

## CASE STUDY

# Rhode Island's Municipal Resiliency Program



### IDENTIFYING HAZARDS:

Climate change is leaving Rhode Island vulnerable to sea level rise, warming air and water temperatures, and more frequent and intense storms, precipitation, and inland flooding. These risks arising from climate change were identified in Resilient Rhody, Rhode Island's Climate Resilience Action Strategy. In turn, the strategy identifies measures for protecting aging but systemically-important state infrastructure from the likely effects of climate change, as well as for addressing climate risks to natural systems and local communities and emergency preparedness.

A key aspect of the strategy is a discussion of how to pay for resilience, i.e. the financing mechanisms that could support it's the strategy's implementation. The strategy identifies innovative instruments for financing resilience, such as resilience bonds or environmental impact bonds, and proposes financing mechanisms that already exist nationally or in the state and can be used to finance resilience. One such strategy has been executed as a state-led program since 2019 is the Rhode Island Infrastructure Bank's (RIIB) Municipal Resilience Program (MRP), one of several municipal resilience-building initiatives under Resilient Rhody.

### POLICY APPROACHES TO INCREASE RESILIENCE:

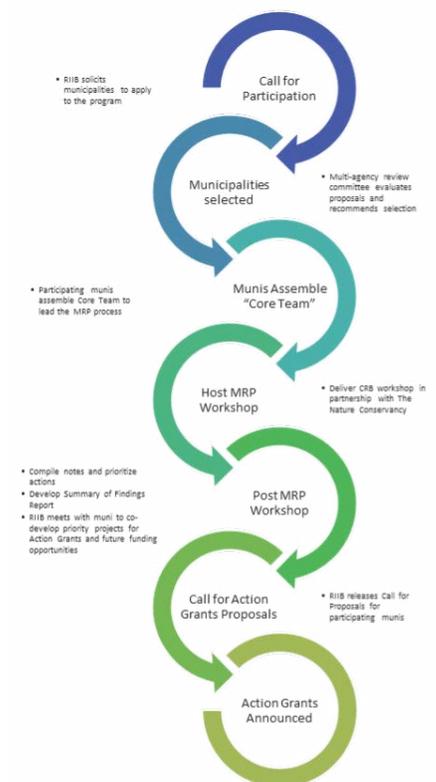
Rhode Island Infrastructure Bank's MRP is a resilience-building program for municipalities that combines strategy and capacity building with matching grants for actionable projects. The program has three components:

- community resilience building workshops
- action grants
- building a project pipeline

The first component supports municipalities in conducting a community-driven assessment of climate hazards and capacity to address them and identifying priority projects and strategies for improving resilience to these hazards. The MRP uses the Community Resilience Building (CRB) framework to engage stakeholders and generate high-priority project ideas while partnering with The Nature Conservancy to deliver and fund the CRB workshops. The CRB process is community-driven and convenes a "Core Team" of municipal and community representatives that will design and deliver the municipal climate

### Process for Implementing MRP with Each Municipal Cohort

Source: RIIB, <https://ebcne.org/wp-content/uploads/2021/03/Presentations-Rhode-Island-Webinar-Environmental-and-Climate-Leadership.pdf>



vulnerability assessment and resilience strategy. This preparatory stage helps municipalities tackle issues such as:

- Aligning local planning actions with climate issues and natural hazard response
- Understanding the impact of climate change on local communities
- Identifying infrastructural, social, and environmental vulnerabilities and strengths
- Exploring nature-based solutions to build resilience
- Identifying actionable next steps for the municipality, local organizations, businesses, neighborhoods, community groups and private citizens

The workshop proceedings include a table of critical infrastructure mapped to its climate vulnerabilities and actions to address those vulnerabilities. Once this step is complete, the municipality is certified as a “Resilient Rhody Municipality” and able to apply for MRP action grants used to fund resilience projects identified through the process.

Following the CRB process, the municipality becomes eligible to apply for capital funding for resilience projects through the action grants component. Typical action grants are worth \$200,000 and must be used for capital investment. RIIB has pledged a minimum of \$1 million in action grants every year through its initial funding period. Grant eligible projects must:

- improve climate resilience and include a capital investment that leads to construction
- not be used for research and feasibility activities
- be matched by municipalities at 25% of the grant.

For investment needs beyond what is fundable through Action Grants, MRP municipalities are notified of state and federal grant or borrowing opportunities that can support their specific capacity building, capital project, and/or plans/preparedness/studies/outreach actions. RIIB additionally provides ongoing technical assistance to MRP municipalities to advance resilience actions, particularly through pre-investment project preparedness support and then grant management support during project construction.

### **PRIORITIZE RESILIENCE EFFORTS:**

The MRP was established through a \$2.5 million grant drawing from the RIIB’s operational budget. Its success can be partly measured by the demand for its services and funding, suggesting a need to continue and expand the program to:

- reach all 39 municipalities in the state
- expand the breadth of technical assistance the MRP can offer (for example, design and engineering assistance, identification of additional funding and financing sources, etc.)
- expand local capacity for resilience building through regional coordination, training municipal staff

The program has been additionally granted \$7.5 million to continue its operations. This funding comes from the state's 2021 Beaches Clean Water and Green Economy Bond. The MRP has also secured \$200,000 in funding from a charitable foundation to establish a regional resilience coordinator position to work with a group of localities on resilience planning and investment. It is additionally waiting on responses to funding requests made to the federal government that would add further funding and resource to the program.

The MRP is an example of the efficiencies that can arise from using existing institutional mechanisms to drive resilience planning and finance. The program benefitted greatly from RIIB's institutional infrastructure to finance investments identified through the community outreach process. It offers a reciprocal benefit to the Bank in building project pipelines so the Bank can channel more capital to projects and communities to address resiliency gaps across the state. The MRP also has an administrative advantage in that grants funded through the MRP can tap into the loan and project management processes of the bank, helping simplify procurement processes (contract execution, payments to contractors, etc.) for external vendors. The MRP has also benefitted from its relationship with a well-established non-profit service provider, The Nature Conservancy (TNC). The mission alignment between the MRP and TNC means it was able to mostly self-fund its capacity building contribution to the MRP through existing staff, programming, and fundraising capacity.

**Interested in learning more about this work or Climate Finance Advisors, contact us here: [info@climate-fa.com](mailto:info@climate-fa.com)**