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The Municipal Climate Recovery Fund (MCRF) is expanding to safeguard emergency access for residences in flood impacted communities. This the most recent of the Vermont Bond Bank’s (“Bond Bank’s”) multiple efforts, totaling \$25 million, to provide budgetary relief to flood-impacted communities.

Developed in partnership with the Agency of Administration, the expansion is designed to provide immediate financial relief for communities with residences disconnected from first responder access either temporarily or on an ongoing basis from the July 2024 flood.

The loans from the program will ensure that critical services provided by local government can continue while also bridging future FEMA reimbursement at a near-zero rate. The expanded MCRF will be funded through a Memorandum of Agreement with the Agency of Administration for \$5 million.

Loans will be provided following one or more application periods. The Bond Bank further expects to announce additional capacity under the MCRF in early November. To the extent applications for funding are more than available funds, the following factors will be used to prioritize applications:

1. *Evidence of residences dislocated from emergency services due to 2024 flood*
2. *Fulltime equivalents or another measure of municipal capacity*
3. *Disaster Impact Ratio = (Documented losses – expected insurance payouts + own source revenue loss) / Grand List*

Timeline & Links

Friday, October 18, 2024 at noon	Informational Webinar
Friday, November 1, 2024	Application Due Date
Thursday, November 21, 2024	Loan Approvals and Awards (Expected)
TBD	Funding Date

Emergency Access MCRF Loan Terms

Terms and Conditions (Subject to Change)	
Amount	Minimum \$100 thousand; maximum \$1 million; all loans subject to availability and credit review
Term	1 year
Interest Rate	0.50%
Closing Costs	None; cost of bond counsel may be included in loan amount
Payment Dates	Semi-annual - March 1 and September 1
Prepayment	At any time with no penalty
Flow of Funds	Pay-off interfund loans and/or direct expense reimbursement; payoff of bank loan upon request
Eligible Uses via Reimbursement	Costs eligible for FEMA Public Assistance Grant Funding, own source revenue loss up to 10% of prior fiscal year, and planning and initial rebuilding of flood impacted infrastructure
Closing Date	TBD
Security	General obligation
Legal	Local bond counsel opinion
Covenants	Quarterly reporting on FEMA reimbursement timeline; annual financial audit starting in year two; FEMA reimbursement must be used to pay off loan (or pro rata portion thereof)