Virginia Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund Program Intended Use Plan

DCR VRA Virginia Resources Authority

Safeguarding Tomorrow Revolving Loan Fund
Intended Use Plan
Resilient Virginia Revolving Loan Fund

Contents

I. Introduction

1.1. Status of the Virginia Safeguarding Tomorrow through On-going Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF)

Provide information about the following items:

- *Summary of Intended Use Plan Purpose, including the fiscal year it covers.*

  The Virginia Intended Use Plan (VIUP) provides information to potential loan recipients and other interested parties about goals for the Resilient Virginia Revolving Loan Fund (RVRLF), an overview of eligible project types, the criteria for the distribution of loans, and the process for management of the loan fund. The VIUP is effective for Federal Fiscal Year 2024 Safeguarding Tomorrow Revolving Loan Fund (STRLF) Program.

  The RVRLF was established in 2022 by the General Assembly of Virginia: §§ 62.1-199 and 62.1-203 of the Code of Virginia were amended and reenacted and Chapter 6 of Title 10.1 10.1-603.28 through 10.1-603.40 of the Code of Virginia was amended.

  The RVRLF will provide funding for the following:

  (i) home upgrades for resilience purposes, home buyouts necessary for the construction of mitigation or resilience projects, relocations, and buyout assistance for homes, all including multifamily units;

  (ii) gap funding related to buyouts in order to move residents out of floodplain hazard areas and restore or enhance the natural flood mitigation capacity of functioning floodplains;

  (iii) assistance to low-income and moderate-income homeowners to help lower flood risk through structural and nonstructural mitigation projects, or other means;

  (iv) loans and grants to persons for hazard mitigation and infrastructure improvement projects for resilience purposes; and

  (v) projects identified in the Virginia Flood Protection Master Plan or the Virginia Coastal Resilience Master Plan.

  All projects, regardless of funding sources, will meet the eligibility requirements of the RVRLF.

- *Entity agency responsible for emergency management and oversight and management of the fund program.*

Title 44. Military and Emergency Laws » Chapter 3.2. Emergency Services and Disaster Law » § 44-146.18. Department of Emergency Management; administration and operational control; coordinator and other personnel; powers and duties establish the Department of Emergency Management as the agency responsible for emergency management in the commonwealth of Virginia. The Virginia Department of Emergency Management (VDEM) is hereafter designated as the Entity for the purposes of this VIUP and will have programmatic oversight for administering the fund.

- *Body in charge of financial management and administration of the fund (if financial administration is combined as described in Section 4 – Financial Management).*

  Virginia Resources Authority (VRA), established in 1984 as a public body corporate and as a political subdivision of the Commonwealth of Virginia (Chapter 21 of Title 62.1 of the Code of Virginia, as amended), will be responsible for certain financial aspects of the Fund.

  Pursuant to § 10.1-603.29. Resilient Virginia Revolving Fund. The Fund shall be administered and managed by the Authority as prescribed in this article, subject to the right of the Department of Conservation and Recreation (DCR), following consultation with the Authority, to direct the distribution of loans or grants from the Fund.

- *Any other entity, agency or other party involved in managing the fund.*

  VDEM in coordination with DCR and VRA, will have collaborative financial administration of the fund for projects specifically funded through STRLF funds.

1.2. Updates for Fiscal Year 2023 Safeguarding Tomorrow RLF

Note: If this is the first Intended Use Plan prepared by the entity, this section is not necessary.

Provide information that addresses the following prompts:

Virginia has one pending project for FY23 STORM, City of Portsmouth – Lake Meade Dam Adaptations, however a financial assistance agreement has not been executed.

- *Provide a summary of updates about the fund management that the entity has established.*

- *Provide any information about capacity-building efforts.*

  DCR awarded $6.6 million in capacity building and planning grants this past March to 18 different localities and planning districts from the Virginia Community Flood Preparedness Fund (CFPF), The CFPF has similar objectives to the RVRF. Additionally, 16 grants totaling $9.2 million was awarded for studies. These efforts are expected to result in the development of a project pipeline for the RVRF.

- *Provide updates about the use(s) of funds since the last capitalization grant.*
- *Confirm if there have been any changes to the loan interest rates and explain the reason.*
- *Provide information on any challenges concerning staffing capacity and implementation of the program. Is the entity loan fund adequately staffed and resourced, and contains critical knowledge, to manage the operations and finances of the entity loan fund? If not, please describe staffing/resource/knowledge gaps.*
- *Please provide a narrative description of how the entity loan fund has promoted equity in the administration of funds and implementation of the program. In the narrative consider how the entity loan fund works to:*
    - *Increase outreach*
    - *Increase capacity-building work*
    - *Increase trainings*
    - *Increase meetings*
- *Additionally, please incorporate supporting data from projects/activities that can reinforce the narrative on equity benefits.*

II. Uses of the Virginia Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF)

The following sections allow entities to describe how they plan to use the grant for approved activities for the Safeguarding Tomorrow RLF program. Entities should provide details in the specified sections that apply to how they plan to use funds in their loan fund.

2.1. Virginia Program Objectives

Describe the objectives of the entity loan fund.

- *How will the entity loan fund provide loans to local governments most in need of financing assistance?*

  VDEM recently solicited, reviewed, and supported project applications for the Building Resilient Infrastructure and Communities (BRIC) grant program, and Flood Mitigation Assistance (FMA) grant programs. One of the challenges of these grant programs, is meeting the non-federal cost share. One of the benefits of STRLF, is that it can offset the non-federal cost share of these grant projects. While FEMA will not announce the selected projects until after the application deadline, due to the timeline of the grant application, these will be the project pool considered for funding. VDEM sent out a survey on March 6th to local governments and stakeholders, to get information on interest in the STRLF and if they have the financial capacity to administer and repay any loans received through this program. The survey was sent to 5 localities that submitted BRIC and FMA applications identified with a local cost share of over $500,000. Out of the 5 sub-applicants, 3 indicated interest in applying for STORM. VDEM and DCR reviewed responses, and then prioritized the BRIC and FMA applications based on the most vulnerable communities. Virginia identified 41 communities in 2021 with the highest population vulnerability and flood risk and held sub-regional workshops to help with technical assistance.

- *How will the entity loan fund 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?*

  The STRLF will fund residential elevations, dam adaptation projects, localized flood control projects, and critical infrastructure protection projects. These projects were evaluated for cost effectiveness and are determined to reduce future risk of flooding.

2.2. Virginia Program Goals

VDEM considers the Flood Mitigation Assistance (FMA) and Building Resilient Infrastructure in Communities (BRIC) grant programs to be essential in achieving the long-term goals of reducing risk to life and property in Virginia. Within the state are many localities with on-going challenges relating to consistent flooding events and threats to critical municipality infrastructure. Therefore, funding from these grants is considerably valuable in reducing these challenges and avoiding future losses due to severe storms and other disasters.

2.2.1. Connection to Other Plans and Goals

Describe how the fund will be used in line with existing planning efforts, including the entity's Hazard Mitigation Plans, and other programs and efforts to reduce impacts of major disasters.

The Commonwealth of Virginia Hazard Mitigation Plan (COVHMP) recently went through a revision, has been approved by FEMA, and adopted by the Commonwealth. More specifically, this plan and the mitigation vision, goals, objectives, and actions will continue to be integrated to the maximum extent practical with state plans or programs that have already been determined to be mutually supportive and at a minimum, in need of cross-referencing. These include, but are not limited to, the following:

- Virginia Department of Planning & Budget Six Year Capital Plan
- DCR's Floodplain Management & Dam Safety Programs
- Virginia Dam Safety, Flood Prevention and Protection Assistance Fund
- Virginia Community Flood Preparedness Fund
- Virginia Coastal Resilience Master Plan
- Floodplain Management Plan for the Commonwealth of Virginia, 2022 pending update
- Scenic Rivers Program
- Virginia Outdoors Fund
- Virginia Agricultural Cost Share Program
- Virginia Natural Heritage Karst Program
- Conservation Reserve and Enhancement Program
- Commonwealth of Virginia Emergency Operations Plan, 2021
- VDEM HMA Programs
- VDEM THIRA
- Virginia Energy Plan
- VDEM Continuity of Operations Plan
- Virginia Uniform Statewide Building Code Resiliency Sub-Workgroup
- Hazardous Material Emergency Response Program
- Virginia Weatherization Assistance Program
- Virginia Behavioral Risk Factor Surveillance System
- Virginia Transportation Research Council

- VDOT Office of Transportation Sustainability
- Virginia Property System
- Virginia Coastal Zone Management Program and Coastal Policy Team
- Virginia Drought Monitoring Task Force

2.2.2. Mitigation and Resiliency Goals

Provide information about plans to achieve mitigation and resiliency benefits per 42 U.S.C. Section 5135(g)(2)(B), such as:

- *Reducing future damage and loss associated with hazards.*

  By implementing these projects, Virginia hopes to achieve an overall reduction in risk to future flooding and drought. Flood prevention and protection projects completed as pre-disaster mitigation as well as projects completed post disaster often result in reduced future NFIP flood claims. Mitigation projects that specifically align with FEMA's Risk Rating 2.0 actuarial property assessments may also result in reduced flood insurance premiums for property owners. Many properties mitigated through these programs are also considered severe repetitive loss and repetitive loss structures, and by implementing these projects such as elevations and acquisitions, VDEM hopes to continue to achieve an overall reduction in risk to future flooding impacts as is a goal cited in United States Code Section 5135(g)(2)(B)

- *Reducing the number of severe repetitive loss structures and repetitive loss structures.*

- *Decreasing the number of insurance claims due to injuries resulting from major disasters or other natural hazards.*

  Yes, flood projects should result in the reduce the NFIP flood claims as well as premiums from the property owner.

- *Increasing community ratings under the National Flood Insurance Program's (NFIP) Community Rating System (CRS).*

  The Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management practices that exceed the minimum requirements of the National Flood Insurance Program (NFIP). Virginia has 27 CRS communities. In CRS communities, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community's efforts to reduce and avoid flood damage to insurable property, strengthen and support the insurance aspects of the National Flood Insurance Program and foster comprehensive floodplain management.

  Mitigation actions to reduce flood risk and flood damage may result in increased CRS ratings where communities participate.

2.2.3. Short-Term Entity Safeguarding Tomorrow RLF Goals

Include a list of short-term goals that will guide decisions for the loan fund. Entities may define short-term goals according to their needs or local communities' needs. Short-term goals may include results that can be measured during the Period of Performance.

The following prompts may support creation of short-term goals:

- *How will the entity loan fund support recipients with completing projects?*

  The STRLF will support the non-federal cost share of submitted BRIC and FMA projects OR completely fund a BRIC or FMA project that was not selected by FEMA.

- *How will the entity loan fund efficiently disburse loans to recipients?*

  VDEM, through a grant agreement, will pass through STRLF funds to the VRA to administer loans to the selected approved project(s). VDEM will require DCR to provide documentation of non-federal cost share to VDEM from the RVRF.

- *How will the entity loan fund monitor and assess how the recipient executes the project?*

  As a requirement of the grant agreement with VRA, they will be required to coordinate with DCR and report to VDEM quarterly the status of the project implementation.

- *How will the entity work together with low-income geographic areas and underserved communities? Refer to Appendix D for more information and definitions of these topics.*

  Refer to Appendix D for more information and definitions of these topics. VDEM and DCR will prioritize projects submitted under BRIC and FMA based on low-income and underserved communities. Specifically, the 41 localities identified in the BRIC Health Equity Study in Virginia from 2021.

- *How will the entity identify and arrange projects that achieve program priorities quickly and efficiently?*

  VDEM, in consultation with DCR, will prioritize projects based on eligibility, interest, and financial capacity to administer and repay a loan from the BRIC and FMA application list with the $5.1M minimum in mind. If one of the projects submitted gets selected by FEMA for funding under BRIC and FMA, and the STRLF grant is still below $5.1M, then VDEM and DCR would look to fund the next project on the list. If none of the BRIC and FMA projects are selected by FEMA for further review, VDEM and DCR would prioritize full funding of the highest scoring projects until the $5.1M minimum is met.

2.2.4. Long-Term Entity Safeguarding Tomorrow RLF Goals

Include a list of long-term goals that will guide the decisions for the entity loan fund. Entities may define long-term goals according to their needs or the needs of local communities. Long-term goals may include results that can be measured during the Period of Performance, the advancement of construction and implementation in phasing, coordination with loan recipients, etc.

The following prompts may support creation of long-term goals:

Long Term Goals of the STRLF will be consistent with Goals #1 and #4 in the COVSHMP.

Goal #1 Identify, prioritize and implement projects that will directly reduce impacts from hazards and minimize long-term risk.

Goal #4 Achieve equity in awareness of hazards, their risk, and access to potential mitigation assistance for actions that increase resiliency.

- *How will the entity loan fund be managed to maintain a lasting source of funds?*

  Consistent with the RVRF state legislation of a "permanent and perpetual fund", the state partners will seek quality projects with entities that have the capacity to repay loans. VRA has existing credit underwriting guidelines that will be applied to this program. Like other loan programs, each application is subject to a credit approval prior to execution of a financial assistance agreement to minimize loan losses.

- *What financial metrics will be used to make sure the fund is well-managed and remains continuously effective?*
  - Financial metrics used to ensure the fund is efficiently managed and effective in perpetuity are highlighted below:
  - Asset Perpetuity Test: Total Fund Assets/(Total Cumulative Capitalization – Administrative/TA Costs Reimbursed from Capitalization)
  - Loan loss trends
  - Investment earnings versus appropriate benchmark
  - Available amounts for Administrative Costs versus Administrative Costs necessary to support program
  - Future Lending Capacity

- *How will the entity loan fund continue to select projects effectively and clearly?*

  For projects selected for STRLF, Virginia will continue to review BRIC and FMA applications – as a lot of the technical work has already been done, as a means to leverage STRLF funding. For funded projects, VDEM will issue a press release for transparency.

- *How will the entity work with local communities to ensure a steady flow of eligible projects are submitted and ready for funding?*

  Virginia will continue to solicit projects on a rolling basis for BRIC, FMA, and the Hazard Mitigation Grant Program where there are federal declarations. VDEM will continue to look for opportunities to leverage these grant applications for the STRLF, where the communities have interest and the financial and administrative capacity to repay the loan.

- *How will the entity promote equity for low-income geographic areas and underserved communities throughout the life of the loan fund?*

  VDEM and DCR will prioritize BRIC and FMA project applications and ensure that this is communicated when BRIC and FMA applications are submitted. This may result in local governments that have not historically applied for hazard mitigation funding to become active applicants, which will be a positive outcome.

- *How will the entity use current and future assets and choose local projects in need of funding? What methods will be in place to ensure capitalization grants and revolving income are used effectively?*

  VDEM and DCR will promote the STRLF as a potential cost share for BRIC and FMA in Virginia. VDEM will also emphasize, that revolving income of this grant will be utilized to fund projects in underserved communities in Virginia. The goal would be to see future grant applications from local governments that have not traditionally applied for BRIC and FMA due to the inability to match the funds, but a 1% loan may be more of an attainable goal as BRIC and FMA grant applications require a matching source to be identified.

- *How will the entity ensure that it follows federal program requirements?*

  VDEM will pass-through all federal requirements of the loan fund to VRA, and it will be documented in the grant agreement, which will be signed by both parties.

- *How will the entity support recipients with following federal requirements?*

  VRA's loan documents, as a condition of accepting the grant award from VDEM, will be required to include federal terms and conditions required by the grant.

2.3. Virginia Program Priorities

Complete the following sections using information about the development of your Project Proposal List.

2.3.1. Increase Resilience and Reduce Risk

How will the entity loan fund support projects that increase resilience and reduce risk of harm to natural and built infrastructures? The following subsections offer potential actions to increase resilience and reduce risk.

Since VDEM and DCR will be utilizing the annual BRIC and FMA applications pool to evaluate potential projects for funding from the STRLF, in full, or partially, the projects are already tied to a risk of a natural hazard inherently by the program requirements.

Provide information that addresses the following prompts, as applicable:

2.3.1.1. HAZARD MITIGATION

- *How will the entity award loans to support hazard mitigation planning?*

  This loan fund will not be utilized to support hazard mitigation planning efforts, VDEM has prioritized HMGP and BRIC to fund plan updates.

- *How will the loan fund be used to support local hazard mitigation activities that reduce the impacts of natural hazards? Include which hazards the entity plans to address. Eligible natural hazards may include:*
  - *Drought,*
  - *Extreme heat,*
  - *Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms,*
  - *Wildfires,*
  - *Earthquakes,*
  - *Flooding, including the construction, repair, or replacement of a non-federal levee or other flood control structure,*

- *Shoreline erosion,*
- *High water levels, and*
- *Storm surges.*

Eligible natural hazards mitigated may include: Drought and prolonged episodes of intense heat, Severe storms, including hurricanes, tornadoes, windstorms, cyclones, and severe winter storms, Wildfires, Earthquakes, Flooding, including the construction, repair, or replacement of a nonfederal levee or other flood control structure, Shoreline erosion, High water levels, Storm surges.

By adopting a strategy to consider BRIC and FMA application pool to pull applications for STRLF, Virginia will be meet this requirement.

2.3.1.2. ZONING AND LAND USE PLANNING

If the loan fund will include projects for zoning and land-use planning, provide information that addresses the following prompt:

- *How will the entity loan fund be used to carry out zoning and land-use planning changes? The following bullets display approved zoning and land use activities.*

  Virginia will not be using SRLF for zoning and land use planning projects.

2.3.1.3. BUILDING CODE ADOPTION AND ENFORCEMENT

If the fund will be used to support building code adoption and enforcement, provide information that addresses the following prompt:

- *How will the entity loan fund be used to support building code adoption and enforcement?*

  Virginia will not be using STRLF for the adoption or enforcement of building codes.

2.3.1.4. COST SHARE

An entity loan fund may provide a loan to a local government for its non-federal cost share requirement of a grant under one of FEMA's Hazard Mitigation Assistance (HMA) grant programs if the use follows all relevant program and legal requirements. An applicant should list any potential projects, where a loan may be used for this purpose, in the Project Proposal List submitted with its 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. Local governments interested in using loan funding as matching funds for a HMA grant should work with the applying entity to understand funding priorities, ensure the project is captured in the entity's Intended Use Plan and Project Proposal List, and to position loan funding with project and grant timelines. There is no limit to the percentage of grant funds that can be used for this purpose by loan recipients.

If it applies, provide information that addresses the following prompts:

- *How will the entity loan fund be used to support loan recipients paying the cost share for federal and non-federal grants?*

  STRLF funds in the RVRF will be specifically targeted to HMA and BRIC grant recipients. $5M from the RVRL has been set aside for match for funds awarded through STRLF funds.

- *What is(are) the name(s) of the other grant program(s) for which the loans will provide matching funds?*

  BRIC and FMA

2.3.2. Partnerships

How will the entity loan fund include partnerships between eligible entities to carry out a project or similar projects?

VDEM will work in partnership with DCR and VRA to administer various aspects of the STLRF. VDEM will administer the programmatic aspects of the STLRF including soliciting applications, reporting to FEMA, monitoring projects and certifying projects for completion and payment. DCR will help prioritize applications for funding and DCR and VRA will participate in the financial review and administration of the STLRF.

Note: This text can be similar to Question 17 in the grant application form but allows room for entities to fully describe their priorities in more detail and provide this information for public comment.

2.3.3. Regional Impacts

How will the entity loan fund support projects that consider regional impacts of hazards on river basins, river corridors, micro-watersheds, macro-watersheds, estuaries, lakes, bays, coastal regions, wildland-urban interfaces, and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires?

Many localities in Virginia have a water body as a geographical boarder. In some instances, population centers sit on these areas. The focus of the STRLF is to reduce risk on vulnerable populations, so if there is a region that has a mutual benefit – VDEM would coordinate with them on the most appropriate applicant, depending on financial and administrative capability to repay the loan. Planning District Commissions have been valuable partners in the past in applying for regional projects. VDEM has seven regional offices that can help promote the program at regional meetings.

Note: This text can be similar to Question 18 in the grant application form but allows room for entities to fully describe their priorities in more detail and provide this information for public comment.

2.3.4. Major Economic Sectors and National Infrastructure

How will the loan fund help projects that make key economic sectors and critical national infrastructure more resilient? This includes areas like ports, power and water facilities, essential bridges and waterways for interstate commerce and global commodity supply chain assets located within the entity's jurisdiction. Reference FEMA's Community Lifelines Resources to inform the content.

BRIC and FMA grant programs support these same goals. VDEM and DCR will promote the protection of infrastructure, and utilization of this grant program to offset the cost share of these costly projects.

Note: This text can be similar to Question 19 in the grant application form but allows room for entities to fully describe their priorities in more detail and provide this information for public comment.

III. Criteria and Method for Distribution of Funds

3.1. Loan Management Information

Provide the following information:

- *Does the loan fund currently contain funds that are available to be disbursed as loans?*

  Not including the expected 2023 STRLF capitalization grant, RVRF has funds to disburse as loans from two state appropriations.

- *What is the loan application process for financial assistance from the loan fund?*

  BRIC and HMA applicants are surveyed for interest in funding from the RVRF. Additional information is submitted in an application upon confirmation of an STRLF capitalization grant and amount. DCR will review applications for completeness prior to input from an advisory review committee. Following final acceptance and approval by DCR, VRA will execute a financial assistance agreement.

- *How will the entity use financial planning to ensure funding is available in the future?*

  VRA utilizes cash flow modeling to measure asset perpetuity and the capacity for existing revolving loan programs. The information for all existing loans serves as a base. Assumptions for other variables, such as, terms, rates, future capitalization grants, state appropriations, earnings and bond issuances enable scenario analysis. See Appendix A for an example of cash flow modeling.

- *What are the short-, medium-, and long-term financial projections for the fund?*

Note: If available, provide a detailed loan application process and/or financial planning method and supporting materials in Appendix A; include a reference in your explanation above.

3.2. Criteria and Method for Loan Distribution

Provide the following information:

- What are the criteria and methods for disbursing funds to loan recipients? The following prompts may support defining criteria and methods.
  - *How will the entity determine if loan applicants have the required skills and resources to meet requirements?*

Potential applicants are screened during the HMA and BRIC grant application process.

- *How will the entity loan fund target funding for low-income geographic areas and underserved communities? How will interest rates vary?*

  VDEM's initial solicitation of projects included 41 identified equity communities where underserved and populations were identified. VDEM and DCR will prioritize funding to these underserved localities. Loans for Low-Income Geographic Areas or Underserved Communities terms will be made at an interest rate of 1.00% with an administrative fee of 0.20% for a 30-year or less term after project completion and not longer than the expected design life of the project. Such loans will be appropriately secured by a general obligation pledge, certain revenues, or an annual appropriation.

- *How will the entity determine different types of assistance and interest rates for loan applicants based on their needs?*

Note: If applicable, provide a complete loan distribution procedure in Appendix B.

3.2.1. Creating a Project Proposal List

Entities are required to provide a list of project proposals that include local government hazard mitigation projects per 42 U.S.C. Section 5135(b)(1)(A). These lists should be prioritized to identify how the entity will use the capitalization grant funds.

Applicant Name	Application Title	Amount	Federal Share Amount	Local Share Amount	Local Share %	Interested in RLF	RLF Capability	Top 40 Equity Locality
Rivanna Water and Sewer Authority	Rivanna Water and Sewer Authority (RWSA) S. Rivanna Reservoir to Ragged Mountain Reservoir Water Pipeline Multi-Hazard Resilience Project	$76,103,336.25	$50,000,000.00	$26,103,336.25	34.30%	YES	YES	NO
Greene County	White Run Reservoir Project	$31,248,000.00	$23,436,000.00	$ 7,812,000.00	25.00%	YES	YES	NO
Hampton Roads Sanitation District	HRSD – Dozier's Corner Pump Station and Washington District Pump Station Resiliency Improvements	$25,318,172.00	$18,988,629.00	$ 6,329,546.00	25.00%	YES	YES	YES

Provide confirmation that the entity submitted a Project Proposal List with the grant application.

Note: FEMA offers a Project Proposal List template spreadsheet to support the entity with drafting.

3.2.1.1. PRIORITIZATION METHODOLOGY

Provide a summary of the methodology the entity used to prioritize projects in the Project Proposal Lists. FEMA recommends creating a ranking system to determine the priority order of projects to be funded. Categories for ranking may include, but are not limited to:

- Duration of a project (multi-year vs. annual),
- Population served,
- Projects aligned with the statutory objectives,
- Projects aligned with the Hazard Mitigation Plan,
- Readiness to proceed, and
- Projects that promote equity objectives.

Virginia looked at three criteria to prioritize projects.

- Were BRIC and FMA applicants interested the STRLF (based on survey)
- Did applicants have the financial and administrative capabilities to track and repay a loan (based on survey)
- Were applicants one of the 41 local governments identified in 2021 by VDEM as having the highest population vulnerability and flood risk?
- Including projects that less than $5.1M up until $5.1M was reached.

Ranking system for prioritization in Appendix C.

Note: Provide a complete ranking system for prioritization in Appendix C.

3.2.1.2. TIE-BREAKING PROCEDURE

- Provide information about how the entity will determine which project to select if the projects have equal scores.

Determining factor will be based on the social vulnerability of the locality.

IV. Financial Management

4.1. Financial Status of the Virginia Safeguarding Tomorrow RLF

If the entity intends to combine the financial administration of the loan fund with the financial administration of another revolving loan fund established by the entity and not associated with the Safeguarding Tomorrow RLF program, provide the following:

- *Provide the name of the agency handling the program's finances and explain the entity's role in managing the financial side of the program.*

  The RVRF will be used to pay the administrative costs of VDEM, DCR, and VRA for establishing and implementing the RVRF. In the event the capitalization grant is not sufficient, RVRLF has additional state appropriations to supplement allowable administrative and technical assistance costs. Given the effort to establish a start-up fund, the maximum allowable of the greater of $100,000 or 2 percent of the inaugural capitalization grant is anticipated. An annual 0.20% administration fee for each loan is planned for ongoing loan servicing and compliance monitoring.

  As a start-up fund, technical assistance to various stakeholders will be necessary and the full 5 percent is anticipated to be used to support these efforts. Technical assistance will include outreach and application and project support.

- *Describe how the entity will separately account for the following: the capitalization grant, entity share, repayment of loans, and interest earned on amounts in the entity loan funds.*

  In addition to managing a municipal pooled financing program, VRA serves as the financial administrator for a number of federal and state capitalized funds, including the Clean Water and Drinking Water State Revolving Funds. VRA maintains separate cash or investment accounts for each program. The existing loan and grant tracking software allows for program level and funding source tracking. Financial statements for each fund is available in VRA's Annual Comprehensive Financial Report. Several programs have sub-accounts for additional accounting detail as needed.

- *Describe how the emergency management agency will keep control over assistance priorities and oversight activities.*

  VDEM will participate in establishing the project priority scoring, application review, and advisory panel for financial assistance awards. VDEM currently serves on the state Resiliency Coordination Working Group and remains engaged and aware of state resiliency collaboration efforts.

- *Provide the name of any other revolving loan fund(s) with that will be combined with the entity's loan fund under this program for the purpose of financial management.*

  Financial administration for STRLF funds, federal and state match, will be managed with the Resilient Virginia Revolving Fund (RVRF) (§ 10.1-603.29, Code of Virginia). RVRLF is a new fund created by the Virginia General Assembly in 2022 with an initial capitalization of $25 million. A subsequent appropriation of $100 million was made in 2023.

- *How will the entity loan fund be used to pay the administrative costs for starting the loan fund and operating it, as per 42 U.S.C. Section 5135(f)(6)(A)?*

  Administrative costs of VDEM, DCR, and VRA will be paid from the fund in accordance with a cost allocation plan and separate from other amounts in the fund.

- *What percentage of funding for this fiscal year is expected to be used for administrative costs?*

  The maximum amount allowed per the NOFO, $100,000.

4.1.1 Address the Financial Status of the Entity Loan Fund

This information is required for the previous and current fiscal years if the information is available. For new applicants, this information is NOT required. FEMA suggests making a table using the following prompts:

Financial administration for STRLF funds, federal and state match, will be managed with the Resilient Virginia Revolving Fund (RVRF) (§ 10.1-603.29, Code of Virginia). RVRF was established in fiscal year 2022 and capitalized with an initial state appropriation of $25 million. $5 million of the initial state appropriation will be set aside to be used to meet the state 10% cost-share requirement of the Safeguarding Tomorrow RLF Program (STRLF). An additional $100 million was appropriated in fiscal year 2024. While not anticipated in the early implementation of the RVRF, VRA can issue bonds to leverage the portfolio to increase capacity VRA will track federally funded STRLF projects and state-only funded RVRF projects. As of December 31, 2022, RVRF earned $334,751 on the initial capitalization. No loans or grants have been awarded to date.

4.1.1.1. FUND SOURCES:

STRFL Subaccount of RVRF		
Sources	***Previous Fiscal Year***	***Current Fiscal Year***
▪ FEMA Capitalization Grant	$6,122,222	Not known
▪ Commonwealth Match	$612,222	$4,387,777 available
▪ Total:	$6,734,444	$4,387,777
Uses	Previous Fiscal Year	Current Fiscal Year
▪ Pending Loan Agreements	$6,634,444	21,938,885
▪ Administrative Costs	$100,000	$250,000
▪ Total:	$6,734,444	$22,188,885

- *What are the sources of the funds in the entity loan fund? This includes the capitalization grant, entity match, bonds, loan repayments, interest repayments, and investment earnings.*
- *How are the funds in the entity loan fund used? This covers administrative expenses, transfers, capital projects, and bond debt service.*
- *If it applies, include details about any loan refinancing activity.*

4.1.1.2. FOR THE CURRENT FISCAL YEAR:

- *Where are the sources of the funds in the entity loan fund? This includes the capitalization grant, entity match, bonds, loan repayments, interest repayments, and investment earnings.*
- *How are the funds in the entity loan fund used? This covers administrative expenses, transfers, capital projects, and bond debt service.*
- *If it applies, include details about any loan refinancing activity.*

Table 2: Example Sources Table

See table listed above.

Table 3: Example Uses Table

4.2. Financial Terms of Loans

Financial terms of loans have limits set by statute. The requirements are as follows:

- *Interest rates cannot exceed 1% but can be lower.*

- *Annual principal and interest payments from the borrower must start no later than one year after the project is completed. The entity has the option to begin payments earlier.*

  Standard loans must be repaid within 20 years of project completion. Loans to low-income geographic areas must be repaid within 30 years of project completion. This is the longest period allowed for repayment; entities can choose to have borrowers fully repay the loans earlier than this timeframe.

- *All loans should be repaid before the project's design life ends.*

- *Borrowers must identify a specific revenue source to repay the loan.*

- *Borrowers must have a FEMA approved Hazard Mitigation Plan.*

- *All payments made by borrowers for both principal and interest must be deposited into the entity loan fund.*

Entities should also describe if they intend to collect fees, how they will be collected, where they will be deposited, and its intended use.

4.2.1. Standard Loans

Provide information on standard loan terms using the loan term limits in 4.2 and the following prompts:

- *How will the fund set terms for standard loans?*

  Standard loan terms will be made at an interest rate of 1.00% with an administrative fee of 0.20% for a 20-year or less term after project completion. Such loans will be appropriately secured by a general obligation pledge, certain revenues, or an annual appropriation. Repayments are expected to be scheduled with level debt service. All loans are subject to a credit review and due diligence by VRA using adopted underwriting criteria.

- *What will interest rates be?*

- *What is the expected repayment timeline?*

- *How will the entity confirm that borrowers have or will establish a dedicated source of revenue?*

4.2.2. Loans for Low-Income Geographic Areas or Underserved Communities

Provide information about loan terms for communities that are categorized as low-income geographic areas or underserved using the loan term limits in 4.2 and the following prompts:

- *How will the entity revolving loan fund set terms for loans to low-income geographic areas or underserved communities?*

  Loans for Low-Income Geographic Areas or Underserved Communities terms will be made at an interest rate of 1.00% with an administrative fee of 0.20% for a 30-year or less term after project completion and not longer than the expected design life of the project. Such loans will be appropriately secured by a general obligation pledge, certain revenues, or an annual appropriation.

- *What will interest rates be?*
- *What is the expected repayment timeline?*
- *How will the entity check that borrowers have or will identify a dedicated revenue source for repayment?*

4.3. Loan Disbursements

Provide information on the following prompts.

- *How much of the fund does the entity plan to use as loans for fiscal year 2024?*

  Based on funding demand for Virginia's Community Flood Preparedness Fund with similar project eligibility and the projects listed in the 2021 Virginia Coastal Resilience Master Plan, RVRF expects to disburse $25 million in loans for fiscal year 2024.

- *What is the funds utilization goal?*
  - *The utilization goal measures how loan funds effectively disburse loans. The calculation is cumulative assets divided by cumulative funds available for projects. Entities establish a target measure that best aligns with their specific needs. FEMA suggests aiming for a pace level around or above 100%. If entities are falling behind or experiencing a decline, they should review loan policies, procedures, and outreach. Pace levels exceeding 100% typically*

indicate advanced loan commitment.

As a utilization goal, RVRF will target 100% allotment of available funds.

- *Has the entity worked with local governments to identify possible revenue sources to support projects and activities that do not make money, per 42 U.S.C. Section 5135(f)(1)(A)(iii)?*

Due to the short application period, not for this grant cycle.

V. Entity Program Management

5.1. Technical Assistance

If applicable, provide information that addresses the following prompts:

- *How will the entity loan fund be used to provide technical assistance to recipients, per 42 U.S.C. Section 5135(f)(6)(B)?*

  VRA will provide technical assistance with regard to the actual loan program through the RVRF. VDEM will provide technical assistance when developing BRIC and FMA grant applications and promote the use of STRLF to off-set the non-federal cost share.

- *What percentage of the fiscal year's funding is expected to be used for technical assistance?*

  Unknown at this time.

5.2. Local Capacity Development

Provide information on how the loan fund is helping local communities by building their capacity.

The STRLF will not being utilized to build capacity, but rather to offset the non-federal cost share of BRIC and FMA projects, or fund in full, projects in areas that are underserved and/or low income if they have the financial and administrative capacity to pay back the loan.

5.3. Environmental and Historic Preservation Compliance

Describe how the entity plans to follow Environmental and Historic Preservation (EHP) compliance procedures. This includes how proposed projects will be pre-screened and which activity types will be submitted to FEMA for review.

VDEM will be reliant on FEMA to screen project applications for EHP compliance, and VDEM will pass along any EHP requirements through the sub-award grant agreement to VRA.

Note: FEMA will provide entities with guidance and materials to complete this section.

5.4. Public Meetings and Comment Activities

Provide information on the following items:

- *How did the entity include public input, consultations with government agencies, and feedback from interested groups before submitting the annual Intended Use Plan?*

  A press release and instructions on how to provide comment on the Intended Use Plan will be posted on VDEM's website by April 10, 2024 for 10 days. A survey was sent out on March 6, 2024, to find out which localities were interested, and if they had the financial and administrative capacity to repay a loan.

- *How has the entity used information from public meetings and comment activities to assist in carrying out the loan fund?*

  Due to the grant application timeline, VDEM did not engage in public meetings.

- *Describe the public notice process and actions taken to address public comments for project proposals.*

  This section will be completed once after the public comment period closes.

VI. Audits and Reporting

6.1 Compliance with Federal Reporting Requirements

Complete the template language below:

The Virginia Auditor of Public Accounts is responsible for engaging an independent auditor to ensure financial integrity for the Annual and Biennial Audits. Currently CliftonLarsonAllen, LLP, is engaged for this purpose, including a Single Audit

We commit 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 *Virginia* Safeguarding Tomorrow RLF program. Among other requirements, FEMA will use the data from the audits and reporting to assess how the loan funds:

- Efficiently administer the fund.
- Provide project benefits to local communities.
- Promote equity.

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

6.2 Publication of Information

Provide information about the frequency and location of the Publication of Information requirement. Per 42 U.S.C. Section 5135(h)(2), the entity should publish and periodically update all projects receiving funding from the loan fund. This includes project location, type and amount of assistance provided from the loan fund, the expected funding schedule, and the expected date of project completion.

VDEM will publish the intended use plan, and project listing on the agency website – https://vaemergency.gov. VDEM will also provide updates to the STRLF website after VRA and DCR provide quarterly reports/updates. VDEM will also link to DCR and VRA websites. Once the year 1 project(s) are complete, the closeout information and final outcomes will be posted via a summary document on the VDEM website and linked to VRA and DCRs website.

Note: The recipient should publish information publicly on a preferred platform and at times most suitable to the recipient during, and after, the Period of Performance.

Appendix A

A.1. Loan Application Process

VDEM solicits applications for hazard mitigation grant funding opportunities through a multi-step process designed to develop the most competitive proposals for FEMA consideration. This process includes first the solicitation of pre-applications, which are a streamlined method of reviewing a sub-applicant's project scope for assessing grant program applicability. Once this pre-application is approved by VDEM staff, the full application is made available to sub-applicants to complete and submit to VDEM in accordance with established deadlines. VDEM also provides tailored assistance to sub-applicants both before and after full-application submission to ensure that the proposal is complete and optimized for FEMA's complex review criteria. VDEM then facilitates the submission of the application to FEMA on the sub-applicant's behalf and monitors the application status up the point that the grant award is ultimately received.

A.2. Financial Planning Methodology

VRA, together with state agency partners, will implement a capacity planning model. This planning tool provides a relevant framework for decision-making and provides a high-level capacity projection within a given set of assumptions. While not anticipated in the early implementation of the RVRF, VRA can issue bonds to leverage the portfolio to increase capacity. Major inputs, assumptions and outputs are highlighted below.

<table>
<tr><th>Inputs and Assumptions</th><th>Outputs</th></tr>
<tr><td>Actual Application Requests</td><td rowspan="3">Capacity Indication</td></tr>
<tr><td>Future Project Loans</td></tr>
<tr><td>Loan Subsidy and Terms</td></tr>
<tr><td>Loan Draw Timing</td><td rowspan="3">Leverage (Go/No-Go)</td></tr>
<tr><td>Level of Additional Subsidy</td></tr>
<tr><td>Federal Capitalization Grants</td></tr>
<tr><td>State Match Requirements</td><td rowspan="3">Debt Service Coverage Projections</td></tr>
<tr><td>Existing Loan Repayments</td></tr>
<tr><td>Bond Payments</td></tr>
<tr><td>VRA Borrowing Rates</td><td rowspan="3">Perpetuity Test Results</td></tr>
<tr><td>VRA Investment Rates</td></tr>
<tr><td>Reserve Fund De-allocations</td></tr>
</table>

Sample Cash Flow Modeling

Model Version 18 - 2020.12.01

Title1	Virginia Resources Authority
Title2	Drinking Water State Revolving Fund
Title3	Capacity Analysis as of May 3, 2022
Title4	Scenario 1: 10Yr Base Cap Grant Plus Additional Cap Grants | 100% 30Yr Ceiling Rate

*** This version has been modified to account for the additional Gap Grants input and admin fees

Report Analysis Date:	5/3/2022
Cashflow Begin Date	10/1/2022
Beginning Funds Available	93,473,145.09
Principal Date	10/1/2023
Fiscal Year Ending	6/30/2023
Cashflow Frequency (1=A, 2=S)	1
Next Bond Payment Date	10/1/2023
First Fiscal Year	2023
Final Cashflow Year	2076
Leverage Bond Reserve Fund (1=Cash Funded, 0=Bond Funded)	0
	Cash Flow Model
Include Set-asides to Admin Fund (1=Yes, 0=No)	0
	Don't Include

Minimum Program Fund Balance	20,000,000.00
Minimum Bond Coverage	1.50
Minimum Admin Fee Fund Balance	275,000.00
Starting Administration Expenses	550,000.00
Administration Expenses Growth %	1.50%
Balance Float Earning Rate	0.50%
Toggle to charge Admin Fee for 0% loan	
Requires 0% Loan Admin Fee (Y/N)?	N
*Minimum interest apply to 0% Loan:	0.25%
*Admin fee assess to 0% Loan:	0.10%
*Only applicable when Required 0% Loan Admin Fee is (Y)es	
Principal Forgiveness % of Cap Grant	30.00%

Bond	Bond Rate	Spread to 20 Yr
20 Year	2.45%	
25 Year	2.85%	0.40%
30 Year	3.10%	0.65%

FY2023	All PF Project Applications:		-
FY2023	All Non-PF Project Applications		-
		Total	-

Loan Draw in Year	Fiscal Year	Existing Pending Loans Draw %	Future Year Loans Draw %	FY2023 Project Capital Outlays
0	2023	11.00%	2.00%	-
1	2024	40.00%	19.00%	-
2	2025	40.00%	40.00%	-
3	2026	9.00%	33.00%	-
4	2027	-	6.00%	-
5	2028	-	-	-
6	2029	-	-	-
		100.00%	100.00%	-
		ok	ok	ok

Perpetuity Calculation:

Capitalization Grants and State Match to Date	262,530,507.65
Projected Cap Grant and State Match	329,800,981.00
Perpetuity Adjustments (+/-)	(165,121,404.00)
Required Capitalization for Perpetuity	**427,210,084.65**
Program Fund Balance in Final Year 2076	593,065,777.80
Perpetuity Excess / (Deficiency)	165,855,693.15

Minimum Total Debt Service Coverage (1.50x)

Minimum Coverage in Year 2026 (excluding the first year)	6.12
Minimum Coverage in Year 2026	6.12

Minimum Program Fund Balance ($20,000,000)

Minimum Fund Balance in Year 2025	20,102,537.80

Admin Fees for State Match ($275,000)

Minimum Admin Fees Balance	2,925,691.45

Loan/Bond Sizing Check

State Match Bond	Leverage Bond	Undrawn Loans
ok	ok	ok
20Yr Int Loan	25Yr Int Loan	30Yr Int Loan
ok	ok	ok
20Yr 0% Loan	25Yr 0% Loan	30Yr 0% Loan
ok	ok	ok

Federal Capitalization Grant | State Match | Other Funds

Warning: Update historic data

		Federal Capitalization Grant			State Match Funding		State Match Funding Source Prior to State Match Bonds				
Yr	Fiscal Year	Federal Cap Grant Dollar	Less: Admin Fee Set Aside	(+/-) Dollar Amount	% of Cap Grant	(+/-) Dollar Amount	% of SM from State Appropriation	(+/-) Dollar Amount	% of SM from Admin Fees	(+/-) Dollar Amount	Total
1	2023	42,436,600.00	26.96%	-	12.69%	-	100.00%	-	-	-	-
2	2024	53,857,600.00	26.00%	-	13.34%	-	100.00%	-	-	-	-
3	2025	57,133,900.00	26.28%	-	20.00%	-	100.00%	-	-	-	-
4	2026	60,393,900.00	26.54%	-	20.00%	-	100.00%	-	-	-	-
5	2027	60,393,900.00	26.54%	-	20.00%	-	100.00%	-	-	-	-
6	2028	17,965,000.00	31.00%	-	20.00%	-	100.00%	-	-	-	-
7	2029	17,965,000.00	31.00%	-	20.00%	-	100.00%	-	-	-	-
8	2030	17,965,000.00	31.00%	-	20.00%	-	100.00%	-	-	-	-
9	2031	17,965,000.00	31.00%	-	20.00%	-	100.00%	-	-	-	-
10	2032	17,965,000.00	31.00%	-	20.00%	-	100.00%	-	-	-	-

Bond Rate

	Leverage Bond			State Match Bond					
Fiscal Year	Bond Rate	Minimum Reserve %	Earnings at % of Bond Rate	Bond Rate	Bond Term (Years)	COI %	New Leverage Bond Par Amount	New State Match Bond Par Amount	Total New Bond Par Amount
2023	3.10%	-	-	1.00%	1	1.00%	-	-	-
2024	3.10%	-	-	1.00%	1	1.00%	-	-	-
2025	3.10%	-	-	1.00%	1	1.00%	-	-	-
2026	3.10%	-	-	1.00%	1	1.00%	-	-	-
2027	3.10%	-	-	1.00%	1	1.00%	-	-	-
2028	3.10%	-	-	1.00%	1	1.00%	-	-	-
2029	3.10%	-	-	1.00%	1	1.00%	-	-	-
2030	3.10%	-	-	1.00%	1	1.00%	-	-	-
2031	3.10%	-	-	1.00%	1	1.00%	-	-	-
2032	3.10%	-	-	1.00%	1	1.00%	-	-	-

Appendix B

B.1. Loan Distribution Methodology

The Borrower agrees to apply the loan proceeds solely and exclusively to the payment, or to the reimbursement of the borrower for the payment, of project costs and further agrees to exhibit to DCR or the VRA receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such project costs. VRA shall disburse money from the Fund to or for the account of the borrower not more frequently than once each calendar month (unless otherwise agreed by the VRA and the borrower) upon receipt by the VRA (with a copy to be furnished to DCR) of the following:

(1) A requisition (upon which the VRA and DCR shall be entitled to rely) signed by an Authorized Representative and containing all information;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

> (i) a certificate, signed by the Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the project; and
>
> (ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Appendix C

C.1. Project Proposal List Prioritization Methodology

Virginia looked at three criteria to prioritize projects.

- Were BRIC and FMA applicants interested the STRLF (based on survey)
- Did applicants have the financial and administrative capabilities to track and repay a loan (based on survey)
- Were applicants one of the 41 local governments identified in 2021 by VDEM as having the highest population vulnerability and flood risk?
- Including projects that less than $5.1M up until $5.1M was reached.

Appendix D

D.1. Additional Information Low-Income Geographic Area

<u>Low-Income Geographic Area</u>

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.”

<u>Underserved Communities</u>

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.

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.