

116TH CONGRESS
1ST SESSION

H. R. 3779

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to allow the Administrator of the Federal Emergency Management Agency to provide capitalization grants to eligible entities to establish revolving funds to provide assistance to reduce disaster risks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2019

Ms. CRAIG (for herself, Mr. RODNEY DAVIS of Illinois, Ms. MCCOLLUM, Mr. CRAWFORD, Mr. KIND, and Mr. SMITH of Missouri) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to allow the Administrator of the Federal Emergency Management Agency to provide capitalization grants to eligible entities to establish revolving funds to provide assistance to reduce disaster risks, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Resilience Revolving
5 Loan Fund Act of 2019”.

1 **SEC. 2. GRANTS TO ENTITIES FOR ESTABLISHMENT OF**
2 **HAZARD MITIGATION REVOLVING LOAN**
3 **FUNDS.**

4 Title II of the Robert T. Stafford Disaster Relief and
5 Emergency Assistance Act (42 U.S.C. 5131 et seq.) is
6 amended by adding at the end the following:

7 **“SEC. 205. GRANTS TO ENTITIES FOR ESTABLISHMENT OF**
8 **HAZARD MITIGATION REVOLVING LOAN**
9 **FUNDS.**

10 “(a) GENERAL AUTHORITY.—

11 “(1) IN GENERAL.—The Administrator may
12 enter into agreements with eligible entities to make
13 capitalization grants to such entities for the estab-
14 lishment of hazard mitigation revolving loan funds
15 (referred to in this section as ‘entity loan funds’) for
16 providing funding assistance to local governments to
17 carry out eligible projects under this section to re-
18 duce disaster risk in order to decrease—

19 “(A) the loss of life and property;

20 “(B) the cost of insurance claims; and

21 “(C) Federal disaster payments.

22 “(2) AGREEMENTS.—Any agreement entered
23 into under this section shall require the participating
24 entity to—

25 “(A) comply with the requirements of this
26 section; and

1 “(B) use accounting, audit, and fiscal pro-
2 cedures conforming to generally accepted ac-
3 counting standards.

4 “(b) APPLICATION.—

5 “(1) IN GENERAL.—To be eligible to receive a
6 capitalization grant under this section, an eligible
7 entity shall submit to the Administrator an applica-
8 tion that includes the following:

9 “(A) Project proposals comprised of local
10 government hazard mitigation projects, on the
11 condition that the entity provides public notice
12 not less than 6 weeks prior to the submission
13 of an application.

14 “(B) An assessment of recurring major
15 disaster vulnerabilities impacting the entity that
16 demonstrates an escalating risk to life and
17 property.

18 “(C) A description of how the hazard miti-
19 gation plan of the entity has or has not taken
20 the vulnerabilities described in paragraph (2)
21 into account.

22 “(D) A description about how the projects
23 described in paragraph (1) could conform with
24 the hazard mitigation plans of the entity and
25 local governments.

1 “(E) A proposal of the systematic and re-
2 gional approach to achieve resilience in a vul-
3 nerable area, including impacts to river basins,
4 river corridors, watersheds, estuaries, bays,
5 coastal regions, micro-basins, micro-watersheds,
6 ecosystems, and areas at risk of earthquakes,
7 tsunamis, droughts, and wildfires, including the
8 wildland-urban interface.

9 “(2) TECHNICAL ASSISTANCE.—The Adminis-
10 trator shall provide technical assistance to eligible
11 entities for applications under this section.

12 “(c) ENTITY LOAN FUND.—

13 “(1) ESTABLISHMENT OF FUND.—An entity
14 that receives a capitalization grant under this sec-
15 tion shall establish an entity loan fund that complies
16 with the requirements of this subsection.

17 “(2) FUND MANAGEMENT.—Except as provided
18 in paragraph (3), an entity loan funds shall be ad-
19 ministered by the agency responsible for emergency
20 management for such entity and shall include only—

21 “(A) funds provided by a capitalization
22 grant under this section;

23 “(B) repayments of loans under this sec-
24 tion to the entity loan fund; and

1 “(C) interest earned on amounts in the en-
2 tity loan fund.

3 “(3) ADMINISTRATION.—A participating entity
4 may combine the financial administration of the en-
5 tity loan fund of such entity with the financial ad-
6 ministration of any other revolving fund established
7 by such entity if the Administrator determines
8 that—

9 “(A) the capitalization grant, entity share,
10 repayments of loans, and interest earned on
11 amounts in the entity loan fund are accounted
12 for separately from other amounts in the revol-
13 ving fund; and

14 “(B) the authority to establish assistance
15 priorities and carry out oversight activities re-
16 mains in the control of the agency responsible
17 for emergency management for the entity.

18 “(4) ENTITY SHARE OF FUNDS.—On or before
19 the date on which a participating entity receives a
20 capitalization grant under this section, the entity
21 shall deposit into the entity loan fund of such entity,
22 an amount equal to not less than 10 percent of the
23 amount of the capitalization grant.

24 “(d) APPORTIONMENT.—

1 “(1) IN GENERAL.—Except as otherwise pro-
2 vided by this subsection, the Administrator shall ap-
3 portion funds made available to carry out this sec-
4 tion to entities that have entered into an agreement
5 under subsection (a)(2) in amounts as determined
6 by the Administrator.

7 “(2) RESERVATION OF FUNDS.—The Adminis-
8 trator shall reserve not more than 2.5 percent of the
9 amount made available to carry out this section
10 for—

11 “(A) administrative costs incurred in car-
12 rying out this section;

13 “(B) providing technical assistance to par-
14 ticipating entities under subsection (b)(2); and

15 “(C) capitalization grants to insular areas
16 under paragraph (4).

17 “(3) PRIORITY.—In the apportionment of cap-
18 italization grants under this subsection, the Admin-
19 istrator shall give priority to entity applications
20 under subsection (b) that—

21 “(A) propose projects increasing resilience
22 and reducing risk of harm to natural and built
23 infrastructure;

1 “(B) involve a partnership between two or
2 more eligible entities to carry out a project or
3 similar projects;

4 “(C) take into account regional impacts of
5 hazards on river basins, river corridors, micro-
6 watersheds, macro-watersheds, estuaries, bays,
7 coastal regions, and areas vulnerable to earth-
8 quake, drought, tsunamis and wildfire, includ-
9 ing the wildland-urban interface; or

10 “(D) propose projects for the resilience of
11 major economic sectors or critical national in-
12 frastructure, including ports, global commodity
13 supply chain assets (located within an entity or
14 within the jurisdiction of local governments, in-
15 sular areas, and tribal governments), capacity,
16 power and water production and distribution
17 centers, and bridges and waterways essential to
18 interstate commerce.

19 “(4) INSULAR AREAS.—

20 “(A) APPORTIONMENT.—From any
21 amount remaining of funds reserved under
22 paragraph (2), the Administrator may enter
23 into agreements to provide capitalization grants
24 to insular areas.

1 “(B) REQUIREMENTS.—An insular area
2 receiving a capitalization grant under this sec-
3 tion shall comply with the requirements of this
4 section as applied to participating entities.

5 “(e) ENVIRONMENTAL REVIEW OF REVOLVING LOAN
6 FUND PROJECTS.—The Administrator may delegate to a
7 participating entity all of the responsibilities for environ-
8 mental review, decision making, and action pursuant the
9 National Environmental Policy Act of 1969 (42 U.S.C.
10 4321 et seq.), and other applicable Federal environmental
11 laws including the Endangered Species Act of 1973 (16
12 U.S.C. 1531 et seq.) and the National Historic Preserva-
13 tion Act of 1966 (16 U.S.C. 470 et seq.) that would apply
14 to the Administrator were the Administrator to undertake
15 projects under this section as Federal projects so long as
16 the participating entity carry out such responsibilities in
17 the same manner and subject to the same requirements
18 as if the Administrator carried out such responsibilities.

19 “(f) USE OF FUNDS.—

20 “(1) TYPES OF ASSISTANCE.—Amounts depos-
21 ited in an entity loan fund, including loan repay-
22 ments and interest earned on such amounts, may be
23 used—

24 “(A) to make loans, on the condition
25 that—

1 “(i) such loans are made at an inter-
2 est rate of not more than 1.5 percent;

3 “(ii) annual principal and interest
4 payments will commence not later than 1
5 year after completion of any project and all
6 loans will be fully amortized—

7 “(I) not later than 20 years after
8 the date on which the project is com-
9 pleted; or

10 “(II) for projects in a low-income
11 geographic area, not later than 30
12 years after the date on which the
13 projects is completed and not longer
14 than the expected design life of the
15 project;

16 “(iii) the local government receiving a
17 loan establishes a dedicated source of rev-
18 enue for repayment of the loan;

19 “(iv) the local government receiving a
20 loan has a hazard mitigation plan that has
21 been approved by the Administrator; and

22 “(v) the entity loan fund will be cred-
23 ited with all payments of principal and in-
24 terest on all loans;

1 “(B) for mitigation planning, not to exceed
2 10 percent of the capitalization grants made to
3 the participating entity in a fiscal year;

4 “(C) for the reasonable costs of admin-
5 istering the fund and conducting activities
6 under this section, except that such amounts
7 shall not exceed \$100,000 per year, 2 percent
8 of the capitalization grants made to the partici-
9 pating entity in a fiscal year, or 1 percent of
10 the value of the entity loan fund, whichever
11 amount is greatest, plus the amount of any fees
12 collected by the entity for such purpose regard-
13 less of the source; and

14 “(D) to earn interest on the entity loan
15 fund.

16 “(2) PROHIBITION ON DETERMINATION THAT
17 LOAN IS A DUPLICATION.—In carrying out this sec-
18 tion, Administrator may not determine that a loan
19 is a duplication of assistance or a duplication of pro-
20 grams.

21 “(3) PROJECTS AND ACTIVITIES ELIGIBLE FOR
22 ASSISTANCE.—Except as provided in this subsection,
23 a participating entity may use funds in the entity
24 loan fund to provide financial assistance for projects

1 or activities that mitigate the impacts of hazards, in-
2 cluding—

3 “(A) drought and prolonged episodes of in-
4 tense heat;

5 “(B) severe storms, including tornados,
6 wind storms, cyclones, and severe winter
7 storms;

8 “(C) wildfires;

9 “(D) earthquakes;

10 “(E) flooding;

11 “(F) storm surges;

12 “(G) chemical spills that present an immi-
13 nent threat to life and property;

14 “(H) seepage resulting from chemical spills
15 and flooding; and

16 “(I) any catastrophic event that the entity
17 determines appropriate.

18 “(4) ZONING AND LAND USE PLANNING
19 CHANGES.—A participating entity may use not more
20 than 10 percent of a capitalization grant under this
21 section for zoning and land use planning changes fo-
22 cused on—

23 “(A) the development and improvement of
24 zoning and land use codes that incentivize and
25 encourage low-impact development, resilient

1 wildland-urban interface land management and
2 development, natural infrastructure, green
3 stormwater management, conservation areas
4 adjacent to floodplains, implementation of wa-
5 tershed or greenway master plans, and re-
6 connection of floodplains;

7 “(B) the study and creation of agricultural
8 risk compensation districts where there is a de-
9 sire to remove or set-back levees protecting
10 highly developed agricultural land to mitigate
11 for flooding, allowing agricultural producers to
12 receive compensation for assuming greater flood
13 risk that would alleviate flood exposure to popu-
14 lations centers and areas with critical national
15 infrastructure;

16 “(C) the study and creation of land use in-
17 centives that reward developers for greater reli-
18 ance on low impact development stormwater
19 best management practices, exchange density
20 increases for increased open space and improve-
21 ment of neighborhood catch basins to mitigate
22 urban flooding, reward developers for including
23 and augmenting natural infrastructure adjacent
24 to and around building projects without reliance

1 on increased sprawl, and reward developers for
2 addressing wildfire ignition; and

3 “(D) the study and creation of an erosion
4 response plan that accommodates river, lake,
5 forest, plains, and ocean shoreline retreating or
6 bluff stabilization due to increased flooding and
7 disaster impacts.

8 “(5) ESTABLISHING AND CARRYING OUT
9 BUILDING CODE ENFORCEMENT.—A participating
10 entity may use capitalization grants under this sec-
11 tion for establishing and carrying out the latest pub-
12 lished editions of relevant building codes, specifica-
13 tions, and standards for the purpose of protecting
14 the health, safety, and general welfare of the build-
15 ings users against disasters.

16 “(6) ADMINISTRATIVE AND TECHNICAL
17 COSTS.—For each fiscal year, a participating entity
18 may use the amount described in paragraph (1)(C)
19 to—

20 “(A) pay the reasonable costs of admin-
21 istering the programs under this section, includ-
22 ing the cost of establishing an entity loan fund;

23 “(B) provide technical assistance to recipi-
24 ents of financial assistance from the entity loan
25 fund, on the condition that such technical as-

1 sistance does not exceed 5 percent of the cap-
2 italization grant made to such entity.

3 “(7) LIMITATION FOR SINGLE PROJECTS.—A
4 participating entity may not provide an amount
5 equal to or more than \$5,000,000 to a single hazard
6 mitigation project.

7 “(g) INTENDED USE PLANS.—

8 “(1) IN GENERAL.—After providing for public
9 comment and review, and consultation with appro-
10 priate agencies in an entity, Federal agencies, and
11 interest groups, each participating entity shall annu-
12 ally prepare and submit to the Administrator a plan
13 identifying the intended uses of the entity loan fund.

14 “(2) CONTENTS OF PLAN.—An entity intended
15 use plan prepared under paragraph (1) shall in-
16 clude—

17 “(A) the integration of entity planning ef-
18 forts, including entity hazard mitigation plans
19 and other programs and initiatives relating to
20 mitigation of major disasters carried out by
21 such entity;

22 “(B) an explanation of the mitigation and
23 resiliency benefits the entity intends to achieve
24 by—

1 “(i) reducing future damage and loss
2 associated with hazards;

3 “(ii) reducing the number of severe
4 repetitive loss structures and repetitive loss
5 structures in the entity;

6 “(iii) decreasing the number of insur-
7 ance claims in the entity from injuries re-
8 sulting from major disasters or other haz-
9 ards; and

10 “(iv) increasing the rating under the
11 community rating system under section
12 1315(b) of the Housing and Urban Devel-
13 opment Act of 1968 (42 U.S.C. 4022(b))
14 for communities in the entity;

15 “(C) information on the availability of, and
16 application process for, financial assistance
17 from the entity loan fund of such entity;

18 “(D) the criteria and methods established
19 for the distribution of funds;

20 “(E) the amount of financial assistance
21 that the entity anticipates apportioning;

22 “(F) the expected terms of the assistance
23 provided from the entity loan fund; and

1 “(G) a description of the financial status
2 of the entity loan fund, including short-term
3 and long-term goals for the fund.

4 “(h) AUDITS, REPORTS, PUBLICATIONS, AND OVER-
5 SIGHT.—

6 “(1) BIENNIAL ENTITY AUDIT AND REPORT.—
7 Beginning not later than the last day of the second
8 fiscal year after the receipt of payments under this
9 section, and biennially thereafter, any participating
10 entity shall—

11 “(A) conduct an audit of such fund estab-
12 lished under subsection (b); and

13 “(B) provide to the Administrator a report
14 including—

15 “(i) the result of any such audit; and

16 “(ii) a review of the effectiveness of
17 the entity loan fund of the entity with re-
18 spect to meeting the goals and intended
19 benefits described in the intended use plan
20 submitted by the entity under subsection
21 (f).

22 “(2) PUBLICATION.—A participating entity
23 shall publish and periodically update information
24 about all projects receiving funding from the entity
25 loan fund of such entity, including—

1 “(A) the location of the project;

2 “(B) the type and amount of assistance
3 provided from the entity loan fund;

4 “(C) the expected funding schedule; and

5 “(D) the anticipated date of completion of
6 the project.

7 “(3) OVERSIGHT.—

8 “(A) IN GENERAL.—The Administrator
9 shall, at least every 4 years, conduct reviews
10 and audits as may be determined necessary or
11 appropriate by the Administrator to carry out
12 the objectives of this section and determine the
13 effectiveness of the fund in reducing hazard
14 risk.

15 “(B) GAO REQUIREMENTS.—The entity
16 shall conduct audits under paragraph (1) in ac-
17 cordance with the auditing procedures of the
18 Government Accountability Office, including
19 chapter 75 of title 31.

20 “(C) RECOMMENDATIONS BY ADMINIS-
21 TRATOR.—The Administrator may at any time
22 make recommendations for or require specific
23 changes to an entity’s loan fund in order to im-
24 prove the effectiveness of the fund.

1 “(i) REGULATIONS OR GUIDANCE.—The Adminis-
2 trator shall issue such regulations or guidance as are nec-
3 essary to—

4 “(1) ensure that each participating entity uses
5 funds as efficiently as possible; and

6 “(2) reduce waste, fraud, and abuse to the
7 maximum extent possible.

8 “(j) DEFINITIONS.—In this section, the following
9 definitions apply:

10 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
11 tity’ means any State of the United States and an
12 Indian tribal government as defined in section 102
13 of this Act (42 U.S.C. 5122).

14 “(2) HAZARD MITIGATION PLAN.—The term
15 ‘hazard mitigation plan’ means a mitigation plan
16 submitted under section 322 and approved by the
17 Administrator.

18 “(3) INSULAR AREA.—The term ‘insular area’
19 means Guam, American Samoa, the Commonwealth
20 of the Northern Mariana Islands, and the United
21 States Virgin Islands.

22 “(4) LOW-INCOME GEOGRAPHIC AREA.—The
23 term ‘low-income geographic area’ means an area
24 described in paragraph (1) or (2) of section 301(a)

1 of the Public Works and Economic Development Act
2 of 1965 (42 U.S.C. 3161(a)).

3 “(5) PARTICIPATING ENTITY.—The term ‘par-
4 ticipating entity’ means an eligible entity that has
5 entered into an agreement under this section.

6 “(6) REPETITIVE LOSS STRUCTURE.—The term
7 ‘repetitive loss structure’ has the meaning given the
8 term in section 1370 of the National Flood Insur-
9 ance Act (42 U.S.C. 4121).

10 “(7) SEVERE REPETITIVE LOSS STRUCTURE.—
11 The term ‘severe repetitive loss structure’ has the
12 meaning given the term in section 1366(h) of the
13 National Flood Insurance Act (42 U.S.C. 4104c(h)).

14 “(8) WILDLAND-URBAN INTERFACE.—The term
15 ‘wildland-urban interface’ has the meaning given the
16 term in section 101 of the Healthy Forests Restora-
17 tion Act of 2003 (16 U.S.C. 6511).

18 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated \$100,000,000 for each
20 of fiscal years 2020 and 2021.”.

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