

SB0901_PFS_Support.pdf

Uploaded by: Coleman, Jessa

Position: FAV



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PACE Financial Servicing (PFS) is program administrator of the Maryland Commercial Property Assessed Clean Energy (MD-PACE) program, which is sponsored by the Maryland Clean Energy Center (MCEC).

PFS is led by the award-winning team who created the country's most successful PACE program and its leadership team has advised or worked with virtually every commercial PACE program nationally. With more experience in commercial PACE administration than anyone in the country, PFS offers unparalleled service to its public sector partners. PFS has leveraged its PACE experience and technology to help develop a highly efficient PACE administration and servicing platform, all of which has earned PFS national recognition as the gold standard in PACE financing. PFS makes PACE easy: its goal is to build PACE programs that seamlessly connect PACE capital to interested building owners. The result is increased economic activity, reduced environmental pollution, and new jobs.

SB0901 – Resilient Maryland Revolving Loan Fund

Hearing Date: March 4th, 2021

Committee: Education, Health, and Environmental Affairs

Recommendation: Support

As manager of the Maryland Commercial Property Assessed Clean Energy (MD-PACE) program (the Clean Energy Loan Program established by §§ 1-1101 et. seq. of the Local Government Article of the Maryland State Code), PACE Financial Servicing (PFS) is pleased to support Senate Bill 0901 (SB0901), which establishes a method of addressing a known need through smart and effective financial policy.

As a coastal state with a variegated geography, Maryland is subject to a wide array of natural disasters. According to Climate Change Maryland, the Maryland Dept. of Environment's public outreach program (<https://climatechange.maryland.gov/>), "Maryland is among the states most vulnerable to climate change. Rising sea levels, along with increased storm intensity, have devastating and far-reaching environmental and economic impacts on Chesapeake Bay and the quality of life Marylanders enjoy. Maryland's sizable farming community could suffer costly losses during extreme droughts and heat waves. Marylanders everywhere will face increased risk of flooding and significant property damage as a result of more precipitation and other extreme weather events." In PFS's work providing energy efficiency and clean energy loans to Marylanders across the state through the MD-PACE program, one of the top requests we have received has been a request to help make businesses and homes more resilient to these known and avoidable natural disasters.

Revolving loan funds are a proven method for increasing investment in dedicated communities in support of designated public policies. Beyond the initial investment required to establish a revolving loan fund and any subsequent injections of capital to multiply the funds effect, revolving loan funds are self-funded and grow over time. A well-managed fund will have the capital to finance transactions in perpetuity while covering reasonable salary and overhead costs through its revenue, making revolving loan funds an appealing method of responsibly and efficiently investing public dollars.

For the reasons outlined above, PFS encourages your support of SB0901. Establishing a revolving loan fund dedicated to building a more resilient Maryland will have a considerable impact on economic and environmental development in our communities and prepare Marylanders for the challenges to come.

MDGA_SenatorHester_FAV_SB901.docx.pdf

Uploaded by: Fry Hester, Katie

Position: FAV

KATIE FRY HESTER
Legislative District 9
Carroll and Howard Counties

Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB901 - Public Safety - Emergency Management - Resilient Maryland Revolving Loan Fund

March 4th, 2021

Chair Pinsky, Vice-Chair Kagan, and Members of the Health and Government Operations Committee:

Thank you for your consideration of Senate Bill 901. Over the past two years, I have had the honor of serving as the Senator representing District 9, which includes Ellicott City. Like many communities in your own district, Ellicott City has been grappling with the issues of climate change and catastrophic flooding - not as some far off and hypothetical danger, but as an all too real aspect of daily life. The experience of my constituents, living through two “thousand-year floods” over the course of two years, is of a magnitude that I hope is not indicative of the direction of our vulnerable communities. But as a coastal state with a great deal of inland tributaries and changing weather patterns, we as policy makers should be concerned about the implications of climate change and sea level rise on the projected increase in frequency and severity of flooding, and other environmental emergencies threatening Marylanders.

Today, 81,000 Marylanders are at risk of coastal flooding, with 38,000 more individuals projected to also be at risk by 2050. In the same time frame, our state is projected to face up to \$19 billion worth of damage due to sea level rise and flooding. We are capable of preparing for and managing a threat of this magnitude, but doing so will require substantial resources to invest in large resilient infrastructure projects throughout the State.

This legislation would provide such resources, by establishing financing mechanisms that maximize our State’s ability to pull down funding from the Federal level. This bill seeks to do so by establishing a Resilient Maryland Revolving Loan Fund, housed in the Maryland Emergency Management Agency, The purpose of the Fund is to provide low or no-interest loans to local governments to fund local resilience projects, with a prioritization on projects that have the greatest impact on eliminating hazards and mitigating the impacts of future disasters. This bill

would be capitalized with an appropriation of \$5 million beginning in fiscal year 2023 and every year thereafter, and would be established with an accompanying special non-lapsing fund held by the Treasurer.

However, there is more to this fund than initially meets the eye. On January 1st, 2021, the Federal “Safeguarding Tomorrow through Ongoing Risk Mitigation Act,” or STORM Act. This allows the FEMA administrator to provide capitalization grants to States, in order to establish revolving loan funds that would provide financing to reduce risks from natural disasters and hazards. You will see noted in the uncodified language of the bill intent language directing MEMA to apply to FEMA for capitalization grants under the STORM Act. Since the STORM Act is designed with a 90-10 Federal-State matching requirement, if we are able to seed this revolving loan fund with \$10 million, we could capitalize the fund in totality with \$100 million.

You will also see in the uncodified language intent language directing MEMA to utilize this fund to provide localities with sufficient matching funds so as to fully utilize Federal resilience grants, like those provided through the Building Resilient Infrastructure and Communities (BRIC) Grants. These grants are intended to provide funding for projects aimed at mitigating future disaster risks and hazards, and in the case of BRIC come with a 75-25 Federal-Local matching requirement. As this Federal funding is generally tied to the previous year’s disaster spending, we can expect to see a large influx of available grant funding at the Federal level, largely due to COVID-19 related expenditures. By utilizing this revolving loan fund, after securing capitalization funding through the aforementioned STORM Act, we can turn an initial investment of just \$10 million into hundreds of millions of dollars in funding for resilience projects throughout the State.

Currently, our incredible staff members at the Emergency Management Administration and the Maryland Department of the Environment assemble funding for resilience projects through a number of tangentially related revenue streams. Creating a flexible revolving loan fund that is dedicated to these purposes would provide a great deal of much needed funding for such projects. Additionally, with new funding opportunities being made available at the Federal level through the STORM and BRIC programs, there is a clear opportunity for the responsible investment of funds set before us. This bill will not only improve our ability to finance resilient infrastructure throughout the State, but also to take full advantage of Federal opportunities that will assist us in preparing our communities for the risks and hazards we know our State faces. **For that reason, I respectfully request a favorable report for Senate Bill 901.**

Sincerely,



Senator Katie Fry Hester
Howard and Carroll Counties

ISD MD testimony March 4 2021.pdf

Uploaded by: Jordan, Stephen

Position: FAV



**Testimony of Stephen Jordan, CEO of the Institute for Sustainable Development in support of Maryland State Senate Bill 901: An ACT concerning Public Safety – Emergency Management – Resilient Maryland Revolving Loan
Submitted March 4, 2021**

Chairman Pinsky, Vice-chair Kagan, and Members of the Education Health and Environmental Affairs Committee:

Thank you Mr. Chairman and distinguished Senators for this opportunity to testify on behalf of SB 901. This legislation is very important for multiple reasons. It will facilitate Maryland's ability to attract and deploy federal government funds – particularly FEMA's Building Resilient Infrastructure and Communities fund. It will assist Maryland local governments to invest in cost-effective resilience measures that will save \$6 dollars in future disaster costs, and it will enable resilience measures to be more equitably identified, planned and implemented across the state.

The Institute for Sustainable Development (ISD) has been focused on gaining a better understanding of how communities can become more resilient for many years. In fact, our mission is to catalyze resilience so that communities can realize their full potential.

In 2020, FEMA opened a grant application process for \$660 million via the Building Resilient Infrastructure and Communities (BRIC) program – (\$500 million) and the Flood Mitigation program (\$160 million – with \$70 million set aside for community flood mitigation projects). The BRIC program could receive significantly more funds in years to come. Section 1234 of the Disaster Recovery Reform Act of 2018 authorizes the National Public Infrastructure Pre-Disaster Mitigation Fund (NPIPDM), which allows the President to set aside 6% from the [Disaster Relief Fund](#) (DRF) with respect to each major disaster and expands the criteria considered in awarding mitigation funds. FEMA's BRIC program is a prime recipient and disburser of these funds, however they often have matching requirements – currently 25% for the state's 2020 program submission. As envisioned, with \$5 million, Maryland might be able to access up to \$15 million more.

Secondly, the need is overwhelming. According to NOAA¹, Maryland has had 60 billion-dollar extreme natural events between 1980 and 2020, 16 (25%) of which have occurred in the last five years. If the average of the last five years (\$2 billion) is maintained, natural disasters will cost the state of Maryland \$60 billion more by 2050. If the trend line continues to accelerate, this number could be much higher. According to the UN², \$1 invested in resilient infrastructure can save up to \$6 in post disaster costs – reducing initial impacts and shortening the duration of community recovery periods.

¹ NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2021). <https://www.ncdc.noaa.gov/billions/>, DOI: [10.25921/stkw-7w73](https://doi.org/10.25921/stkw-7w73)

² <https://www.un.org/press/en/2019/sgsm19807.doc.htm>

Third, the revolving loan fund will promote equitable access to resilient support. After Hurricane Harvey made landfall and dumped as much as 50 inches of rain on some parts of southeast Texas, ISD conducted a post-disaster study³ that found that many small towns and rural communities lacked the financial wherewithal to access federal funds and/or take on additional debt. In some cases, they were already indebted. In other cases, with evacuations and severe flooding, they were concerned with significant out-migration. Furthermore, many of these communities had significant shares of highly vulnerable populations, higher percentages of seniors over the age of 65, unemployed, and with substance abuse problems. Without a Revolving Loan Fund such as proposed in this legislation, we witnessed small towns decide not to “build back better”, but instead choose to lay-off essential personnel, conduct patchwork repairs, and “hunker down.” The proposed Revolving Loan Fund legislation will enable MEMA to work with environmentally and economically vulnerable communities to help them leverage outside resources to make their communities more resilient, sustainable, and attractive.

Finally, Maryland can enhance its national profile and commitment to resilience by embedding the revolving loan fund in a suite of legislation that emphasizes resilience. Currently, most state disaster management strategies privilege emergency response over either resilience or long-term recovery. This means that they tend to be reactive instead of proactive, and their approach tends to be situational and lead to escalating costs over time. Maryland’s new approach should reduce costs, protect lives, livelihoods, and living environments, and enhance the sustainability, not just of larger metro areas, but also of more environmentally and economically vulnerable communities.

Thank you for your consideration.



Stephen C. Jordan
CEO
Institute for Sustainable Development

³Lessons Learned about Long-Term Recovery Challenges Facing Small Towns and Under-Served Communities from Hurricane Harvey, Institute for Sustainable Development https://38bc2569-edf1-44c3-ab67-bd84274d57c9.filesusr.com/ugd/294838_de939113e9bf4512bf8af6439d94e861.pdf

SB0901-EHE_MACo_SUP.pdf

Uploaded by: Kinnally, Kevin

Position: FAV



Senate Bill 901

Public Safety - Emergency Management - Resilient Maryland Revolving Loan Fund

MACo Position: **SUPPORT**

To: Education, Health, and Environmental
Affairs and Budget and Taxation Committees

Date: March 4, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 901 as it would provide counties and nonprofit organizations with valuable funds for community resilience projects.

Resilience is critical to a community's ability to recover quickly from extreme events and changing conditions. Federal funds have historically been scarce, with the vast majority becoming available only after disasters occur. By establishing a revolving loan fund for local resiliency projects, this bill offers local governments a sensible, proactive tool to reduce risks and mitigate the impact of disasters.

SB 901 establishes the Resilient Maryland Revolving Loan Fund to provide low- or no-interest loans for local resilience projects that address mitigation of all hazards, including natural disasters. The bill clarifies that allocations from the Fund should supplement, not supplant, funding for local resiliency projects.

Local governments often face challenges accessing capital and financing for community resilience projects and justifying the upfront costs to taxpayers. Building resilience, a long-term need, competes for limited local resources against other, more immediate priorities – like education, public health, public safety, and other essential services – and determining and communicating long-term benefits can be challenging.

SB 901 provides counties with another “tool in the toolbox” to implement flexible and sustainable solutions to protect public health, the economy, and the environment. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 901.

SB0901_Resilient_MD_Loan_Fund_MLC_FAV.pdf

Uploaded by: Plante, Cecilia

Position: FAV



TESTIMONY FOR SB0901
PUBLIC SAFETY - EMERGENCY MANAGEMENT - RESILIENT MARYLAND REVOLVING LOAN
FUND

Bill Sponsor: Senator Hester

Committee: Education, Health, and Environmental Affairs

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0901 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

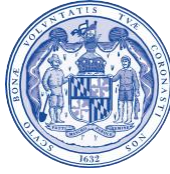
Our members agree with the central concept of this bill that local governments and non-profit organizations need a backup funding channel in order to be able to support local resilience projects. The monies in the Resilient Maryland Revolving Loan Fund would not take the place of monies that would normally be appropriated for resilience projects. Instead, it would supplement them and ensure that in times of need, that those projects could go forward.

We believe this is a good failsafe that would ensure that local governments can effectively mitigate hazards. The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.

SB901LOI.pdf

Uploaded by: Kelly, Catherine

Position: INFO



LARRY HOGAN
GOVERNOR
COMMANDER-IN-CHIEF

STATE OF MARYLAND
MILITARY DEPARTMENT
FIFTH REGIMENT ARMORY
BALTIMORE, MARYLAND 21201-2288

TIMOTHY E. GOWEN
MAJOR GENERAL
THE ADJUTANT GENERAL

March 4, 2021

Senator Paul Pinsky, Chair
Senate Education, Health and Environmental Affairs Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

**RE: SB 901- Public Safety - Emergency Management - Resilient Maryland
Revolving Loan Fund**

Dear Chairman Pinsky,

I write to share information on the above referenced Senate bill, which would establish the Resilient Maryland Revolving Loan Fund. The Fund would be used to facilitate low or no-interest loans to local agencies to assist with mitigation of all hazards, particularly natural disasters. The Maryland Emergency Management Agency (MEMA) would be tasked with administering the Fund, and prioritizing projects that should receive loans.

MEMA is well-situated to take on the roles outlined for it in the bill. MEMA already has expertise in grants management. In particular, the agency administers grants from Federal Hazard Mitigation Assistance programs, Federal homeland security grants, Federal public & individual assistance grants post-disaster, and state COVID-19 relief grant programs. Additionally, MEMA staff have institutional expertise in the general subject area of resilience. MEMA personnel have the experience necessary to prioritize local projects that merit assistance from this fund.

We believe that aligning Federal and state hazard mitigation funds under one agency will reduce the burdens on local communities seeking mitigation funding. It is our hope that this information will be heavily weighted as the Committee considers SB901.

Thank you for your support of the Maryland Military Department. We would be happy to provide any additional information if required. Please feel free to reach out by e-mail catherine.a.kelly26.nfg@mail.mil or by phone 410-446-5390.

Sincerely,

Catherine A. Kelly

Catherine A. Kelly
Director, Legislative and Government Affairs

SB 901 Resilient MD Revolving Loan Fund (Hester) E

Uploaded by: Wilkins, Barbara

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 901 Public Safety - Emergency Management - Resilient Maryland Revolving Loan Fund (Hester)

STATEMENT OF INFORMATION

DATE: March 4, 2021

COMMITTEE: Senate Education, Health & Environmental Affairs and Senate Budget & Taxation

SUMMARY OF BILL: SB 901 mandates an annual appropriation in the amount of \$5 million to a newly created Resilient Maryland Revolving Loan Fund. The Fund is administered by the Maryland Emergency Management Agency (MEMA), the purpose of which is to provide low interest loans to local governments and non-profit organizations for projects that address hazards, including natural disasters. Loans may be used to meet federal matching requirements for federal resilience grants, including Building Resilient Infrastructures and Communities.

EXPLANATION: In general, mandates reduce the ability of the State government to address budgetary constraints as well as changing funding needs and priorities. The Department of Budget and Management would note that once a revolving loan fund is fully capitalized and the repayments are sufficient to cover new loans, it is arguably not the highest and best use of resources to continue adding to the Fund.

The loans to be provided by the proposed program would partially duplicate projects already eligible for loans or grants under the Department of the Environment, Department of Housing and Community Development, and Public School Construction Program.

MEMA currently administers another revolving loan program, the Volunteer Company Assistance Fund (VCAF).

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**