

Flood Recovery Check In November 14, 2023

State Emergency Operations Center
1-800-347-0488
or
802-244-8721
www.vermont.gov/flood



Public Assistance - Ben Rose

- DR-4720 July 7-21, 2023 **AND** DR-4744 August 3-5, 2023
 - DR-4720: 210 applicants
 - DR-4744: 13 applicants
- Applications for both disasters are now closed



Public Assistance - Ben Rose

- 95% of Exploratory Calls completed
- 92% of Recovery Scoping Meetings completed
- Damage Inventories (Dis) due 60 days from Recovery Scoping Meeting, then they get “locked”
- Most Dis are now locked



Public Assistance - Ben Rose

- \$235M+ already identified in Damage Inventories (with some big ones including VT Dept. of Buildings and General Services [BGS] still not completed)
- More than double the State's threshold of \$111M+ to request 90% federal cost share (at President's discretion)
- *We anticipate* eventual federal cost share of 90%



Public Assistance - Ben Rose

Prior to issuing a subgrant agreement, a municipality must:

- Complete the [DPS Risk Assessment Survey](#).
- Have a written Purchasing Policy/Procedure.
- Have a written Conflict of Interest Policy.
- Have an active registration at [SAM.gov](#).
- Not appear on the federal list for suspension or debarment ([SAM.gov](#))
- Not appear on the DPS Restricted Parties List (would be on here if delinquent on Subrecipient Annual Report submission or noncompliant with a monitoring review done by DPS Audit Team).
- Be current (not delinquent) on submitting [Subrecipient Annual Report \(SAR\)](#).
- Have a Certificate of Insurance listing Public Safety as a party of interest/certificate holder.



Public Assistance - Ben Rose

Public Assistance questions or concerns?

ADM.2023floods@vermont.gov



Next Meeting:

Tuesday, December 12th, 1:00 PM

More details will follow and be posted on VLCT's Flood Recovery page and Training & Events Calendar page:

<https://www.vlct.org/flood-recovery>

&

<https://www.vlct.org/training-events-calendar>



What is a Community Disaster Loan?

The CDL Program provides money to help local governments remain operating after being impacted by a major disaster.

- ✓ Substantial loss in revenues
- ✓ Loss is related to major disaster
- ✓ Loss affects levels and/or categories of essential governmental services provided prior to the disaster
- ✓ Demonstrated need for federal assistance



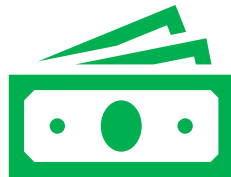
417 The Stafford Act

Authorizes FEMA to provide direct loans to **local governments** who have suffered a substantial loss as a result of a major presidentially-**declared disaster** and which can **demonstrate a need** for Federal financial assistance in order to perform its **governmental functions**.

CDL Regulations : 44 Code of Federal Regulations (CFR) Subpart K
Section 206.360-206.367



FEMA



Terms & Deadline

Duration: 5-year term

Due upon maturity

Interest rate based on U.S. Treasury's 5-year maturity Yield Curve Rate on date FEMA signs Promissory Note

FEMA can sign a CDL up until the last day of the applicant's fiscal year following the fiscal year of the disaster

How can the loaned money be used?

Can be used on:

- Existing local operational needs
- Expand such functions to meet disaster-related needs



How can the loaned money be used?

Cannot be used on:

- Finance capital improvements
- Repair or restore damaged public facilities
- Pay for non-Federal cost shares or debt service



Eligibility and loan size

Eligibility is based on **revenue losses** caused by the disaster.

- ✓ **>5% revenue loss** on the fiscal year of the disaster or the fiscal year immediately following

How much  ? Lesser of:

- Projected losses for 4 fiscal years; or,
- 25% of operating expenditures in budget for FY of disaster; or,
- \$5 million



CDL Application Process (in a)



CDL Roadmap (Example)

- State requests activation
- Program details call
- Gather documentation required for analysis
- FEMA completes analysis, prepares paperwork for formal application, and provides forms to applicant
- Formal application (~2-4 months after analysis)
 - Applicant
 - Applicant's Governing Body for Resolution – approval to go into loan
 - Collateral Security Agreement – pledge of future revenues
 - State of Vermont is not co-signing loans
 - GAR Recommendation
 - FEMA Regional Office for Administrator recommendation
 - FEMA Headquarters – signs loan

Maintenance, Validation & Cancellation

Yearly request for Audited Financial Statements & Revenue and Expenditure breakdown

Validation of uses of funds through G/L plus supporting reports

Post-disaster 3-year cumulative financial condition

- No cancellation
- Partial cancellation
- Full cancellation

Thank You!

Email us at: FEMA-Recovery-PA-CDL@fema.dhs.gov and copy:



Martha Castro

FEMA CDL Program Manager

Martha.Castro@fema.dhs.gov

Phone: 202.701.4023

Leanne Anderson

FEMA CDL TAC Analyst

Leanne.Anderson@associates.fema.dhs.gov

Phone: 308.660.4704



Vermont
Bond Bank



PROPOSED MUNICIPAL CLIMATE RECOVERY FUND

November 14, 2023

Background

- The Bond Bank applied the 10% in Vermont Program for medium term financing to capitalize the Municipal Climate Recovery Fund (“MCRF”) that will reduce borrowing costs associated with flood recovery while ensuring financial flexibility to build back smarter
- Vermont banks can deploy short-term capital quickly and effectively but in the current environment are subject to conditions that result in high borrowing costs for the medium term
- The Bond Bank is uniquely able to facilitate the MCRF given our close relationships with Vermont municipalities and observations after Tropical Storm Irene. As late as 2020, the Bond Bank observed three flood-impacted towns that had negative fund balances (meaning reduced financial resources) that stemmed from unreimbursed FEMA recovery costs
- The lesson from this period was that municipalities need structured and medium-term financing in responding to disaster recovery
- Local Advisory Investment Committee that informs Treasurer’s decision expected to take place on November 16th

Proposed Terms

Preliminary MCRF Terms and Conditions (Subject to Change)	
Amount	Minimum \$100 thousand; maximum TBD; all loans subject to availability and credit review
Term	7 years
Amortization	5 years
Interest Rate	~1.30% or interest rate of 10% in VT loan
Closing Costs	\$1,000
Payment Dates	Semi-annual - December 1 and June 1
Prepayment	At any time with no penalty
Flow of Funds	Pay-off of bank and/or interfund loans; direct expense reimbursement considered upon request
Eligible Uses via Reimbursement	Costs eligible for FEMA Public Assistance Grant Funding, own source revenue loss up to 10% of prior fiscal year, and planning and initial rebuilding of flood impacted infrastructure
Closing Date	TBD
Security	General obligation
Legal	Local bond counsel opinion
Covenants	Quarterly reporting on FEMA reimbursement timeline; annual financial audit; FEMA reimbursement must be used to pay off loan (or pro rata portion thereof)

Proposed Allocation Methodology

- Open application period with deadline TBD in 2023
- Loan amounts sized based on credit review and underwriting
- All else equal, allocation of loan funds will be ranked based on following formula:

$$\text{Disaster Impact Ratio} = \frac{(\text{Documented losses} - \text{expected insurance payouts} + \text{own source revenue loss})}{\text{Prior year operating expenses}}$$



Vermont Bond Bank

Michael Gaughan
Executive Director

P: 802-861-0073
E: michael@
vtbondbank.org

Elizabeth King
Controller

P: 802-861-0075
E: elizabeth@
vtbondbank.org

Ken Linge
Loan Officer

P: 802-861-0074
E:
ken@vtbondbank.org

vtbondbank.org