# State Revolving Fund Loans and Principal Forgiveness

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Stormwater Financing Forums

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#### 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

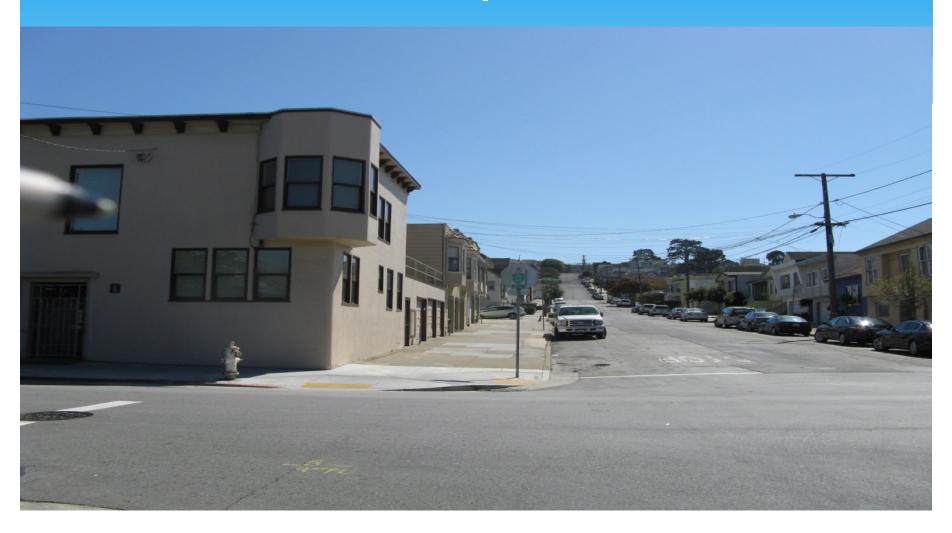
#### Other state

Rates calculated based on impervious area

# Examples of projects with stormwater components

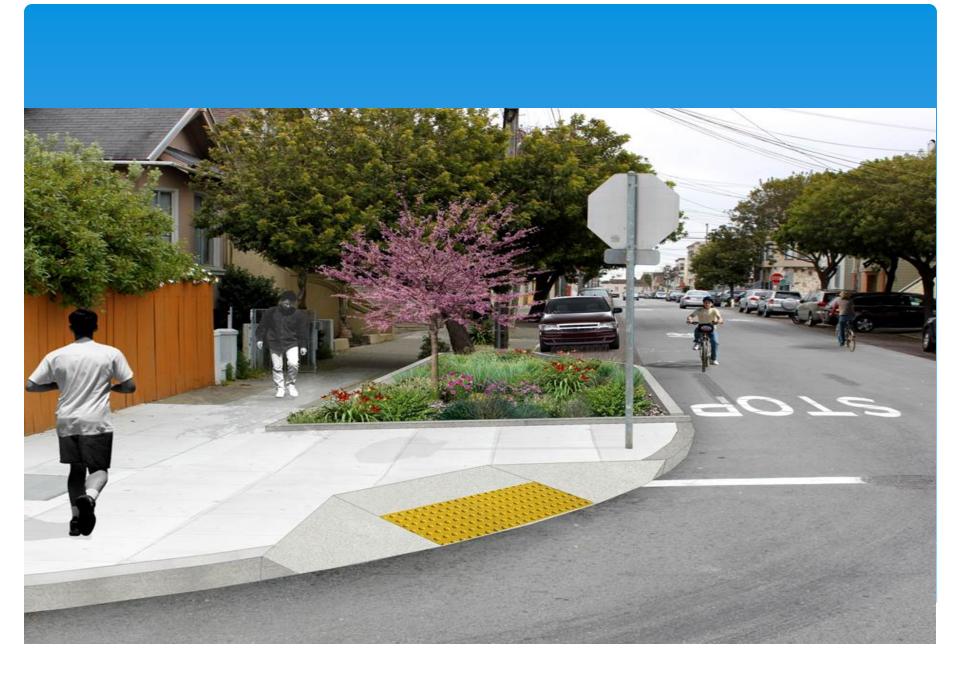
- ➤ San Francisco Public Utilities Commission
- Lake Merced Green Infrastructure
- ➤ Bioretention planters/corner bulbouts
- Replacement of impervious asphalt/ concrete pavement with pervious concrete
- Project Cost \$7,435,000

## 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