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**COMMONWEALTH of VIRGINIA**  
DEPARTMENT OF CONSERVATION AND RECREATION

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Conservation*

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*Deputy Director of  
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August 19, 2021

Mr. Lewis L. Lawrence, Executive Director  
Middle Peninsula Planning District Commission  
Saluda Professional Center  
125 Bowden Street  
PO Box 286  
Saluda, Virginia 23149

Re: MPPDC Resilience Plan Second Submission - CFPF

Dear Mr. Lawrence:

Thank you for the resubmission of the Middle Peninsula Planning District Commission's (MPPDC) Regional Flood Resiliency Plan. After careful review and consideration, the Virginia Department of Conservation and Recreation has deemed the Plan meets the criteria outlined in the June 2021 Community Flood Preparedness Grant Manual. This approval will remain in effect for a period of three years, ending on August 20, 2024.

1. **Element 1: It is project-based with projects focused on flood control and resilience. VA-DCR RESPONSE:**
  - a. Meets criteria as written.
2. **Element 2: It incorporates nature-based infrastructure to the maximum extent possible. VA-DCR RESPONSE:**
  - a. Meets criteria as written.
3. **Element 3: It includes considerations of all parts of the local government regardless of socioeconomics or race. VA-DCR RESPONSE:**
  - a. Meets criteria as written.
    - i. The provided plan meets the requirements of Element 3 in Appendix G of the Grant Manual. However, flood data referenced in the MPPDC portrays the majority of flooding as coastal. As we discussed during our meeting with you on August 4, 2021, there are additional types of flooding in MPPDC localities. DCR recommends the commission develop a more comprehensive planning document(s) addressing the MPPDC's overarching approach to furthering flood resilience beyond shoreline protection in all nine member localities.

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*State Parks • Soil and Water Conservation • Outdoor Recreation Planning  
Natural Heritage • Dam Safety and Floodplain Management • Land Conservation*

**4. Element 4: It includes coordination with other local and inter-jurisdictional projects, plans, and activities and has a clearly articulated timeline or phasing for plan implementation. VA-DCR RESPONSE:**

a. Meets criteria as written.

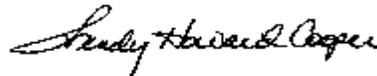
- i. DCR recognizes that both program designs make participation available to residents of all MPPDC member localities who have the ability to qualify, and that the individual program designs offer detailed breakdowns of the timeline and terms for loans disbursed pursuant to individual projects once accepted. This does not constitute a project-based timeline or phasing plan for addressing flooding resilience at the regional, locality, or community level. DCR recommends additional consideration be given to how all flooding, regardless of ability to pay, will be addressed in the MPPDC.

**5. Element 5: Is based on the best available science, and incorporates climate change, sea level rise, storm surge (where appropriate), and current flood maps. VA-DCR RESPONSE:**

a. Meets criteria as written.

VA DCR looks forward to working with the MPPDC in its efforts to develop a resilience plan that addresses flooding for its nine member communities.

Sincerely,



Wendy Howard Cooper, Director  
Dam Safety and Floodplain Management

cc: Darryl M. Glover, DCR

## Middle Peninsula Regional Flood Resiliency Plan

Resubmittal #3 8/6/21

**Approved DCR 8/19/21 until 8/20/24**

The Middle Peninsula is located on the western shore of the Chesapeake Bay, bound to the north by the Rappahannock River and to the south by the York River. As the region is in the Virginia coastal plain, it has a relatively flat topography with approximately 4,000 National Flood Insurance policies, approximately 415 repetitive loss and 30 severe repetitive loss structures, all of which are located along or near 1,000 miles of privately-owned shorelines generating necessary tax revenue to fund essential local governmental services. The southeastern portions of the region are located at or close to sea level, while elevation rises to approximately 200 feet above sea level moving in a northwesterly direction. Flooding is the most frequent and costly natural hazard in the United States as well as the Middle Peninsula. Since 1978 more than \$60,000,000 in Federal Flood Insurance losses have been paid due to all forms of flooding in the region.

Flooding impacts all socioeconomic groups (regardless of race, gender, age, ethnicity, diversity, or income). All land uses are subject to the destructive forces of water including, but not limited to residential, commercial, industrial, retail, agricultural, silvicultural, recreational, and publicly owned assets. All of the Middle Peninsula is subject to all types of flooding including but not limited to coastal, riverine, storm surge, inland, stormwater, flash flooding, groundwater, areal, ponding (pluvial), or urban.

The Middle Peninsula Planning District Commission (MPPDC) recognizes the need to better secure the tax base of coastal localities against the risk of flooding and the expectation to deliver essential governmental services, including public safety. All of which are more frequently challenged by coastal storms and recurrent flooding of all types. There is an unfortunate and eroding relationship between at-risk real estate values and funding of essential governmental services. Without proactive flood mitigation for coastal lands and structures, the rural coastal tax base will literally and figuratively erode into the Chesapeake Bay. Revenue will continue to decline with flood insurance claims, agricultural claims and uninsured costs will continue to increase.

In response to emerging flood challenges, the MPPDC Commission has authorized staff to develop the **Middle Peninsula Fight the Flood (FTF) Program** which leverages state and federal funding to deliver flood mitigation solutions directly to constituents, for both the built environment and the natural environment with an emphasis on nature-based flood mitigation solutions. The Middle Peninsula **Living Shoreline Resiliency Incentive Funding Program** has been the only structured program in the Commonwealth offering loan and grants to all qualified waterfront citizens and waterfront businesses since its establishment in 2015.

The Middle Peninsula **FTF** program helps property owners gain access to programs and services to better manage challenges posed by flood water.

The Middle Peninsula's Regional Flood Resiliency Plan is comprised of two primary approved policy documents which form the implementation and foundation of the Middle Peninsula flood protection approach and are indirectly and directly supported by multiple specific regional planning documents, both approved by various required federal, regional or local partners as required by statute. These documents contain the elements described in the DCR Virginia Community Flood Preparedness Fund to qualify as the region's Resiliency Plan.

### **Long Term Planning**

- **Middle Peninsula All Hazard Mitigation Plan, FEMA and Middle Peninsula locality approved 2016 (MPPDC Website)**
- **Middle Peninsula Comprehensive Economic Development Strategy, MPPDC Approved March 2021 (MPPDC Website)**
- **Middle Peninsula VDOT Rural Long Range Transportation Plan - MPPDC Approved ~annually**

### **Short Term Implementation**

- **Middle Peninsula Planning District Commission Fight the Flood Program Design MPPDC Commission approved June 2020 (Attached) Chairman approved 8/6/21 update**
- **Middle Peninsula Planning District Commission Living Shoreline Resiliency Incentive Funding Program-Virginia Revolving Loan Fund Program Design and Guidelines approved 2015 (Attached)**

These five documents contain the required elements described in the 2021 Grant manual for the Virginia Community Flood Preparedness Fund.

For applications made under the Virginia Community Flood Preparedness Fund and if grants and loans are made available, it is the policy of the MPPDC to provide such to qualified participants based on the terms and conditions associated with flood risk, as well as providing various grant and loan funds available to support the public purpose(s) for which the funds have been allocated. The program utilizes income guidelines for residential participation based on household income and ability to pay. Businesses will provide documentation such as profit and loss statement and/or other documentation of adequate business equity to collateralize the public investment). Grant/Loan awards, if available will be based on the program requirements of the source of the funds, if any. Unless otherwise dictated by the source of the grant funds, MPPDC will distribute grant funds on a sliding scale according to FEMA Flood insurance zones for any qualified resiliency project that meets the definition of a living shoreline found in § 28.2-104.1 of

the Code of Virginia and is designed to attenuate the impinging wave climate across the sill and marsh system during significant storm events. FEMA flood zone determination is based on the best available science recognized by FEMA. Unless prohibited by the funding source or type of project, at a minimum, project designs shall be designed to and based on site conditions identified within the locality FEMA Flood Insurance Study (FIS) which use statistical water levels, wave heights and fetch exposure.

**FEMA FIS:** A compilation and presentation of flood risk data for specific watercourses, lakes, and coastal flood hazard areas within a community. When a flood study is completed for the NFIP, the information and maps are assembled into an FIS. The FIS report contains detailed flood elevation data in flood profiles and data tables.

Projects funded must have a primary purpose of prevention or protection to reduce coastal, riverine or inland flooding and focus on:

**Nature-based solutions:** including but not limited to: wetland restoration, floodplain restoration, swales and settling ponds, living shorelines and vegetated buffers.

**Additional flood control solutions:** including, but not limited to: floodwalls, levees, berms, flood gates, structural conveyances and storm water systems.

**Preservation and creation of open space:** including property acquisition and relocation and the permanent conservation of lands identified as having flood resilience value by the Conserve Virginia Floodplain and Flooding Resilience layer or a similar data driven analytic tool.

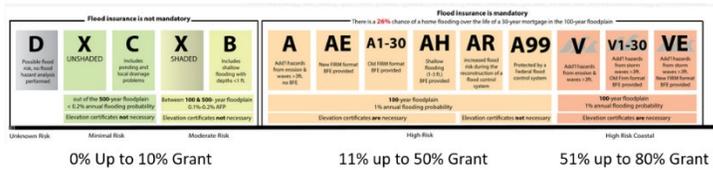
Designs will be recognized and considered that are sourced to other qualified metrics which include:

- Appropriate company certification illustrating and documentation of
  - nature based solution and
  - flood control solutions including documentation of BMP approval for erosion control, water quality or flood protection.
- Designed and certified by a licensed professional who routinely designs projects for the flood mitigation space.

Designs shall take into consideration any additional requirements, such as required sea-level rise rates.

Unless prohibited or directed by the funding program, MPPDC has established grant funding thresholds based on flood risk established by FEMA.

Living Shoreline Resiliency Grant Limits



The DCR guidelines require that an approved plan shall meet the following criteria:

- It is project-based with projects focused on flood control and resilience. MPPDC YES
- It incorporates nature-based infrastructure in specific projects. MPPDC YES
- It includes considerations of all parts of a locality regardless of socioeconomics or race. MPPDC YES
- It includes coordination with other local and inter-jurisdictional projects, plans, and activities and has a clearly articulated timeline or phasing for plan implementation. MPPDC YES
- Is based on the best available science, and incorporates climate change, sea-level rise, and storm-surge (where appropriate), and current flood map MPPDC YES

The following MPPDC program designs for the Middle Peninsula Planning District Commission **Fight the Flood Program** and the **Living Shoreline Resiliency Incentive Funding Program** are the implementation structure for administering the expenditure of funding provided by the Virginia Community Flood Preparedness Fund

**Middle Peninsula Planning District Commission**  
**Fight the Flood Program**  
**Program Design**  
**MPPDC Commission Approved**  
**6/24/20**  
**Amended Per PDC Chairman 8/6/21**  
**OVERVIEW**

The Program Design for the Middle Peninsula Fight the Flood Program (FTF) outlines marketing strategies, loan application, review process, funds management, administration, and loan agreements with property and business owners. This document can be administratively reviewed with minor programmatic amendments subject to MPPDC Chairman approval. Significant programmatic changes require Commission approval.

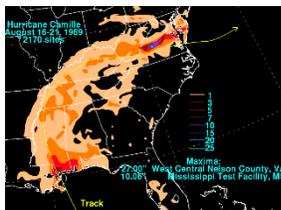
**Fight the Flood: Public Purpose Statement**

*The MPPDC Fight the Flood (FTF) program recognizes the need to better secure the tax base of coastal localities; the inherent risk to the delivery of essential governmental services, including public safety, posed by coastal storms and recurrent flooding of all types; and the relationship between at-risk waterfront real estate values and funding of*

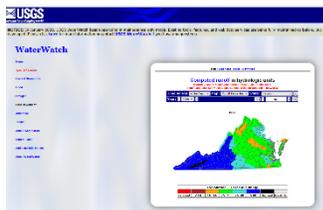
*essential governmental services. The FTF program exists to help flood-prone property owners access programs and services to better manage challenges posed by flood water. When grants and loans are available, it is the policy of the MPPDC to provide such to qualified participants based on the terms and conditions associated with flood risk, as well as providing various grant and loan funds available to support the public purpose(s) for which the funds have been allocated.*

The Fight the Flood program goals are to generate and facilitate community resiliency by addressing all types of flooding which impact all socioeconomic groups (regardless of race, gender, age, ethnicity, diversity, or income). All land uses are subject to the destructive forces of water including, but not limited to residential, commercial, industrial, retail, agricultural, silvicultural, recreational, and publicly owned assets. All of the Middle Peninsula is subject to all types of flooding including but not limited to coastal, riverine, storm surge, inland, stormwater, flash flooding, groundwater, areal, ponding (pluvial), or urban.

Water impacts the Middle Peninsula from a variety of sources and conditions including velocity, duration, frequency, and volume.



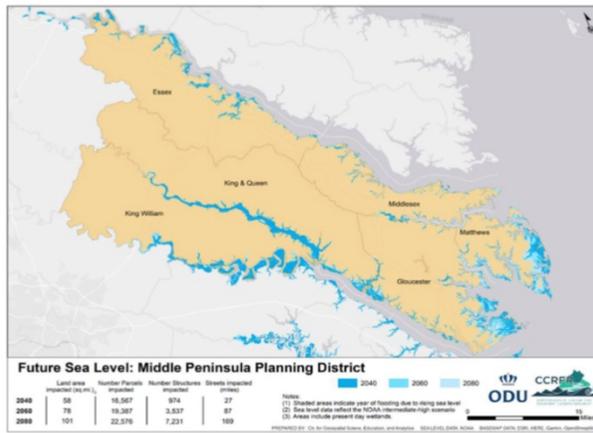
**Fast Moving:** Hurricane Camille was a fast-moving storm with massive rainfall over a quick time period. This type of event has major and widespread flooding impacts across the entire Middle Peninsula.



**Slow Moving:** According to the USGS, all of the Middle Peninsula experiences stormwater runoff between the 10-75% range causing water to move over the landscape with the ability to cause erosion.



**Storm Surge:** Land uses along the riverfront, Chesapeake Bay front and streams subject to tidal influence will experience surge that encompasses all land area, including the built and natural environment for the duration of the surge.



Sea-Level Rise: Land uses along the riverfront, Chesapeake Bay front and streams are subject to increasing sunny day flooding events and more frequent flooding due to sea-level rise and subsidence. By 2040, the estimates 16,567 Middle Peninsula parcels will be impacted by sea level rise [Commonwealth Center for Recurrent Flooding Resiliency](#)

The Fight the Flood program looks to help mitigate flooding issues which impact all socioeconomic groups while also enhancing water quality, and to encourage economic growth by targeting and attracting businesses to provide flood mitigation products and services for flood-prone properties, including shorelines and buildings. When appropriate, projects should be designed not only for today's flooding challenges, but also designed for future flooding challenges by extrapolating FEMA flood risk using FEMA Insurance Studies or other appropriate methodologies.

To accomplish its stated goal, the Fight the Flood program identified three core **Objectives** that develop the program's policy framework:

### **Objectives**

1. Provide financial products to influence consumer behavior for managing and mitigating flood risk
  - a. Offer a suite of financial products (i.e. loans, grants, insurance) with a correlation to lower interest rates and grants for shorelines under greater risk; higher rates and less grant funding for lower risk shorelines using FEMA flood zones
  - b. **When possible, leverage General Assembly legislation such as § 58.1-3228.1. Partial exemption from real property taxes for flood mitigation efforts for grant matching funds.**
2. Provide consumer to professional services connections through the Fight the Flood program
  - a. Registered consumers with a flood mitigation issue will have direct access to a pool of established resiliency professionals.
  - b. Participating companies are evaluated on a regular basis
  - c. Resiliency professional registered under Fight the Flood may provide discounted professional services to consumers in need.

3. Utilize reach-based Shoreline Implementation “Battle Plans” to facilitate multi parcel mitigation projects for economy of scale. These plans will be prepared and or reviewed by qualified professionals in the field of coastal flooding, such as Virginia Institute of Marine Science Shoreline Studies Program or plans funded under the Virginia Coastal Zone Management Program
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## **I. Marketing Strategy**

- A. Geographic Area of Program:** The Program shall be available to homeowners located in the Middle Peninsula Planning District Commission (“MPPDC”). The MPPDC comprises of the following member-localities: counties of Essex, Gloucester, King and Queen, King William, Mathews, and Middlesex; and the towns of Tappahannock, Urbanna, and West Point.
- B. Solicitation of Fight the Flood/Marketing:**
  1. Referrals from private sector contractors, design professionals, flood mitigations companies and engineers
  2. Referrals from local governments, including local wetland boards and/or other State agencies
  3. Social Media Channels, Websites, News releases, Public Information Notices, i.e. newspapers, fliers at public locations, educational displays
- C. Outcomes from FTF Participation:**
  1. Encourage homeowners to purchase flood insurance;
  2. Encourage homeowners with existing flood insurance to evaluate cost effectiveness for premium relief;
  3. Encourage homeowners to practice coastal resilience to manage flood risk and reduce damage
- D. Available FTF financial & insurance products:**

*Current existing products are included in the FTF program*

  1. MPPDC Revolving Loan Program Funding
    - Living Shorelines Resiliency Incentive Funding Program
      - a. Nature-based shoreline BMP construction
      - b. Coastal stormwater BMP construction
    - Septic Repair Program
    - Energy Efficiency Revolving Loan Program
    - Small Business Financing, Training, loan and grants
    - Other loans programs as available
  2. MPPDC Grants

- Grants shall be leveraged and utilized to provide protection for hazard and flood prone areas with an enhanced focus on socioeconomically vulnerable property owners.
    - a. Nature-based shoreline BMP construction
    - b. Coastal stormwater BMP construction
    - c. Residential infrastructure resiliency improvements (i.e. structures, septic systems, utilities, etc.)
  - Loan Forgiveness options when available
  - VCAP Grants (offered by the Soil Water and Conservation District) when available
  - Other grants and grant programs as available
- 3. MPPDC Insurance**
- Parametric insurance for living shorelines and septic systems
  - MPPDC Living Shoreline Plant Insurance Program
  - Other insurance products as available
- E. Income Guideline:** Residential participation will be based on the household income and ability to pay. Businesses shall provide documentation such as profit-and-loss statements and/or other documentation of adequate business equity to collateralize the public investment. Grant/loan awards, if available will be based on the program requirements of the source of the funds, if any.
- F. Terms of Loan:**  
*Homeowners who are eligible to receive a revolving loan from the existing MPPDC Living Shoreline Loan program (see MPPDC program design for specific requirement) shall be subject to the following terms:*
1. All loans over \$3,000 shall be secured with a Deed of Trust granted to the Middle Peninsula Planning District Commissioner. Businesses may use a deed of trust, security agreement, UCC liens, etc.
  2. The owner of the property must agree that, if the property is sold, transferred, or otherwise conveyed voluntarily, when the owner is living, or if the real estate ceases for any reason to be the owner's principal place of residence, any outstanding balance must be paid back to the Middle Peninsula Planning District Commission.
  3. If a business is sold and the Living Shoreline Loan program debt is to be assumed, a business may carry forward the loan debt as part of the business sale, assuming approval is granted by the MPPDC prior to the sale.
    - If not, any outstanding principal (and grant) amount must be paid back to the Middle Peninsula Planning District Commission.
- G. All beneficiaries must make monthly loan payments by automated clearing house debit from a valid checking or savings account.**

## II. Vendors: Qualifications & Expectations

- A. The MPPDC has a fiduciary responsibility to protect the expenditure of loans/grants. Thus, it sets forth the following qualifying criteria and expectations for vendors to comply.
- B. Qualifying businesses need not be located within the Middle Peninsula region, although we encourage and invite businesses with physical footprints within the Middle Peninsula to join.
- C. Prospective vendors to be listed on the FTF website must match at least one of the qualifying criteria below to participate in the Fight the Flood business marketplace and have taken and completed appropriate professional training(s), from the Virginia Institute of Marine Science or other universities, colleges, government or other professional programs offering certifications or credentials related to professional trade or profession directly related to the services to be provided.
  1. Class A Contractors License
    - Automatically accepted upon proof of successful project completion (project completion statement, closed permit, release of performance bond, etc.)
  2. Class B or C licenses
    - Proof of permitted and completed similar jobs, at least 3 jobs within the last 24 months in a Tidewater locality.
  3. Other applicable methods presented and accepted by Fight the Flood program manager.
- D. To be listed on the FTF website, qualifying vendors shall complete the “Fight the Flood Business Survey” as provided by the MPPDC.
  1. The MPPDC shall maintain a database of qualifying vendors and made available to FTF registered property owners who request financial assistance. Property owners are not required to use qualified FTF vendors but are encouraged to.
  2. It is mutually understood by all parties that the homeowners select the vendor
- E. Participating FTF qualified vendors are encouraged to:
  1. Support the FTF program by offering services on discount (5%–15%+) to only those homeowners who are registered in the FTF program;
  2. Carry necessary insurance such commercial general liability. Homeowners using any contractor are encourage to ask for proof of insurance: For example, Class A Contractors \$1,000,000 Class B and C \$500,000-\$250,000.

3. Acknowledgement that all financial payments from the MPPDC are released to the homeowner when approval is granted from the appropriate permitting agency denoting the completion of the work.
    - Loan proceeds can be released upon recordation of loan documents
    - Grant proceeds can be released upon satisfactory completion of the job, with proof of acceptance by the permitting agency
    - Some cost can be pre-paid under the program upon issuance of required permits or cost necessary to apply for permits such as design and engineering, etc.
  4. Commit to prompt communication with the homeowners
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**Middle Peninsula Planning District Commission  
Living Shoreline Resiliency Incentive Funding Program**

**Virginia Revolving Loan Fund Program Design  
And Guidelines – December, 2015  
Amended 6/24/2020**

**OVERVIEW**

The Program Design and Guidelines for the Middle Peninsula Living Shoreline Resiliency Incentive Funding Program (LSIP) will delineate marketing strategies, loan application and review process, environmental review, funds management and administration, and loan agreements with property (residential and business) owners.

This program will provide incentives in the form of funding and insurance for homeowners to install living shorelines in lieu of shore hardening approaches for shoreline stabilization on private property.

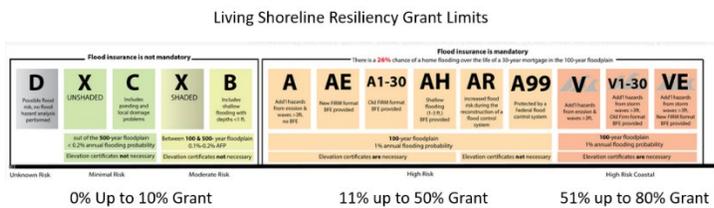
**I. Marketing Strategy**

- Geographic Area of Program: The Program will be available to homeowners of property located in the Middle Peninsula Planning District of Virginia. The localities of the Middle Peninsula are the counties of Essex, Gloucester, King and

Queen, King William, Mathews, and Middlesex; and the towns of Tappahannock, Urbanna, and West Point.

- Solicitation of Applications: Loan applications will be sought through the following means:
  - Referrals from private sector contractors and engineers.
  - Referrals from Local Governments or other agencies.
  - News releases, Public Information Notices-Newspapers, fliers at public locations, educational displays at Captain Sinclair Landing
- Income Guideline –Residential participation will be based on the household income and ability to pay. Businesses will provide documentation such as profit and loss statement and/or other documentation of adequate business equity to collateralize the public investment). Grant/Loan awards, if available will be based on the program requirements of the source of the funds, if any.

Unless otherwise dictated by the source of the grant funds, MPPDC will distribute grant funds on a sliding scale according to FEMA Flood insurance zones for any qualified resiliency project that meets the definition of a living shoreline found in § 28.2-104.1 of the Code of Virginia and is designed to attenuate the impinging wave climate across the sill and marsh system during significant storm events. A design will use statistical water levels and wave heights per FEMA flood zones and the fetch exposure referenced in FEMA flood insurance rate study or other qualified study.



- Terms of Loan:

All loans over \$3,000 will be secured with a deed of trust granted to the Middle Peninsula Planning District Commission. Businesses may use a deed of trust, security agreement, UCC Liens etc . The owner of the property must agree that, if the property is sold, transferred, or otherwise conveyed voluntarily, when the owner is living, or if the real estate ceases for any reason to be the owner’s principal place of residence, any outstanding principal amount must be paid back to the Middle Peninsula Planning District Commission. If a business is sold and the living shoreline debt is to be assumed, a business may carry forward loan debt as part of the business

sale, assuming approval is granted by the MPPDC prior to sale. If not, any outstanding principal (and grant) amount must be paid back to the Middle Peninsula Planning District Commission

- All beneficiaries must make monthly loan payments by automated clearing house debit from a valid checking or savings account.
  
- 1. Interest and principal payments will commence as soon as funds are released. Final payment to owner or contractor will not be released until review by VMRC or local wetlands board staff to ensure the project has been completed consistent with the terms and conditions of the VMRC or wetlands permit.
  2. Loan interest rates will be at the WSJ Prime Rate as published at <http://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx>
  3. Alternatively, if the applicant has a banking relationship with a lending institution with a physical foot print within the Middle Peninsula, the program will match a verified HELOC rate to a floor of 2% rate. An additional ¼% rate reduction below a verified HELOC rate can be included for any project located in a FEMA A, AE, AH, AR, A99, VorVE flood zone designed to attenuate wave energy and storm surge.
  4. In order to close out lending on an existing MPPDC-DEQ-VRA loan, the applicant may negotiate an interest rate to facilitate the closure of any outstanding loan balance to assist the Commission with refunding of the program. A rate floor of 1.5% is established.
  
  5. Low income homeowners may be offered grants and lower interest rates based on household income.
  
- Loan Process
  - Applicant shall complete application provided by MPPDC
  - MPPDC staff can assist with application as needed
  - Loan terms and payments options will be discussed with client. Loans shall be amortized by monthly installment payments.
  - Completed application will be provided to MPPDC Closing Agent for loan processing and loan closing
  - Applicant and MPPDC will close loan. Loan Closing will take place at the office of the Middle Peninsula Planning District Commission, loan closing agents office or other agreed to location.
  
- Loan term:
  - Loans of \$10,000 or less will be financed for up to 60 months.

- Loans over \$10,000 to \$35,000 will have the option of financing for up to 120 months.
  - Loans over \$35,000 will have the option of financing for up to 180 months, with approval from VRA.
  - For eligible applicants receiving VRA loan forgiveness, terms of forgiveness will be included within the promissory note. If the applicant pays off the note before maturity, any outstanding loan forgiveness must be repaid and included as part of the payoff calculations. VRA funding for reach based, multi parcel projects will be handled on a case by case basis with terms included in the promissory note(s)
- Property transfer criteria: Balance of the principal of the loan shall be due and payable to The Middle Peninsula Planning District Commission upon sale or transfer of the property.
  - Identification of Prior Existing Debt:
    - No subordination of loan shall be done for equity mortgage requests by beneficiary.
    - Applications found to carry a delinquent or defaulted first mortgage shall be ineligible for assistance. Applicants whose property is financed must carry a current first mortgage in good standing. This mortgage must have been current for at least the 12-month period prior to application or since inception of mortgage if in existence less than 12 months.
  - Size of Loan: Loans shall not be less than \$1,000.
  - Fees and Service Charges:
    - Application Fee-\$40 required at time of application.
    - Administrative Fee – To be determined based on cost of necessary documentation and closing costs. May be amortized with loan funds.
    - Late Fee-5% charged on unpaid payment due applies when 7 days past due date of payment.
  - Security: Individual property owners receiving loans will sign a promissory note for the term of the loan. Loans over \$3,000 are to be secured by a Deed of Trust.

- Financing, Permits, Inspections, Contractor Selection and Certification, Disbursement of Funds

The Middle Peninsula Planning District Commission Living Shoreline Incentive and Funding Program will authorize VRA financing of any project not prohibited by any local ordinance and approved by VMRC or the applicable local wetlands board that satisfies the definition of a living shoreline consistent with § 28.2-104.1 of the Code of Virginia.

If required by either the permitting agency or terms of a grant award, monitoring of the site, absent other requirements will be required for 3 years after installation following protocol elements outlined in Milligan et al 2019. Monitoring cost can be financed as part of the project.

Applicants are encouraged to review the MPPDC Fight the Flood Program Design for access to information related to contractor services

Contractor may request partial reimbursement payment for ordering of materials necessary for the job. Pre-draws will collect interest at the rate agreed to in the promissory note. Accrued interest for pre-draws will be added to the final note payment. Principal and interest payments will commence when the project has been completed.

Final funds will be disbursed to homeowners/contractor only after acknowledgement by local wetlands board and/or VMRC of satisfactory completion of projects.

Homeowner/Contractor shall provide to MPPDC a statement of final project completion

- Insurance Program: Dependent on securing the necessary funding, the Middle Peninsula Planning District Commission Living Shoreline Incentive and Funding Program will “insure” the plants of eligible living shoreline installations for up to two (2) years following initial construction dependent on funds available in the insurance pool program at the time of claim. In the event the plants die, the reason must be explained for the need to be replaced. If applicable, the program will provide grant funds necessary to purchase and replant the same or similar plants in any installation that was previously funded by the program. This insurance can be utilized up to 2 times per project as long as insurance funds remain in the program. All claims must be certified by program partners (VIMS/VMRC)
- Parametric Living Shoreline Insurance policies can be financed as part of the loan package. The applicant may choose how many years of insurance to finance.

## **II. Loan Application and Review**

- Application Guidelines:

- Income Eligibility: An applicant shall complete an Income Eligibility worksheet to determine income qualification for determination of ability to repay loan.
  - Application Fee: A \$40 application fee shall be charged at the time of application. The fee shall be nonrefundable.
  - Place and Time of Application: Applications are available at the offices of the Middle Peninsula Planning District Commission,  
Saluda Professional Center, 125 Bowden Street,  
Saluda, Virginia between the hours of 8:30 a.m. to 4:30 p.m.,  
Monday through Friday, except holidays, by mail request at PO  
Box 286, Saluda VA 23149, and by phone at (804) 758-2311. A  
downloadable application is also available at [www.mppdc.com](http://www.mppdc.com)
- Review and Approval of Applications:
1. Staff Review- The staff of the Middle Peninsula Planning District Commission will review each application for Completeness and to verify income eligibility.
  2. Project Management Committee- The Middle Peninsula Planning District Commission will designate a committee to review and approve each application. If grant funds are available the Committee will determine eligibility for grant funding following the criteria required by the funder or the program design. The Committee shall consider the following in determining project priorities:
    - Need for shoreline management at the project site (in consultation with VMRC staff)
    - FEMA Flood zone
    - Number of projects funded in a jurisdiction - Localities that have never received funding for a project will be given priority
    - Ability to pay – the ability of the homeowner to repay the loan
  3. The MPPDC Board may authorize the Executive Director to complete all loan agreements and notes pursuant to approved loans.

### **III. Administration of VRA Financing Funds**

- Security: The Living Shoreline Incentive Funding Program will secure the loan with the Virginia Revolving Loan Fund through the revenues generated through loan payments made by individual property owners and through investment of capital funds.

1. Interest Security- The Program will offer loans at interest rates of WSJ Prime as published at [www.bankrate.com](http://www.bankrate.com)

B. Alternatively, if the applicant has a banking relationship with a lending institution with a physical foot print within the Middle Peninsula, the program will match a verified HELOC rate to a floor of 2% rate. An additional ¼% rate reduction below a verified HELOC rate can be included for any project located in a FEMA A,AE,AH,AR,A99,VorVE flood zone designed to attenuate wave energy and storm surge

C. In order to close out lending on an existing MPPDC-DEQ-VRA loan, the applicant may negotiate an interest rate to facilitate the closure of any outstanding loan balance to assist the Commission with refunding of the program. A rate floor of 1.5% is established.

2. Principal Security- The MPPDC Program will borrow funds from the Virginia Resource Authority under terms and conditions agreeable to each party. Historically, VRA has loaned the Commission \$250,000 for a period of 15 years at a 0% interest rate, but terms and conditions will vary as the Commission recapitalizes its program over time.

3. Total Annual Security/Annual Debt Payments- At program start up, annual debt payments will be \$16,667, to be paid in semi-annual payments of \$8,333. Future annual debt payments will vary based on recapitalization of the fund and terms offered by VRA. MPPDC will manage the loan fund and portfolio to ensure repayment of indebtedness.

4. MPPDC will establish a Loan Loss Reserve in the amount of \$16,667 or an amount equal to one (1) year debt service payments. These funds will be designated as "Restricted Cash – MPPDC Series 2017 Reserve Fund" on the MPPDC balance sheet until such time as the loan is repaid in full.

**B. Administration:**

1. The Middle Peninsula Planning District Commission will dedicate staff personnel to administer the Program. The Executive Director will provide supervisory guidance to the program.
2. The MPPDC will work closely with the State agencies involved in the protection of water quality. The Department of Environmental Quality and the Virginia Marine Resources Council will provide project guidance and assist through the permitting process.

3. The MPPDC Board will designate a Project Management Committee to provide input into the loan review and financial management aspects of the Program. The Board will also be involved in oversight of the entire program.
4. Fund Administration-The Program will invest any undisbursed portion of the loan proceeds with banks operating in the region or the Commonwealth of Virginia Department of the Treasury Local Government Investment Pool. Revenues from loan payments will be invested in said accounts providing liquidity to coincide with debt payments to the VRLF. Interest earnings from the Program will be available for administration costs and loan security. All revenues available after debt payments and administration costs may be utilized to provide additional assistance through the form of additional loans and/or grants to qualified applicants.

#### **IV. Notification of Changes to the Local Program**

The MPPDC will notify the Department of Environmental Quality and the Virginia Resources Authority of any anticipated changes to the Program Design at least 60 days prior to the effective date of such changes.