State Revolving Fund Loans and Principal Forgiveness

Wennilyn Fua, P.E

State Water Resources Control Board

Stormwater Financing Forums

April 5, 2017 – Oakland, CA

Overview

- ➤ Eligibility under Clean Water State Revolving Fund (CWSRF)
- ➤ Green Infrastructure
- **≻**CWSRF Funding Process
- CWSRF terms/Principal Forgiveness (PF)
- ➤ Potential Sources of Revenue for Loan Repayment
- ➤ Sample Projects

CWSRF and Stormwater Projects

Section 603(c)(5) of the FWPCA states that CWSRF may provide assistance:

(5) for measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water

Green Infrastructure

- ➤ Green Infrastructure practices that manage wet weather and that maintain and restore natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater
- ➤ Regional scale
- > Local scale

Green Infrastructure Projects

- Stormwater harvesting/reuse cistern, distribution pipes
- ➤ Green streets bioretention, permeable pavement
- Riparian buffers wetlands, floodplains
- > Sustainable landscaping and site design

CWSRF Funding Process

1. Submit application package through the Financial Assistance Application Submittal Tool (FAAST)

https://faast.waterboards.ca.gov/

Forms and Instructions

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/

- 2. Staff reviews complete application
- 3. Funding agreement executed after application is approved

California CWSRF

- ➤ Up to 30-year loan term or the useful life of the project
- Low interest rate ½ of State's general obligation bond rate
- Currently 1.8 %
- ➤ Historical Interest rate: 1.5% to 2.7%

Principal Forgiveness Eligibility

➤ Green Project Reserve

U.S. EPA's Guidance for Determining Project Eligibility

https://www.epa.gov/sites/production/files/2015-04/documents/green_project_reserve_eligibility_guidance.pdf

- >75% of planning costs up to \$500,000
- >50% of eligible costs up to \$4M
- aggregate of planning and construction cost not to exceed \$4M in PF

Pledge revenue streams

California

- ➤ Taxes (hotel, transit)
- ➤ Wastewater user charges/fees

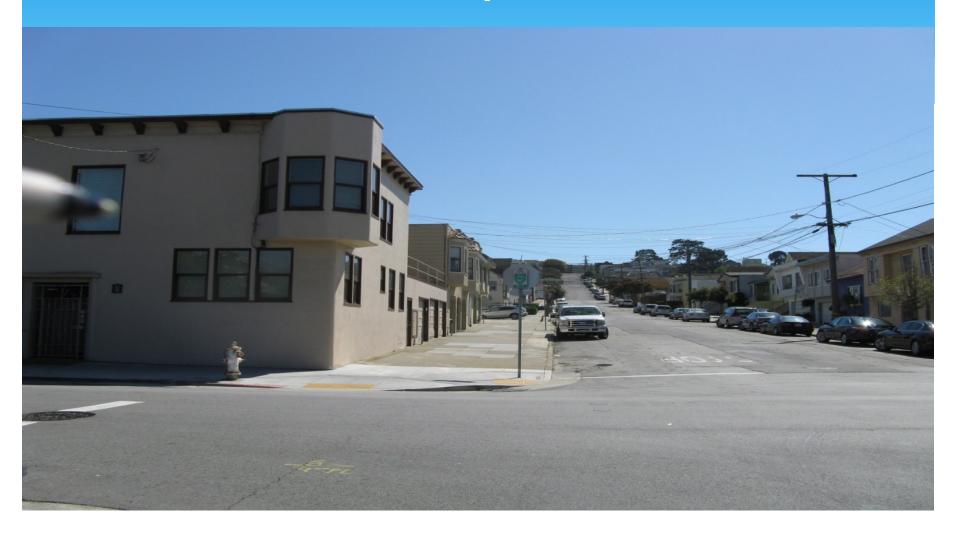
Other state

> Rates calculated based on impervious area

Examples of projects with stormwater components

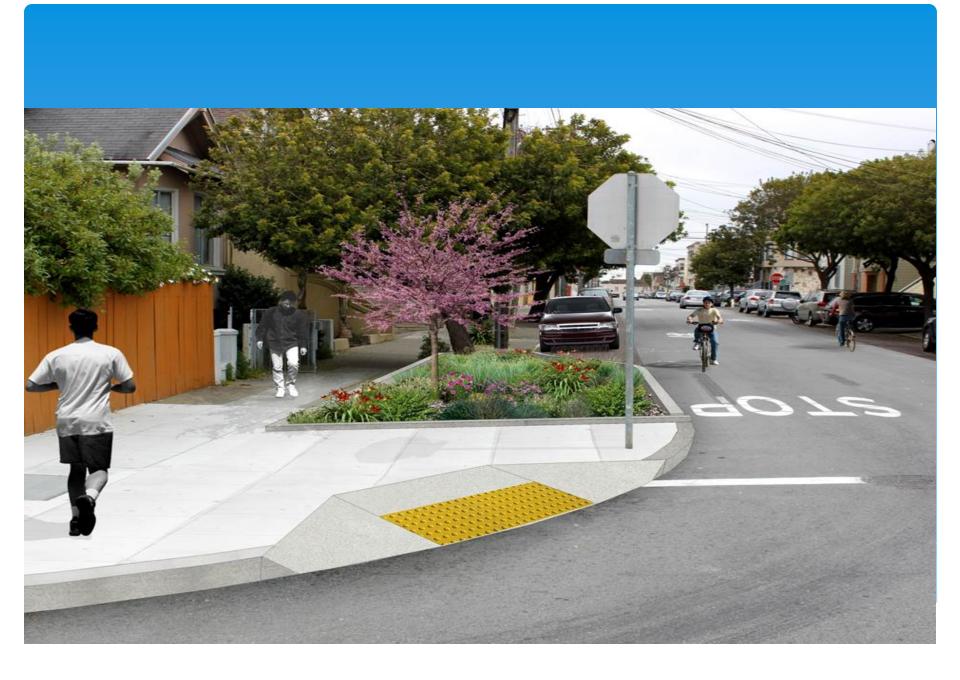
- ➤ San Francisco Public Utilities Commission
- Lake Merced Green Infrastructure
- ➤ Bioretention planters/corner bulbouts
- Replacement of impervious asphalt/ concrete pavement with pervious concrete
- Project Cost \$7,435,000

Before picture



Construction Photo





City of Santa Monica (application in process)

Sustainable Water Infrastructure Project (SWIP)

- Integrated harvesting and treatment of municipal wastewater, stormwater and brackish impaired groundwater
- 2. Stormwater harvesting, storage and treatment
- Conjunctive reuse aquifer recharge and indirect potable reuse
- ➤ Total Project Cost \$56,885,903