

116TH CONGRESS
1ST SESSION

H. R. 3531

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 States to establish revolving funds to provide assistance to reduce the harmful impacts to people and property from multiple hazards, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2019

Mr. GRAVES 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 States to establish revolving funds to provide assistance to reduce the harmful impacts to people and property from multiple hazards, 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 “Resilient Communities
5 Act of 2019”.

1 **SEC. 2. REVOLVING LOAN FUNDS TO MITIGATE FOR MUL-**
2 **TIPLE HAZARDS.**

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

6 **“SEC. 205. REVOLVING LOAN FUND.**

7 “(a) DEFINITIONS.—In this section—

8 “(1) the term ‘eligible entity’ means a State or
9 Indian Tribal Government as those terms are de-
10 fined in section 102 of this Act;

11 “(2) the term ‘participating entity’ means an el-
12 igible entity that—

13 “(A) has entered into an agreement under
14 subsection (b)(1); and

15 “(B) agrees to comply with the require-
16 ments of this section;

17 “(3) the term ‘mitigation loan fund’ means a
18 multihazard mitigation assistance revolving loan
19 fund established by an eligible entity under this sec-
20 tion; and

21 “(4) the term ‘eligible recipient’ means a local
22 governmental entity, a State agency or subdivision
23 thereof.

24 “(b) GENERAL AUTHORITY.—

25 “(1) IN GENERAL.—The Administrator may
26 enter into an agreement with an eligible entity to

1 provide a capitalization grant for the eligible entity
2 to establish a revolving loan fund that will provide
3 funding assistance to an eligible recipient to reduce
4 disaster risks for homeowners, businesses, nonprofit
5 organizations, and communities in order to de-
6 crease—

7 “(A) the loss of life and property;

8 “(B) the cost of insurance; and

9 “(C) Federal disaster payments.

10 “(2) TIMING OF DEPOSIT AND AGREEMENTS
11 FOR DISTRIBUTION OF FUNDS.—

12 “(A) IN GENERAL.—Not later than the
13 last day of the fiscal year following the fiscal
14 year in which a capitalization grant is made to
15 a participating entity under paragraph (1), the
16 participating entity shall—

17 “(i) deposit the grant in the mitiga-
18 tion loan fund of the eligible entity; and

19 “(ii) enter into 1 or more agreements
20 to distribute the grant funds for purposes
21 authorized under subsection (d).

22 “(B) NONCOMPLIANCE.—Except as pro-
23 vided in subparagraph (C), if a participating
24 entity does not comply with subparagraph (A)
25 with respect to a grant, the Administrator shall

1 reallocate the grant in accordance with para-
2 graph (3).

3 “(C) EXCEPTION.—The Administrator
4 may not reallocate any funds under subpara-
5 graph (B) to a participating entity that violated
6 subparagraph (A) with respect to a grant made
7 during the same fiscal year in which the funds
8 to be reallocated were originally made available.

9 “(3) ALLOCATION.—

10 “(A) IN GENERAL.—The Administrator
11 shall allocate amounts made available to carry
12 out this section to participating entities—

13 “(i) for the participating entities to
14 deposit in the mitigation loan funds estab-
15 lished by the participating entities; and

16 “(ii) except as provided in paragraph
17 (5), in accordance with the requirements
18 described in subparagraph (B).

19 “(B) REQUIREMENTS.—The requirements
20 described in this subparagraph are as follows:

21 “(i) Eligible entities must apply to the
22 Administrator for an allocation of financial
23 assistance to capitalize the loans and com-
24 mit to a 10 percent match of the requested
25 funds.

1 “(ii) Seventy-five percent of the
2 project selection must be composed of local
3 government hazard mitigation projects and
4 eligible entities must give at least 3 weeks
5 notice to their local governments before re-
6 quiring all hazard mitigation projects to be
7 submitted.

8 “(iii) Eligible entities may not provide
9 more than \$5,000,000 in loan funds to-
10 ward the completion of any single hazard
11 mitigation project.

12 “(iv) A participating entity must
13 agree to the revolving loan repayment
14 terms issued by the Administrator upon
15 being selected to participate.

16 “(v) No more than 10 percent of the
17 loan funds provided to a participating enti-
18 ty may be used for the purposes of plan-
19 ning.

20 “(C) PRIORITIZATION.—The Administrator
21 shall prioritize loan funds to participating enti-
22 ties with intended use plans that include
23 projects that—

1 “(i) include the restoration and aug-
2 mentation of natural and built infrastruc-
3 ture;

4 “(ii) involve more than 1 eligible enti-
5 ty or recipient partnering together;

6 “(iii) take into account regional im-
7 pacts of hazards such as—

8 “(I) river basins;

9 “(II) river corridors;

10 “(III) micro and macro water-
11 sheds; and

12 “(IV) estuaries, bays, and coastal
13 regions; and

14 “(iv) involve the resilience of major
15 economic sectors and critical national in-
16 frastructure such as ports, power and
17 water production and distribution centers,
18 bridges, and waterways essential to inter-
19 state commerce.

20 “(4) FURTHER REVOLVING FUND REQUIRE-
21 MENTS.—A participating entity that exercises the
22 authority under paragraph (3)(A) in a fiscal year
23 shall provide matching funds from non-Federal
24 sources in an amount that is equal to 10 percent of
25 the amount that the participating entity receives

1 under paragraph (3)(A) in that fiscal year for pur-
2 poses described in the respective intended use plan.

3 “(5) RESERVATION OF FUNDS.—The Adminis-
4 trator shall reserve not more than 1.5 percent of the
5 amount made available to carry out this section in
6 a fiscal year—

7 “(A) for administrative costs incurred by
8 FEMA in carrying out this section; and

9 “(B) for FEMA to provide technical assist-
10 ance to recipients of loans under this section.

11 “(6) PARTNERSHIPS.—Eligible recipients may
12 partner with nongovernmental organizations to en-
13 sure projects reduce disaster risks for homeowners,
14 businesses, nonprofit organizations, and commu-
15 nities.

16 “(c) ENVIRONMENTAL REVIEW OF REVOLVING LOAN
17 FUND PROJECTS.—Notwithstanding any other Federal
18 law, Federal environmental review of the mitigation loan
19 fund projects shall be delegated to the participating enti-
20 ties but only for the purposes of carrying out the mitiga-
21 tion revolving loan fund program as authorized under this
22 section. Such participating entities shall establish a Fed-
23 eral equivalency environmental review involving consider-
24 ation of alternatives, analysis of potential effects, oppor-

1 tunity for public notice and comments, and compliance
2 with Federal environmental laws and Executive orders.

3 “(d) USE OF FUNDS.—

4 “(1) IN GENERAL.—Amounts deposited in a
5 mitigation loan fund, including repayments of loans
6 made from the fund and interest earned on the
7 amounts in the fund, shall be used—

8 “(A) consistent with paragraphs (2) and
9 (3) and subsection (h), to provide financial as-
10 sistance for any eligible recipient;

11 “(B) as a source of revenue and security
12 for leveraged loans, the proceeds of which shall
13 be deposited in the mitigation loan fund; or

14 “(C) for the sale of bonds as security for
15 payment of the principal and interest on rev-
16 enue or general obligation bonds issued by the
17 participating entity to provide matching funds
18 under subsection (g), if the proceeds from the
19 sale of the bonds are deposited in the mitigation
20 loan fund.

21 “(2) PURPOSES.—An eligible recipient of finan-
22 cial assistance provided through amounts from a
23 mitigation loan fund—

24 “(A) shall use the amounts in a cost-effec-
25 tive manner under requirements established by

1 the participating entity, which may require an
2 applicant for financial assistance to submit a
3 cost-benefit analysis before the date on which
4 the applicant receives the assistance;

5 “(B) shall use the amounts for projects
6 that are located in communities that have devel-
7 oped a local hazard mitigation plan that has
8 been approved by the Administrator;

9 “(C) may use the amounts to—

10 “(i) establish and carry out enforce-
11 ment activities and implement consensus-
12 based codes, specifications, and standards;

13 “(ii) study special zoning overlay dis-
14 tricts that better interface waterfront de-
15 velopment with natural assets through the
16 use of buffer zones and shoreline set-backs,
17 protect freshwater resources for drinking
18 and manufacturing, and flood prevention
19 through installation and restoration of nat-
20 ural infrastructure such as connected
21 floodplain, wetlands, marshes, setback
22 areas, and riverfront parks;

23 “(iii) study agriculture risk compensa-
24 tion districts where there is a desire to re-
25 move or set-back levees protecting highly

1 developed agricultural land to mitigate for
2 flooding, allowing agricultural producers to
3 receive compensation for assuming greater
4 flood risk that would alleviate flood expo-
5 sure to population centers and areas with
6 critical national infrastructure;

7 “(iv) study land use incentives that
8 reward developers for greater reliance on
9 LID stormwater best management prac-
10 tices, exchange density increases for in-
11 creased open space and improvement of
12 neighborhood catch basins to mitigate
13 urban flooding, reward developers for in-
14 cluding and augmenting natural infrastruc-
15 ture adjacent to and around building
16 projects without reliance on increased
17 sprawl; or

18 “(v) study an erosion response plan
19 that accommodates river, lake, and ocean
20 shoreline retreating or bluff stabilization
21 due to increased flooding and disaster im-
22 pacts.

23 “(3) ALLOWANCE.—The Administrator shall
24 promulgate an allowance within this section to allow
25 participating entities to use revolving loan funds to-

ward resilience to hazards. Participating entities may direct a portion of revolving loan funds toward resilience activities that mitigate for the impacts of the following:

“(A) FLOODING.—Funds may be applied

to—

“(i) structural elevation;

“(ii) flood proofing;

“(iii) the relocation or removal of buildings;

“(iv) environmental restoration activities that directly reduce flood risk;

“(v) construction, repair or replacement of non-Federal levees;

“(vi) nonprofits, businesses, and other nongovernmental entities for projects that will reduce flood risk; and

“(vii) other activities determined appropriate by the Administrator.

“(B) DROUGHT AND PROLONGED EPISODES OF INTENSE HEAT.—Funds may be applied to—

“(i) planning and protocols for healthcare facility response and plans that

1 add heat-related illness treatment capac-
2 ities;

3 “(ii) planning and protocols for the
4 deployment of cooling centers for vulner-
5 able populations;

6 “(iii) heat island and heat sink effect
7 reduction activities such as—

8 “(I) increasing urban canopies;

9 and

10 “(II) replacing natural assets
11 more suited to drought and warmer
12 climates;

13 “(iv) replacing infrastructure vulner-
14 able to the rapid deteriorating effects of in-
15 tense heat with better alternatives includ-
16 ing natural solutions;

17 “(v) restoration of natural infrastruc-
18 ture such as forests to absorb heat effects;

19 “(vi) restoration and installment of
20 wetlands and marshes to retain moisture
21 during drought and intensely hot periods;

22 “(vii) increased urban green space
23 that works to reduce heat island effects;

24 “(viii) water conservation plans and
25 protocols designed for severe drought; and

1 “(ix) small business assistance pro-
2 gram assembly and planning for businesses
3 likely to be most impacted by drought.

4 “(C) SEVERE STORMS.—Funds may be ap-
5 plied to mitigation and resilience for the fol-
6 lowing:

7 “(i) STRAIGHT-LINE WINDS AND
8 TORNADIC ACTIVITY.—Funds may be used
9 for infrastructure resilience activities that
10 mitigate against significant wind storms
11 especially where there is high vulnerability
12 to utility systems that may incur prolonged
13 service interruption due to canopy over-
14 growth and exposed transmission links, in-
15 cluding restoration of forests, tree lines,
16 and natural buffer zones designed to chan-
17 nel, shield, and reduce wind damage to
18 critical infrastructure.

19 “(ii) TROPICAL CYCLONES.—Funds
20 may be used for infrastructure resilience
21 activities that mitigate against impacts as-
22 sociated with tropical cyclones.

23 “(iii) ICE, SNOW, EXTREME COLD.—
24 Funds may be used for infrastructure re-
25 silience activities that mitigate against im-

1 pacts associated with winter storms, in-
2 cluding—

3 “(I) physical improvement and
4 signage of evacuation routes;

5 “(II) establishment or improve-
6 ment of shelters or warming centers;
7 and

8 “(III) insulating, relocating, or
9 rerouting critical infrastructure that
10 mitigates for exposure of utility and
11 public transportation assets to snow,
12 ice, and extreme cold.

13 “(D) WILDFIRES.—Funds may be applied
14 to—

15 “(i) planning and protocols that re-
16 duce the risk of wildfires, improve evacu-
17 ation routes, and better inform the public
18 on prevention of and response to wildfires;

19 “(ii) installation of built and natural
20 infrastructure that reduces the risk of
21 wildfires, including—

22 “(I) deployment of vegetation
23 and ecosystems that retain moisture
24 during long hot periods native to the

1 region such as marshes and wetlands,
2 if appropriate;

3 “(II) replacement of vegetation
4 native to the region more suited to in-
5 creased hot and dry periods;

6 “(III) physical improvement and
7 signage of evacuation routes;

8 “(IV) establishment or improve-
9 ment of evacuation centers;

10 “(V) training of first responders
11 and public safety personnel on how to
12 prevent, mitigate, and respond to
13 wildfires;

14 “(VI) acquisition of equipment
15 and supplies suited to mitigating and
16 responding to wildfires, including ac-
17 quisition of technology-based solu-
18 tions;

19 “(VII) activities that increase the
20 capacity of healthcare facilities to
21 treat wildfire-related injuries; and

22 “(VIII) activities that address
23 wildfire primary impacts such as from
24 burn and secondary impacts to prop-
25 erty and infrastructure.

1 “(E) OTHER CATASTROPHIC EVENTS.—

2 “(i) IN GENERAL.—Eligible entities
3 may apply revolving loan funds toward re-
4 silience and mitigation against a cata-
5 strophic event the Administrator deter-
6 mines is either repetitive or is highly likely
7 to occur and endanger lives and property
8 unless overt action is taken.

9 “(ii) CATASTROPHIC EVENTS.—Cata-
10 strophic events include—

11 “(I) chemical spills into public
12 water supply reservoirs such as rivers,
13 lakes, or groundwater aquifers where
14 results could be life-threatening;

15 “(II) large-scale algae blooms in
16 a public surface water supply res-
17 ervoir such as a river or lake;

18 “(III) rupture of a hazardous
19 materials pipeline that transects
20 above, below, or through a public
21 water supply reservoir such as a river,
22 lake, or groundwater aquifers; and

23 “(IV) significant contact between
24 a land-based waste disposal site cur-
25 rently housing a hazardous material

1 such as coal ash, mining material, or
2 manufacturing slag that may make a
3 water body toxic.

4 “(iii) RESILIENCE ACTIVITIES.—Resil-
5 ience activities that are allowed under this
6 section may include—

7 “(I) strengthening or realignment
8 of surface transportation infrastruc-
9 ture, including ports;

10 “(II) installation of emergency
11 shut-off valves within hazardous mate-
12 rial pipeline sections traversing near
13 or through public water supplies;

14 “(III) removal or relocating of
15 land-based waste disposal sites cur-
16 rently housing a hazardous material
17 as long as the new site is not located
18 within a floodplain or in or near geo-
19 logic hazards such as earthquake
20 faults or areas prone to tsunami
21 liquefaction or landslides; and

22 “(IV) resilience to earthquakes.

23 “(4) SAVINGS.—None of the mitigation revolv-
24 ing loan funds may be used for the benefit of

1 projects, activities or to otherwise mitigate risk on
2 Federal land or property.

3 “(e) INTENDED USE PLANS.—

4 “(1) IN GENERAL.—After providing the oppor-
5 tunity for public review and comment, each partici-
6 pating entity shall annually prepare a plan that
7 identifies, for the year following the date of issuance
8 of the intended use plan, the intended uses of the
9 amounts available in the mitigation loan fund of the
10 participating entity.

11 “(2) CONSULTATION DURING PREPARATION.—

12 Each participating entity, in preparing an intended
13 use plan, shall ensure that the respective agency of
14 the participating entity with primary responsibility
15 for emergency management—

16 “(A) provides oversight with respect to the
17 preparation of the intended use plan; and

18 “(B) consults with any other appropriate
19 agency of the participating entity, including
20 agencies responsible for coastal, environmental
21 management, and economic development.

22 “(3) CONTENTS.—A participating entity shall,
23 in each intended use plan—

24 “(A) include—

1 “(i) an explanation of the mitigation
2 and resiliency benefits the participating en-
3 tity intends to achieve, including by—

4 “(I) reducing future damage and
5 loss associated with hazards included
6 in subsection (d)(3);

7 “(II) reducing the number of se-
8 vere repetitive loss properties and re-
9 petitive loss structures in the partici-
10 pating entity’s jurisdiction;

11 “(III) decreasing the number of
12 insurance claims; and

13 “(IV) increasing the rating under
14 the Community Rating System for
15 communities in the geographical juris-
16 diction of the participating entity;

17 “(ii) information with respect to the
18 availability of, and the application process
19 for receiving, financial assistance from the
20 mitigation loan fund;

21 “(iii) the criteria and methods estab-
22 lished for the distribution of amounts from
23 the mitigation loan fund;

1 “(iv) the amount of financial assist-
2 ance that the participating entity antici-
3 pates allocating to—

4 “(I) local government projects;
5 and

6 “(II) projects benefitting home-
7 owners, business, or nonprofit organi-
8 zations;

9 “(v) the expected terms of the assist-
10 ance provided under clause (iv); and

11 “(vi) a description of the financial sta-
12 tus of the mitigation loan fund and the
13 short-term and long-term goals of the miti-
14 gation loan fund; and

15 “(B) provide, to the maximum extent prac-
16 ticable, that priority for the use of amounts
17 from the mitigation loan fund shall be given to
18 projects that—

19 “(i) address severe repetitive loss
20 properties and repetitive loss structures;

21 “(ii) assist low-income homeowners
22 and low-income geographic areas; and

23 “(iii) assist vulnerable populations in-
24 cluding residential facilities with assisted

1 living, group homes for the elderly, or emo-
2 tional or physically disabled.

3 “(4) PUBLICATION.—Each participating entity
4 shall publish and periodically update a list of all
5 projects receiving funding from the mitigation loan
6 fund of the participating entity, which shall in-
7 clude—

8 “(A) the location of each project;

9 “(B) the type and amount of assistance
10 provided for each project; and

11 “(C) the expected funding schedule and
12 date of completion of each project.

13 “(f) FUND MANAGEMENT.—Amounts in a mitigation
14 loan fund shall—

15 “(1) remain available for providing financial as-
16 sistance under this section until distributed;

17 “(2) if the amounts are not required for imme-
18 diate distribution or expenditure, be invested in in-
19 terest-bearing obligations; and

20 “(3) except as provided in subsection (i), in-
21 clude only—

22 “(A) amounts received from capitalization
23 grants made under this section;

24 “(B) repayments of loans made from the
25 fund;

1 “(C) interest earned on amounts in the
2 fund; and

3 “(D) the matching funds required under
4 subsection (g).

5 “(g) MATCHING FUNDS.—On or before the date on
6 which a participating entity receives a capitalization grant,
7 the entity shall deposit into the mitigation loan fund of
8 the entity, in addition to the amount of the capitalization
9 grant, an amount from non-Federal sources that is not
10 less than 10 percent of the total amount of the capitaliza-
11 tion grant.

12 “(h) TYPES OF ASSISTANCE.—Unless otherwise pro-
13 hibited by law, a participating entity may use the amounts
14 deposited into a mitigation loan fund under this section
15 only—

16 “(1) to make a loan, on the condition that—

17 “(A) the interest rate for the loan is not
18 more than 50 percent of the market interest
19 rate;

20 “(B) the recipient of the loan will begin
21 making principal and interest payments on the
22 loan not later than 1 year after the date on
23 which the project for which the loan was made
24 is completed;

1 “(C) the loan will be fully amortized not
2 later than 20 years after the date on which the
3 project for which the loan was made is com-
4 pleted, except that, in the case of a loan made
5 for a project in a low-income geographic area,
6 for a low-income homeowner or to assist vulner-
7 able populations including residential facilities
8 with assisted living, group homes for the elder-
9 ly, or emotionally or physically disabled, the
10 participating entity may provide a longer amor-
11 tization period for the loan if that longer pe-
12 riod—

13 “(i) ends on a date that is not later
14 than 30 years after the date on which the
15 project is completed; and

16 “(ii) is not longer than the expected
17 design life of the project;

18 “(D) the eligible recipient of the loan dem-
19 onstrates that there is a dedicated source of
20 revenue or adequate income to repay the loan;
21 and

22 “(E) payments of principal and interest
23 with respect to the loan will be deposited into
24 the mitigation loan fund;

1 “(2) to buy or refinance the debt obligation of
2 a local government at an interest rate that is not
3 more than the market interest rate;

4 “(3) to guarantee, or purchase insurance for, a
5 local obligation, the proceeds of which finance a
6 project eligible for assistance under this section, if
7 the guarantee or purchase, as applicable, would—

8 “(A) improve credit market access; or

9 “(B) reduce the interest rate with respect
10 to the obligation;

11 “(4) as a source of revenue or as security for
12 the payment of principal and interest on revenue or
13 general obligation bonds issued by the participating
14 entity if the proceeds of the sale of the bonds will
15 be deposited into the mitigation loan fund; or

16 “(5) to earn interest on those amounts.

17 “(i) ADMINISTRATION OF FUND.—

18 “(1) IN GENERAL.—A participating entity may
19 combine the financial administration of a mitigation
20 loan fund with the financial administration of any
21 other revolving fund established by the entity if—

22 “(A) combining the administration of the
23 funds would—

24 “(i) be convenient and avoid adminis-
25 trative costs; and

1 “(ii) not violate the law of the partici-
2 pating entity; and

3 “(B) the Administrator determines that—

4 “(i) amounts obtained from a grant
5 made under this section, amounts obtained
6 from the repayment of a loan made from
7 a mitigation loan fund, and interest earned
8 on amounts in a mitigation loan fund will
9 be—

10 “(I) accounted for separately
11 from amounts from other revolving
12 funds; and

13 “(II) used only for purposes au-
14 thorized under this section; and

15 “(ii) after consulting with the appro-
16 priate agencies of the participating entity,
17 the authority to establish assistance prior-
18 ities and carry out oversight and related
19 activities, other than financial administra-
20 tion, with respect to mitigation assistance
21 remains with the agency of the partici-
22 pating entity with primary responsibility
23 for emergency management.

24 “(2) ADMINISTRATIVE AND TECHNICAL
25 COSTS.—

1 “(A) IN GENERAL.—For each fiscal year, a
2 participating entity may use the amount de-
3 scribed in subparagraph (B) to—

4 “(i) pay the reasonable costs of ad-
5 ministration of the programs under this
6 section, including the recovery of reason-
7 able costs incurred in establishing a miti-
8 gation loan fund;

9 “(ii) provide appropriate oversight of
10 projects authorized under this section; and

11 “(iii) provide technical assistance
12 training and outreach to recipients in the
13 geographical jurisdiction of the partici-
14 pating entity of amounts under this sec-
15 tion, including with respect to updating
16 hazard mitigation plans and participating
17 in the Community Rating System, in an
18 amount that is not more than 5 percent of
19 the funds made available to the entity
20 under this section.

21 “(B) DESCRIPTION.—The amount de-
22 scribed in this subparagraph is an amount
23 equal to the sum of—

24 “(i) any fees collected by a partici-
25 pating entity to recover the costs described

1 in subparagraph (A)(i), regardless of the
2 source; and

3 “(ii) the greatest of—

4 “(I) \$100,000;

5 “(II) 1.0 percent of the value of
6 the mitigation loan fund, as of the
7 date on which the valuation is made;
8 and

9 “(III) an amount equal to 2.0
10 percent of all grant awards made to a
11 participating entity for the mitigation
12 loan fund under this section for the
13 fiscal year.

14 “(3) AUDIT AND REPORT.—

15 “(A) AUDIT REQUIREMENT.—Not less fre-
16 quently than every 2 years, each participating
17 entity shall conduct an audit of the mitigation
18 loan fund of the entity.

19 “(B) REPORT.—Each participating entity
20 shall submit to the Administrator a biennial re-
21 port regarding the activities of the participating
22 entity under this section during the period cov-
23 ered by the report, including—

1 “(i) the result of any audit conducted
2 by the participating entity under subpara-
3 graph (A); and

4 “(ii) a review of the effectiveness of
5 the mitigation loan fund of the entity with
6 respect to—

7 “(I) the intended use plans of the
8 entity; and

9 “(II) meeting the objectives de-
10 scribed in subsection (b)(1).

11 “(4) OVERSIGHT.—In conducting oversight with
12 respect to mitigation loan funds established under
13 this section, the Administrator—

14 “(A) shall—

15 “(i) periodically audit the funds in ac-
16 cordance with procedures established by
17 the Comptroller General of the United
18 States; and

19 “(ii) not less frequently than once
20 every 4 years, review each mitigation loan
21 fund to determine the effectiveness of the
22 fund in reducing hazard risk; and

23 “(B) may, at any time—

24 “(i) make recommendations to a par-
25 ticipating entity with respect to the admin-

1 istration of the mitigation loan fund of the
2 entity; or

3 “(ii) require specific changes with re-
4 spect to a mitigation loan fund in order to
5 improve the effectiveness of the fund.

6 “(j) REGULATIONS.—The Administrator shall issue
7 guidance or regulations as may be necessary to carry out
8 this section, including guidance or regulations that—

9 “(1) ensure that each participating entity to
10 which funds are allocated under this section uses the
11 funds as efficiently as possible;

12 “(2) reduce, to the maximum extent prac-
13 ticable, waste, fraud, and abuse with respect to the
14 implementation of this section;

15 “(3) ensure compliance with the requirements
16 of this section; and

17 “(4) require any party that receives funds di-
18 rectly or indirectly under this section, including a
19 participating entity and an eligible recipient of
20 amounts from a mitigation loan fund, to use proce-
21 dures with respect to the management of the funds
22 that conform to generally accepted accounting stand-
23 ards.

24 “(k) FUNDING.—The President may make contribu-
25 tions from the Disaster Relief Fund in order to provide

1 financial assistance under this section. Such contribution
2 shall be deemed to be related to activities carried out pur-
3 suant to a major disaster under this Act.

4 “(l) DUPLICATION OF BENEFITS.—The financial as-
5 sistance provided pursuant to this section to participating
6 entities, and the loans made to eligible recipients shall not
7 be determined to be a duplication of assistance.”.

○