

2019 Infrastructure Disaster Recovery Program Overview

- In 2019 South Dakota experienced unprecedented storms, flooding and damage to homes, businesses and our public infrastructure, particularly roads.
- Recovery efforts are ongoing but have been delayed by continuous precipitation and flooding since March 2019.
- The state is a willing partner with local government in this recovery process and will, at the request of local officials and legislators, provide financial support to make our infrastructure whole again.

The Current Disaster Recovery Process (Infrastructure)

- FEMA Public Assistance (PA) funds reimburse eligible applicants for infrastructure repair costs.
- Following a Presidential disaster declaration, cities, counties, townships, and tribes that have sustained damage submit a Request for Public Assistance to the South Dakota Office of Emergency Management. This document serves as notice to the state and FEMA that the entity intends to request reimbursement for damage and repair costs.
- State and FEMA officials work with each applicant to document infrastructure damage and write project worksheets that lay out repair specifications and corresponding costs.
- Each PA project has the following project cost breakdown:

75% federal share (paid by FEMA PA)
+ 15% non-federal share (paid by the applicant)
+ 10% non-federal share (paid by the state)
100% project cost

2019 Infrastructure Disaster Recovery Program

- Cities, counties, townships, and tribes may apply for loans from the Emergency and Disaster Fund to provide cash flow for infrastructure repairs.
- These governments can borrow an amount equal to the 75% federal share plus the applicant's 15% portion of the non-federal share, for a total of 90% of project costs.
- Several projects can be covered in one loan.
- When the borrower receives its 75% share from FEMA, this amount will be repaid to the state.
- Loaned funds for the remaining 15% borrower's portion of the non-federal share must be repaid within seven years.
- The borrower must:
 - Be an eligible applicant in one of the four Presidential disasters declared in 2019 (submit RPA) and have a FEMA-eligible project;
 - Submit a loan application to the South Dakota Office of Emergency Management;
 - Sign a loan agreement;
 - Cover the interest lost;
 - Provide financial statements/audits to demonstrate a need for the loan;
 - Provide proof of an ongoing funding source to repay the loan;
 - Provide quotes in accordance with state law for eligible "shovel-ready" projects;
 - Submit a mitigation project proposal; and
 - Follow FEMA requirements.
- Interest will be applied eighteen months from the date of the original loan agreement OR the final FEMA funding date.
- The state will utilize a construction loan approach to provide funds to borrowers for contractor invoice payment.
- The South Dakota Office of Emergency Management will release information soon on how and where to apply for a loan.