

State of Alabama  
Alabama Emergency Management Agency

**Alabama Safeguarding Tomorrow  
Revolving Loan Fund**

**Intended Use Plan**

Fiscal Year 2024

For more information contact us at [info@ema.alabama.gov](mailto:info@ema.alabama.gov)

Kay Ivey  
Governor

Jeff Smitherman  
Director

**Alabama Safeguarding Tomorrow RLF Intended Use Plan, 2024-2025**

1. Introduction.....3

2. Uses of the Alabama Safeguarding Tomorrow RLF.....3

3. Criteria and Method for Distribution of Funds.....5

4. Financial Procedures .....6

5. Entity Program Management .....7

6. Audits and Reporting.....8

Appendix A .....9

Appendix B .....10

Appendix C .....11

# 1. INTRODUCTION

---

The State of Alabama is seeking the authority to implement the Safeguarding Tomorrow Revolving Loan Fund (RLF). When passed, it will direct the Alabama Emergency Management Agency (AEMA) to establish a hazard mitigation revolving loan fund titled Alabama Safeguarding Tomorrow RLF.

Because AEMA does not yet have the authority to develop rulemaking around this process, there are aspects of this Intended Use Plan (IUP) that cannot be completed at this time. In sections of this document that require authority and subsequent rulemaking to complete it will be indicated appropriately. At the time AEMA receives the authority this document will be updated with the Federal Emergency Management Agency (FEMA).

## 1.1. Status of the Alabama Safeguarding Tomorrow revolving loan fund

The IUP provides details on the State of Alabama’s plan to utilize the federal fiscal year 2024 funds.

The Alabama Emergency Management Agency is responsible for emergency management in the State of Alabama, Ala. Code (1975) Section 31-9-1, et seq., and will provide programmatic and fiscal oversight administering the revolving loan fund.

This IUP is the primary document of the State of Alabama’s Safeguarding Tomorrow Revolving Loan Fund application and communicates AEMAs plan to stakeholders including the public, local jurisdictions, state partners, and the Federal Emergency Management Agency. This IUP provides details on the program including the state’s long and short and long-term goals, identification of eligible projects, ranking, and selection of projects.

## 1.2. Updates for fiscal year 23 safeguarding tomorrow RLF

Not applicable.

# 2. USES OF THE ALABAMA SAFEGUARDING TOMORROW RLF

---

## 2.1. Alabama Safeguarding Tomorrow RLF program objectives

The objective of the revolving loan fund is to provide financial assistance to local communities to complete hazard mitigation projects and activities that will reduce the risk from natural hazards for homeowners, businesses, nonprofit organizations, and communities to decrease the loss of life, property; cost of insurance; and federal disaster payments.

During the rulemaking process, AEMA will create a prioritization methodology based on communities most in need identified by multiple factors including social vulnerability, economically disadvantaged rural communities (EDRC), Community Disaster Resilience Zones (CDRZ), and other metrics to determine need.

## **2.2. Alabama Safeguarding Tomorrow RLF program goals**

### 2.2.1. Connection to Other Plans and Goals

Funding provided under this program will align with the Alabama State Hazard Mitigation Plan. Other plans include but are not limited to the Alabama Emergency Operations Plan, The Alabama Recovery Framework, local Hazard Mitigation plans and other plans as deemed appropriate.

### 2.2.2. Mitigation and Resiliency Goals

This program will work to assist with funding projects identified through the State Hazard Mitigation Plan and local Hazard Mitigation Plans.

### 2.2.3. Short-Term Alabama Safeguarding Tomorrow RLF Goals

- The short-term goals are as follows:
- Seek authorization through the Alabama Legislature for AEMA to administer the revolving loan fund.
- Engage in rulemaking to establish written guidelines for the program.
- Begin to develop outreach and educational materials about the RLF for local jurisdictions and other potential applicants.
- Begin to identify and build an internal team with the knowledge, skills, and abilities to manage the RLF moving forward.

### 2.2.4. Long-Term Alabama Safeguarding Tomorrow RLF Goals

- Establish a long-term funding option for the State of Alabama
- Continually assess the program for continuous improvement.
- Consistently review the alignment of the program with existing plans and priorities to maximize the benefits.
- Manage the program in a manner that the revolving fund allows for additional investments in perpetuity.
- Maintain and update outreach and educational practices for the RLF.
- Continually educate internal staff with programmatic and fiscal requirements to administer the program.

## **2.3. Alabama Safeguarding Tomorrow RLF program priorities**

### 2.3.1. Increase Resilience and Reduce Risk

This program will fund various types of projects including the State's priorities based on existing plans, the Federal Notice of Funding Opportunity, and FEMA guidance.

On May 5, 2023, Governor Ivey, through Executive Order #736, established a State Resilience Council to better understand existing capabilities, increase coordination, and identify additional opportunities to develop individual, organizational, and statewide resilience from all hazards.

This Intended Use Plan (IUP) for the Alabama Safeguarding Tomorrow RLF was available for review for the required period before the submission of the application.

Administration of and support for the RLF will be determined through rulemaking and program policy development.

2.3.1.1. **Hazard Mitigation** – the Alabama Safeguarding Tomorrow RLF will provide an important option to support hazard mitigation projects in Alabama. The State of Alabama, all 67 counties and the 1 federally recognized tribe have approved hazard mitigation plans. Alabama is an all-hazards State and is subject to numerous declared and undeclared events annually.

2.3.1.2. **Zone and Land Use Planning** – The Alabama Safeguarding Tomorrow RLF program in addition to projects identified in hazard mitigation plans, will coordinate with the State Flood Plain Manager, Flood Plain Administrator, and other critical partners to identify best practices for zone and land use planning.

2.3.1.3. **Building Code Adoption and Enforcement** - In future years, as local building codes are developed and strengthened through local, state, and federal funding opportunities the Alabama Safeguarding Tomorrow RLF program will further strengthen these efforts creating a more resilient State.

2.3.1.4. **Cost Share**- The Alabama Safeguarding Tomorrow RLF can be used for the up to 25% match required for eligible hazard mitigation projects. The RLF program can be used for non-federal matches for programs including but not limited to: Building Resilient Infrastructure Communities (BRIC), Flood Mitigation Assistance (FMA), and Hazard Mitigation Grant Program (HMGP).

### 2.3.2. Partnerships

Existing partnerships will be maintained, and new partnerships will be established after the program is authorized via legislation.

### 2.3.3. Regional Impacts

AEMA is geographically organized into seven (7) Divisions for operational and planning purposes. Local Hazard Mitigation Plans are developed and maintained at the Division level. In these plans, local and regional hazards are identified and will be important in identifying potential projects for the RLF.

### 2.3.4. Major Economic Sectors and National Infrastructure

Major economic sectors and national infrastructure will be considered during the rulemaking and program policy development after the program is authorized via legislation.

## 3. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

---

### 3.1. Loan management information

The loan management process and policy guide will be developed and finalized after the rulemaking following the granting of the authority to AEMA to administer the RLF program.

### 3.2. Criteria and method for loan distribution

The criteria and method for loan distribution to loan recipients will be determined after authority to administer the program is authorized via legislation. The following will be a part of the criteria and methodology:

- Determination of an applicant has the required technical, financial, and administrative capacity to receive and be compliant with a loan product.
- Develop a methodology to identify and provide loan support to low-income, vulnerable, and underserved communities.
- Develop a methodology to determine loan products suitable for various types of applicants.
- Develop monitoring procedures for compliance with the issuance, use, and repayment of loan products.

#### 3.2.1. Creating a Project Proposal List

3.2.1.1. Prioritization Methodology - The methodology will be finalized after AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures.

3.2.1.2. Tie-Breaking Procedure - Selection procedures including tie-breaking procedures will be finalized after AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures.

## 4. FINANCIAL PROCEDURES

---

### 4.1. Financial status of the Alabama Safeguarding Tomorrow RLF

Address the Financial Status of the Loan Entity Fund - This section will be finalized after AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures.

4.1.1. For the previous fiscal year (see above 4.1)

4.1.2. For the current fiscal year (see above 4.1)

### 4.2. Financial terms of loan

4.2.1. **Standard Loans** - The financial terms will be finalized after AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures.

4.2.2. **Loans for low-income Geographic Areas or Underserved Communities** - The financial terms will be finalized after AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures.

#### **4.3. Loan disbursements**

Once AEMA receives the authority to administer the RLF program, rulemaking occurs, and applicants apply, are reviewed, and awarded loan products, the loan disbursement process will be clearly defined. The State of Alabama is committed to capitalizing the required 10%, not to exceed \$200,000 of the total loan funds awarded, not to exceed \$2 million per fiscal year. In subsequent years, unfunded projects can be resubmitted by the applicants for future consideration as funds become available.

AEMA will work to loan 100% of the funds available for approved loans. AEMA will work with communities to understand and access the RLF program to maximize the use of the loan funds.

## **5. ENTITY PROGRAM MANAGEMENT**

---

#### **5.1. Technical assistance**

AEMA will provide technical assistance to potential loan applicants, in addition to the existing assistance they receive through the existing grant and planning processes. Technical assistance is currently delivered through training and technical assistance provided by FEMA and AEMA.

#### **5.2. Local capacity development**

The RLF will assist communities to better access mitigation opportunities that are identified through the local hazard mitigation planning process. This program will further community planning efforts to develop additional funding streams to help communities become more resilient against future disasters.

#### **5.3. Environmental and Historic Preservation compliance**

AEMA will continue to utilize existing processes for environmental and historic preservation compliance with the RLF program.

#### **5.4. Public meetings and comment activities**

The public meeting and comment process for the RLF program will be finalized once AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures. AEMA intends to provide a minimum of annual public meetings and comment period dependent on funding availability.

## **6. AUDITS AND REPORTING**

---

#### **6.1. Compliance and federal reporting requirements**

AEMA is an agency within the Executive Branch of the State of Alabama and the Director is a direct report to the Governor. AEMA is regularly audited by the Alabama Examiner of Public Accounts and receives regular monitoring visits from FEMA. AEMA currently manages multiple federal funding streams and is compliant with all reporting requirements related to these funds.

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures, AEMA will be compliant with all required federal reporting requirements.

#### **6.2. Publication of Information**

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures

#### **6.3. Loan recipient auditing and reporting**

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures, AEMA will issue auditing and reporting requirements to the loan recipients. Compliance with the Alabama Safeguarding Tomorrow RFL guidance will be monitored by AEMA staff.



## **APPENDIX A**

---

### **A.1 LOAN APPLICATION PROCESS**

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures, AEMA will issue the finalized loan application process.

### **A.2 FINANCIAL PLANNING METHODOLOGY**

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures, with staff who have the appropriate expertise, AEMA will issue the financial planning methodology.

## APPENDIX B

---

### B.1 LOAN DISTRIBUTION METHODOLOGY

When AEMA receives the authority to administer the RFL and engages in rulemaking for program policy and procedures, AEMA will issue the finalized loan distribution methodology.

## APPENDIX C

---

### C.1 PROJECT PROPOSAL LIST PRIORITIZATION METHODOLOGY

When AEMA receives the authority to administer the RFL, engages in rulemaking for program policy and procedures, and hires experienced staff to manage this program, AEMA will issue the finalized project proposal list prioritization methodology.