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Mississippi River Cities & Towns Initiative

An Association of United States Mayors
The Mississippi River, Her Time is Now 2022



January 31, 2022

Ms. Victoria Salinas
Deputy Administrator, Resilience
FEMA
Washington, DC 20024

Ms. Katherine Fox
Assistant Administrator, Mitigation
FEMA
Washington, DC 20024

Dear Deputy Administrator Salinas and Assistant Administrator Fox:

On September 15, 2021 the Mississippi River Cities & Towns Initiative (MRCTI) hosted over fifty United States Mayors from all ten states along the Mississippi River along with state legislators representing five states to assemble of set of recommendations for implementing the Resilience Revolving Loan Fund (RRF), or Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act (Public Law No: 116-284).

During this session on September 15, Mayors and state legislators consulted with the private and public sectors on recommendations. CSRS, the U.S. Chamber of Commerce, Council of Infrastructure Financing Authorities, the National Emergency Management Association, and the Maryland Emergency Management Agency were all part of the dialogue.

Also, during this meeting, the MRCTI formed the City/State Task Force comprised of mayors and state legislators from along the Mississippi River Corridor to advise and coordinate intergovernmental policy matters between Mississippi River cities and states. The Task Force's first official meeting on November 29, 2021 further considered input given during our September session and solidified that information into the recommendations presented here for your review and consideration in developing guidance for the RRF.

Considerations In Drafting Guidance to Implement Public Law: No 116-284

- I. **Projects Submitted by Cities to States**, SEC. 205 (b)(1)(A) – The Act lists city project proposals submitted to FEMA by states as the first priority of types of projects and that states give cities at least six weeks notice before closing the submission period for said projects.
- II. **Administrative Demand to Apply**, SEC. 205 (b)(1)(B-E) – Congress intended the RRF to be of considerably less administrative demand for states to apply for and manage. Subsections (B) – (E) list an assessment, a description, proposal and congruence to a hazard mitigation plan with little detail in order to keep these

demands manageable and rather lighter than they may otherwise be pursuant to a traditional FEMA grant program.

- III. **Intended Use Plans**, SEC. 205 (g) – These plans are only required for states that have entered into an agreement with FEMA through the RRF program; these plans do not necessarily need to be in place to qualify for a capitalization grant. That said, we understand that FEMA may require states to show some level of plan or consideration of a plan upon applying for a capitalization grant, but again this requirement should not be overly burdensome.
- IV. **Evaluating Projects**, SEC. 205 (d)(3) – The Act establishes the priority activities through which capitalization grants should be awarded which do not include evaluating the ability of the project to repay the loan. It has been suggested that FEMA develop a cost-benefit analysis or scoring system in order to award grants to states whose projects have the best ability to repay the loan. We would consider this evaluation to be within the purview of the states alone in evaluating their own project submissions without the need for additional scoring coming from FEMA unless it is in the form of a suggested best practice for states to implement via Sec. 205 (b)(2).
- V. **State RRF Enabling Act or Policy** – To date, only the state of Maryland has passed what could be termed a “Resilience Revolving Loan Fund Enabling Act” through enactment of the *Resilient Maryland Revolving Loan Fund* (SB901). The Maryland law codifies much of what the federal RRF requires linking operation of the fund to the state hazard mitigation plan, and officially designating administration of the fund within the Maryland Emergency Management Agency. We do not consider it essential FEMA require all eligible entities pass an ‘enabling act’ into law. However, it is recommended FEMA set guidelines for states include certain vital items in an ‘enabling act’ or policy which may include, but not be limited to:
- ensuring the revolving loan fund has special exemptions from state departments of treasury to ensure the fund does not close or automatically sunset;
 - sets-out the priority for incentivizing natural infrastructure deployment to address resilience through the development of natural solutions;
 - explaining the RRF can be issued by a state with zero interest;

- allowing for an RRF loan to be 100% forgiven by a state for cities with significant vulnerability, damage/repetitive loss, and economic conditions warranting extremely flexible loan repayment or forgiveness;
- explaining that the RRF will not count against a city's state borrowing limit since this is a federally-funded loan program that incentivizes multi-state cooperative projects.

VI. **Multi-State Projects** – We are hopeful the RRF will be accommodating to interstate partnerships and prioritize for those partnerships where practical. We think this will be especially important and effective in partnering with non-government organizations. We recommend creating incentives in the guidance that will motivate cross-state applications. Indeed, section (d)(3)(B) of the public law lists the second priority of the program to “involve a partnership between two or more eligible entities to carry out a project or similar projects.”

VII. **Apportionment Priorities of the Capitalization Grant** – SEC. 205 (d)(3) of the public law is likely one of the most crucial sections of the legislation because it prioritizes for projects that also protect natural infrastructure with additional credence given to drinking water infrastructure. Thus, taken in its entirety, this section can be interpreted broadly to include a myriad of projects such as those that protect and make more resilient water quality since freshwater systems would be considered protecting natural infrastructure [SEC. 205 (d)(3)(A)]. State efforts to reduce nutrient loading into drinking water systems for instance may fall under an allowable project under this section. Thus, in our recommendation the guidance offer states and cities a wide latitude in submitting projects to create maximum flexibility and application across state agencies and city services.

Interagency Collaboration at federal and state levels - During our Task Force meeting in September, we discussed this with the national organization that represents state revolving loan fund managers for waste water and drinking water. We are delighted to learn that FEMA is pursuing similar outreach with the EPA for guidance and cooperation. We would encourage FEMA to recommend similar interagency collaboration at the state level in the RRF guidance. We wish to thank the FEMA mitigation and resilience team for all their work with us in developing the resilience revolving loan fund as a working policy tool for states and cities.

We stand ready to work closely with FEMA in moving this work forward and making our nation's critical built and natural infrastructure more resilient.

Respectfully Submitted:

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Mayor of Vidalia, LA
MRCTI City/State Task Force Co-Chair

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State Representative (MO)
MRCTI City/State Task Force Co-Chair

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Mayor of Kimmswick, MO
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