, and facilities, or new construction including replacement of facilities, must ensure projects participate in the EHP review process. Per NOFO guidance (F.2.c), GOHSEP will not issue any loan until an EHP review is completed for projects requiring an EHP review.

Additionally, loans may be used as a non-federal cost match for another HMA grant application. In this situation, FEMA will complete the Environmental and Historic Preservation review process following the procedures of the FEMA HMA grant program.

GOHSEP will ensure that all approved loans that include renovations to existing buildings or improvements to developed property submit a completed National Historic Preservation Act/State Historic Preservation Office Form with the application and the required checklist FEMA is creating for the Revolving Loan Fund program. Borrowers proposing projects involving a building or structure included in the National Register of Historic Places (NRHP) or one eligible for inclusion in the NRHP will also be required to complete Item 5 of EF-1 Environmental Questionnaire EF-1. GOHSEP will only consider the project in compliance with Section 1-6 of the NRHP when adequate background documentation has been submitted and written concurrence.

Project types that do not require EHP reviews include mitigation planning, building code adoption and enforcement, and zoning and land-use planning.

# Public Participation

## Public Meetings and Comment Activities

To effectively formulate this Intended Use Plan, GOHSEP garnered public input and participation by requesting comments, reviews, and feedback on the drafting of the Plan and on priorities that the loan fund should address.

Prior to submission of the IUP, GOHSEP launched an integrated outreach methodology, which included leveraging partnerships with key stakeholders and organizations and outreach efforts, such as facilitating public meetings and calls, conducting public feedback mechanisms, uploading online content, and disseminating key outreach materials.

GOHSEP made a survey available to all eligible loan applicants in the state to gather project proposals to be funded through the RLF ([GOHSEP STORM Survey](https://www.surveymonkey.com/r/W8DYZPJ)). This survey was the most efficient and effective means to obtain public feedback and insight on the priorities the state should focus on for the IUP. The state also posted announcements detailing the funding opportunity and the chance to submit project proposals on the GOHSEP website, as well as an email announcement directly to local directors. In addition to these actions, GOHSEP’s posted information to its grants portal (GOHSEPgrants.la.gov), distributed an email blast to all accountholders, and issued a press release. As such, this Intended Use Plan reflects the mitigation project priorities of government entities and interested groups around the state. **For specific dates and copy of the public notices please refer to** [**Appendix**](#_Appendix_F) **F**.

GOHSEP also used several in-person conferences and meetings to spread the word about the loan program, such as the Police Jury’s Conference and portfolio meetings with several parishes.

To ensure that the public had an opportunity to review GOHSEP’s proposed plans for the Hazard Mitigation RLF, the draft IUP was available to the public on April 17, 2024, for public comment and review. The state also posted announcements on GOHSEP website and email Blast via GOHSEP Grants website (**for dates and copy of this outreach efforts please refer to** [**Appendix F**](#_Appendix_F)). This period of access for comment and review was held “open” for one week through April 24, 2023. State entities were given the chance to review the IUP, provide comments and feedback on its language and priorities, and raise concerns directly to GOHSEP.

Overall, GOHSEP held multiple comment periods during formulation of the IUP and before the grant application deadline to garner interest, receive comments and feedback, and implement changes to the Plan. Please refer to [Appendix F](#_Appendix_F) to see public outreach materials and public comments submitted for GOHSEP consideration.

# Audits and Reporting

## Compliance with Federal Reporting Requirements

Ensuring transparency and accountability, all program materials are posted on GOHSEP website ([GOHSEPGrants.la.gov](https://gohsepgrants.la.gov/index.cfm)). GOHSEP intends to utilize the services of the Louisiana Legislative Auditor to conduct an independent audit to ensure financial integrity for the Annual and Biennial Audits.[[2]](#footnote-3)

GOHSEP 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 GOHSEP 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

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

## Publication of Information

Publication of information illustrating comprehensive information on projects should be available for review on a public platform to provide transparency and accountability on projects funded through the loan fund. Information should be published and updated periodically during and after the period of performance.

GOHSEP will utilize existing systems to publish transparent, relevant, and accurate information pertaining to the Hazard Mitigation RLF (ex. SharePoint site, GOHSEP website). In accordance with CFR 42 USCS 135(h)(2) this site will house relevant project information including:

* Project Name,
* Location of the Project
* Periodic status updates,
* Site visits,
* Documentation requests,
* Type and amount of assistance provided for each project from the revolving loan fund,
* Expected funding schedule,
* Anticipated date of completion of the project.

This existing website will allow GOHSEP to clearly communicate information regarding projects funded through this revolving loan fund with real-time comments, notes, progress reports, and uploads. Information about projects will be published for public view on a quarterly basis during and after the period of performance for the project. This frequency of reporting will allow the public to have a clear view into project information and progress and funding information, including funding schedule and the amount of funding provided for the project.

## Loan Recipient Auditing and Reporting

Monitoring and evaluating the performance of loan recipients will be essential to GOHSEP’s successful implementation of the loan fund. Project performance by the loan recipient shall be aligned to the project proposal submitted to GOHSEP by the recipient, and program funds shall be used only for purposes of executing project performance. Loans that exceed the threshold of $750,000 are subject to audit at the discretion of GOHSEP.

In accounting for the receipt and expenditure of funds under the loan program, the loan recipient shall follow Generally Accepted Accounting Principles (“GAAP”). As defined by 2 C.F.R. § 200.49, GAAP “has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).”

When conducting an audit of a loan recipient’s performance under this loan program, the parties may use, but are not limited to the use of, Generally Accepted Government Auditing Standards (“GAGAS”). As defined by 2 C.F.R. § 200.50, GAGAS, also known as the “Yellow Book,” means generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.”

If an audit shows that all or any portion of the funds disbursed were not spent in accordance with the conditions of this loan program, the loan recipient shall be held liable for reimbursement to GOHSEP of all funds not spent in accordance with these applicable regulations and loan program provisions within thirty days after GOHSEP has notified the loan recipient of such noncompliance.

The loan recipient shall have all audits completed by an independent auditor. The independent auditor shall state that the audit complied with the applicable provisions noted above. The audit must be received by GOHSEP no later than nine months from the end of the loan recipient’s fiscal year. The loan recipient shall ensure that copies of reporting packages for audits conducted in accordance with 2 C.F.R. Part 200, by or on behalf of the loan recipient, are forwarded to GOHSEP at the following address:

VIA EMAIL:

[GOHSEPHM@la.gov](mailto:la-hm@la.gov)

VIA MAIL:

Governor’s Office of Homeland Security and Emergency Preparedness

Attn: Hazard Mitigation Loan Recipient Monitoring

7667 Independence Blvd.

Baton Rouge, LA 70806

The loan recipient shall send Single Audit reporting package and Form SF-SAC to the Federal Audit Clearinghouse by submission online at:

<http://harvester.census.gov/fac/collect/ddeindex.html>

The loan recipient shall ensure that any management letter issued by auditors is sent to GOHSEP at the following address:

VIA EMAIL:

[GOHSEPHM@la.gov](mailto:la-hm@la.gov)

VIA MAIL:

Governor’s Office of Homeland Security & Emergency Preparedness

Attn: Lisa Tucker - Subrecipient Monitoring

7667 Independence Blvd.

Baton Rouge, LA 70806

# Appendix A

## Loan Application Process

Refer to [Section IV](#_Financial_Management) of the main body

## Financial Planning Methodology

GOHSEP will leverage a scenario-based financial model to inform loan amounts, expected repayments (and therein future loan amounts), etc. The methodology assumes GOHSEP intends to distribute the full grant amount) in the first year of participation in the program, after receiving the funding from FEMA. The Financial Planning model considers the 60/40 split of Standard/Disadvantaged loans where possible. Further, as GOHSEP intends to prioritize loans for disadvantaged applicants, all loans funded through repayment of initial distribution(s) are in line with the afforded 30-year length. GOHSEP can inform capacity for continued loan distributions based on projected repayments. Should the amount loaned in the first two years differ from the assumed amount, the model can be updated casting refreshed projections for future loan amount availability.

## Financial Model

Assumptions for modeling purposes:

* All funds distributed in first year with no repayment, or interest accrual, beginning until construction completes in 3rd year after distribution (this first year of repayment is "Repayment Year 1")
* No money being borrowed, and therefore no principal/interest payments from GOHSEP, to fund the Hazard Mitigation RLF program
* Where possible, future loans (beyond original award amount including state match) will be Underserved Loans valued at the "Average Loan Amount"



Double click the above Excel Icon to view the FY 2023 financial model, standard loan amortization schedule, underserved loan amortization, and additional models. The spreadsheet is additionally included in pictorial format on the following pages.

1.1 Inputs*: (Update for FY 2024, insert here)*

|  |  |
| --- | --- |
| * 1. **Loan Types**   Two types of loans: Standard & Underserved |  |
| **Loan Parameters**  Length (Years; Standard) 60%  Length (Years; Underserved) 40%  Interest Rate  Average Loan Amount | 20  30  1.0%  $1,000,000 |
| * 1. **Program Costs**   Loan Fund Admin Costs (2% of Cap Grant)-Year 1  Loan Fund Admin Costs (After Year 1) | $138,346  $218,160 |

Loan Distribution and Cash Flow Analysis: *(Update for FY 2024, insert here)*

# Appendix B

## Loan Distribution Methodology

Prerequisite: Loan applicant submits an eligible project during application period (determined and published publicly by GOHSEP) and the RLF has funding.

Tools Required: GOHSEP Grants

References: Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, Robert T. Stafford Disaster Relief and Emergency Assistance Act.

| **Phase** | **Responsible Party** | **Step** |
| --- | --- | --- |
| **NOTE:**  **Eligible jurisdictions submit applications during application period.** |
| **Review of the Loan Application** | RLF-Review Panel | 1. Review the applications for completeness and appropriateness.    1. If the application is selected, move to next step    2. If any reviews flagged technical support from GOHSEP, assign a technical team member to the loan applicant before moving the loan applicant to the next step.    3. If the application is not accepted, alert the loan applicant of the reasoning. |
| **Initiate Loan** | HMA, GOHSEP Legal | 1. Extend formal loan application with agreements to the accepted loan applicants.   **Note:** This step can only be initiated following the funding of the RLF program. |
| **Manage Loan** | GOHSEP Grants and Administration Division | 1. Disburse funds from GOHSEP RLF bank account to borrower’s account. 2. Monitoring of the funds    1. Ensure the funds are used for authorized purpose.    2. To establish a benchmark metric that are intended to ensure that the borrower remains financially healthy.    3. Set a minimum standard of communication, for instance regular delivery of financial statements, reports.    4. Use of tracking mechanisms including Excel models, amortization schedules, and LAHM.com to monitor timeframes, calculate payments, and monitor payments associated with each loan. 3. Follow-up 4. Delinquency    1. “Delinquency status” defined in the initial loan agreement.    2. Loan recipients can cure a delinquency by making all overdue payments and paying all assessed interest, and related costs per loan agreement.    3. Under special circumstances GOHSEP may consider loan recipient’s request for a reasonable repayment agreement, and/or may contemplate adjustments to loan terms, this only under GOHSEP’s discretion and following any FEMA and RLF program and other federal applicable policies |

# Appendix C

## Project Proposal List Prioritization Methodology

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Step 1: Project & Fiscal Review  Prior to the scoring below, GOHSEP will confirm that the loan applicant either has a non-expired HMP or the funds are for updating the HMP. Except for local governments receiving a loan for hazard mitigation planning, local governments that receive a loan under the Safeguarding Tomorrow RLF program must have a FEMA-approved Local or Tribal Hazard Mitigation Plan. If the loan applicant meets this requirement, the project will go through two scoring rounds.  For the first scoring round, if the loan applicant scores below a 3 on any category, GOHSEP will follow up with loan applicant to provide technical assistance to improve the application, where possible. If credit or repayment concerns are identified, GOHSEP will work with the loan applicant to determine if pursuit of a 1% interest loan is viable. Loan applicants will be provided a window of response time to ensure the loan review process is not delayed. | | | | |
| Category | Description & Methodology Reasoning | Highest Score | Lowest Score | Weighted Score (multiplier for priority) |
|  | | | | |
| Project Plan | 5 = Fully executable project; 4 = Viable project with some revisions needed; 3 = Good basis for project with moderate revisions needed; 2 = Project plan requires significant revisions; 1= Unrealistic project with unattainable goals | 5 | 1 | x3 (highest 15; lowest 3) |
| Bond Rating | 5 = Entity credit check fully clear; 4 = Minor credit check concerns; 3 = Some credit concerns; 2 = Significant concerns; 1 = Too many concerns to proceed | 5 | 1 | X3 (highest 15; lowest 3) |
| Outstanding Payments to GOHSEP Existing Grants | 5 = No outstanding payments; 4 = Minor outstanding payments with plan for repayment in place; 3 = Some outstanding payments with plan for repayment in place; 2= significant repayments with somewhat of a plan to repay; 1 = Substantial repayment concerns with no repayment plans in place | 5 | 1 | X2 (highest 10, lowest 2) |
| Cost Effective | 5 = Project is cost effective; 4 = Project is mainly cost effective; 3 = Project is somewhat cost effective; 2 = Project is minimally cost effective; 1 = Project is not cost effective | 5 | 1 | X1 (highest 5, lowest 1) |
| Fiscal Plan | 5 = Strong repayment plan of 1% interest in place; 4 = Good repayment plan of 1% interest in place; 3 = Somewhat of a repayment plan of 1% interest in place; 2 = primarily unviable of repayment plan of 1% interest in place; 1 = no repayment plan | 5 | 1 | X1 (highest 5, lowest 1) |
| Highest Possible Score: 50  Lowest Possible Score: 10  \*25 is a minimum score threshold for GOHSEP to consider providing technical assistance to support an improved and viable loan application | | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Step 2: Assessment of Project in terms of RLF Priority Projects and mitigation and Resilience Goals:   1. Disadvantaged, Underserved and Socially Vulnerable areas with projects to foster resilience. **Mitigation and Resilience Goal 1:** Support the inclusion of communities that historically are underserved. 2. Mitigation projects that address risk reduction from the hazards that most impact the State of Louisiana – flooding and wind-related hazards. **Mitigation and Resilience Goal 2:** Foster resilience across the state to reduce impact from hazards. 3. Project traditionally not covered under competitive grants, such as non-Federal cost share. **Mitigation and Resilience Goal 3:** Support communities in funding historically underfunded projects that enhance resilience.   *A minimum of three (3) of the same scorers evaluate each project and the scores are averaged to generate the project prioritization.* | | | | |
| Category | Description & Methodology Reasoning | Highest Score | Lowest Score | Weighted Score (multiplier for priority) |
|  | | | | |
| CDC/ATSDR Social Vulnerability Index/CEJST | 5 = High; 4 = Medium-High; 3= Low-Medium; 2 = Low; 1= No data  [CDC/ATSDR Social Vulnerability Index (SVI) | Place and Health | ATSDR](https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html) *(To find the score, first input the Louisiana as the state, click “zoom to level 8” and click from counties to census tracts. Only use parish level data if the project impacts the entire parish)* | 5 | 1 | X3 (highest 15; lowest 3) |
| Alignment to SHMP Priorities and Strategic Plan | 5 = Highly aligned; 4 = Align with most goals; 3= aligned with some goals; 2 = Align with 1 goal; 1= Not aligned | 5 | 1 | X3 (highest 15; lowest 3) |
| Flood and/or Wind Risk Reduction | 5 = Exceptionally reduces risk; 4 = Greatly reduces risk; 3= Moderately reduces risk; 2 = Somewhat reduces risk; 1= No risk reduction | 5 | 1 | X3 (highest 15; lowest 3) |
| Social Vulnerability Reduction | 5 = Exceptionally reduces vulnerability; 4 = Greatly reduces vulnerability; 3= Moderately reduces vulnerability; 2 = Somewhat reduces vulnerability; 1= No vulnerability reduction | 5 | 1 | X3 (highest 15; lowest 3) |
| Enhances the Natural Environment | 5 = Exceptionally enhances; 4 = Greatly enhances; 3= Moderately enhances; 2 = Somewhat enhances; 1= No enhancement | 5 | 1 | X2 (highest 10, lowest 2) |
| Whole Community Approach | 5 = Highly inclusive/includes strong partnerships; 4 = Greatly inclusive/includes good partnerships; 3= Moderately inclusive/includes partnerships; 2 = Somewhat inclusive/weak partnerships; 1= Not inclusive/no partnerships | 5 | 1 | X2 (highest 10, lowest 2) |
| Economic Resilience Enhancement | 5 = Exceptionally enhances economic resilience; 4 = Greatly enhances economic resilience; 3= Moderately enhances economic resilience; 2 = Somewhat enhances economic resilience; 1= Does not enhances economic resilience | 5 | 1 | X2 (highest 10, lowest 2) |
| Infrastructure Resilience Enhancement | 5 = Exceptionally enhances infrastructure resilience; 4 = Greatly enhances infrastructure resilience; 3= Moderately enhances infrastructure resilience; 2 = enhances infrastructure resilience; 1= Does not enhances infrastructure resilience | 5 | 1 | X1 (highest 5, lowest 1) |
| Inclusive Planning | 5 = Highly Inclusive; 4 = Many inclusive elements; 3 = Somewhat inclusive; 4 = Less than 2 elements of inclusion; 5 = no elements of inclusion. *(Projects that incorporate innovative, inclusive planning and preparedness approaches consider elements like physical access, language access, and information access)* | 5 | 1 | X1 (highest 5, lowest 1) |
| Highest Possible Score: 100  Lowest Possible Score: 20 | | | | |
| ***Stop here unless EHP is a factor*** | | | | |
| Only score EHP if applicable to the project | | | | |
| EHP Compliant | 5 = Highly compliant; 4 = Medium-High compliance; 3= Moderately Compliant; 2 = Somewhat Compliant; 1= Not Compliant | 5 | 1 | X1 |
| If a loan applicant scores a 1-3, GOHSEP will provide technical assistance to the loan applicant. If the score is not able to move above a 3 after technical assistance, the loan application will not move forward until EHP considerations are met. | | | | |

\*\*Projects requiring EHP reviews: GOHSEP will not issue a loan until an EHP review is completed for the proposed project.

|  |  |  |
| --- | --- | --- |
| Step 3: Tie-Breaking Procedure | | |
| Application Identifier Number: | | |
| Item | Description | Points |
| Environmental Justice Index | The community demonstrates substantial need as indicated by the census tract level data of the [Environmental Justice Index (EJI) (cdc.gov)](https://www.atsdr.cdc.gov/placeandhealth/eji/index.html) | 25 |
| Connection to local/state strategy | The project is part of a broader strategy identified by the community. The project is one piece in a larger project. | 25 |
| Application completeness | The loan applicant is not only a strong credit candidate, but the application is thorough, includes all key aspects of project planning | 25 |
| Labor Standards | The project incorporates strong labor standards to ensure high-quality work. | 25 |

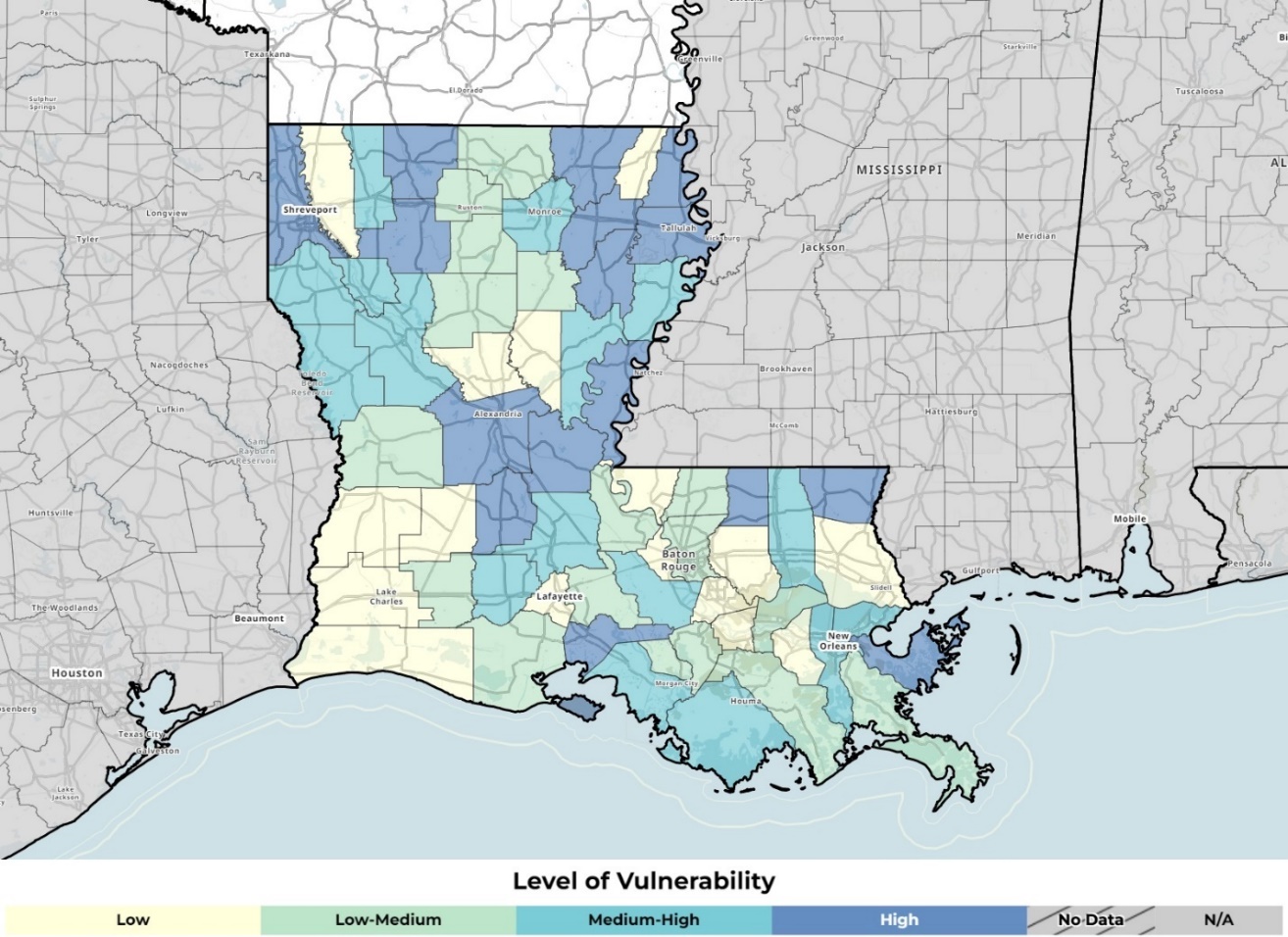
# Appendix D

## Underserved Communities

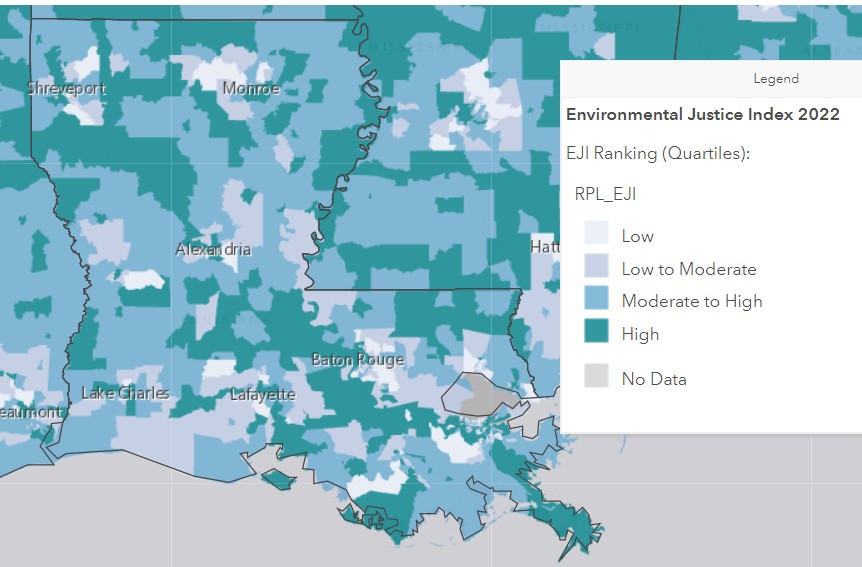
GOHSEP will support historically marginalized and under-resourced communities through technical assistance on loan applications.[[3]](#footnote-4) The scoring criteria for loan applications strongly weighs loan applications from underserved communities. For the first two years, GOHSEP will utilize CEJST and the 2020 Centers for Disease Control and Prevention (CDC)/Agency for Toxic Substances and Disease Registry (ATSDR)'s Social Vulnerability Index (SVI). The selection of this data set aligns with FEMA’s National Risk Index 1.19 revision to use the CDC/ATSDR Social Vulnerability Index as the means to measure social vulnerability. The CDC/ATSDR Social Vulnerability Index (CDC/ATSDR SVI) uses 16 U.S. census variables to help local officials identify communities that may need support before, during, or after disasters.

The tie breaking procedures use the Environmental Justice Index (EJI) to measure the cumulative impacts of environmental burden through the lens of human health and health equity. The Environmental Justice Index uses data from the U.S. Census Bureau, the U.S. Environmental Protection Agency, the U.S. Mine Safety and Health Administration, and the U.S. Centers for Disease Control and Prevention to rank the cumulative impacts of environmental injustice on health for every census tract. The EJI is intended as a high-level mapping and screening tool that characterizes cumulative impacts and patterns of environmental injustice across the U.S.

Figure 4: Louisiana 2020 CDC/ATSDR Social Vulnerability Index at Parish Level (Census Tract level requires zoom to level 8)



Source: CDC/ATSDR Social Vulnerability Index (CDC/ATSDR SVI) (2020)

Figure 5: Louisiana 2022 Environmental Justice Index (EJI)

Source: CDC/ATSDR Environmental Justice Index (EJI) (2022)

# Appendix E *(Update for FY 2024, insert here)*

# Appendix F

## Public Notice and Public Comment *(Update for FY 2024, insert here and in the sections below)*

Below are the hyperlinks to access the public notice for the GOHSEP RFL and the public comment for the IUP-draft and corresponding posting date(s).

**Public Notice:**

**Public Comment on IUP-draft:**

**Public Notice Email Blast:**

**Public Comment Email Blast (comments on IUP-draft):**

## Summary of Public Comments Received

1. *Entity 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* (NOFO, 12b.4.c) [↑](#footnote-ref-2)
2. For audits of fiscal years beginning on or after December 26, 2014, recipients that expend $750,000 or more from all federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report, also known as the single audit report. (NOFO, 3.d.III) [↑](#footnote-ref-3)
3. NOFO guidelines defining low income and underserve communities:

   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.”

   Executive Order 13985: Advancing Racial Equity And Support For Underserved Communities Through The Federal Government, defines “underserved communities” as “populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life...” and includes communities such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. It also includes “communities environmentally overburdened,” which are communities adversely and disproportionately affected by environmental and human health harms or risks, and “disadvantaged, communities” as referenced in Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, and defined in Office of Management and Budget’s Memo M-21-28: Interim Implementation Guidance for the Justice40 Initiative. [↑](#footnote-ref-4)