

SPWF Committee

3rd Meeting
Policy Recommendations


3/2/2018



Project Planner





































Select a period to highlight at right. A legend describing the charting follows.

Period Highlight: 1

 Plan Duration

 Actual Start

 % Complete

ACTIVITY	PLAN START	PLAN DURATION	ACTUAL START	ACTUAL DURATION	PERCENT COMPLETE	MONTH	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
						1	2	3	4	5	6	7	8	9	10	11	12
ID committee members	1	2	1	2	100%												
Select a facilitator	1	3	1	2	100%												
Pre-meeting work	1	4	1	4	100%												
Introduction	2	3	4	1	100%												
Low hanging policies	4	3	4		25%												
High hanging polies	4	4			0%												
Fund management	5	4			0%												
Big ideas	6	6			0%												
Recommendations	7	7			0%												
Present to IFA Board	10	3			0%												

Account Balance

1/21/18

Program	Account Balance	Remaining to Draw	Funds Available	Contracts Pending	Intakes & Apps	Ending Funds
Special Public Works	\$79,780,726	\$38,029,757	\$41,750,969	\$11,242,423	\$9,227,651	\$21,280,895
Water / Wastewater	\$34,098,571	\$20,414,766	\$13,683,805	\$40,000	\$4,521,400	\$9,122,405
Total	\$113,879,297	\$58,444,523	\$55,434,774	\$11,282,423	\$13,749,051	\$30,403,300

Interest Rates

1st Quarter 2018 as of January 2, 2018

Direct Loans—SPWF, W/W, PRF (Std. Rate)	3.43%	2Q2018 Indicative	
SDWRLF Loans (Std. Rate)	2.74%	Tax Exempt	Taxable
SDWRLF Loans (Incentive Rate)	2.06%	3.46%	4.87%
Min. Disadvantaged—W/W, SDWRLF	1.00%		
Bond Funded Loans	@ market		
Taxable Loans (max.)	4.82%		
State/Fed Secured Short-term Note	1.00%		
Interim Finance—Bond Bank Funded Loans	1.70%		

Change Max Term of Loans to 40 Years

- **Current practice—max of 25 years or useful life of the facility**
- **Current Rule or Statute—max of 30 years or useful life of the facility**
- **Proposal—max of 40 years or useful life of the facility**

Create a New Pre-Disaster Mitigation Option

- **Current practice—this does not exist**
- **Current Rule or Statute—N/A**
- **Proposal—propose to provide grants (12.5%) and/or subsidized loans for pre-disaster mitigation projects(12.5%). This should complement FEMA grants (75%).**

Propose Loan & Prepayment Penalty Fees

- **Current practice—these do not exist**
- **Current Rule or Statute—silent**
- **Proposal**
 - Loan fee—propose 1% fee to cover administrative costs
 - Early payoff—3% fee if payed off prior to year 10

Modify Grants and Loan Subsidies

- **Current practice—typically maximum eligible grant is provided**
 - Industrial planning grants \$60K; ½ rate for loans
 - FEMA emergency grants, 25%
 - Jobs (Firm Business Commitments), \$5K per job (max \$500K)
 - Levees, \$50K per site; \$1 M @ 0%
 - Water Wastewater Tech Assistance, \$20K
 - Water Wastewater Const. Grants, \$10K per hook up (max \$750K)
- **Current Rule or Statute—the agency can determine the award terms**
- **Proposal—either reduce grants by 50% or offer 0% loans instead**

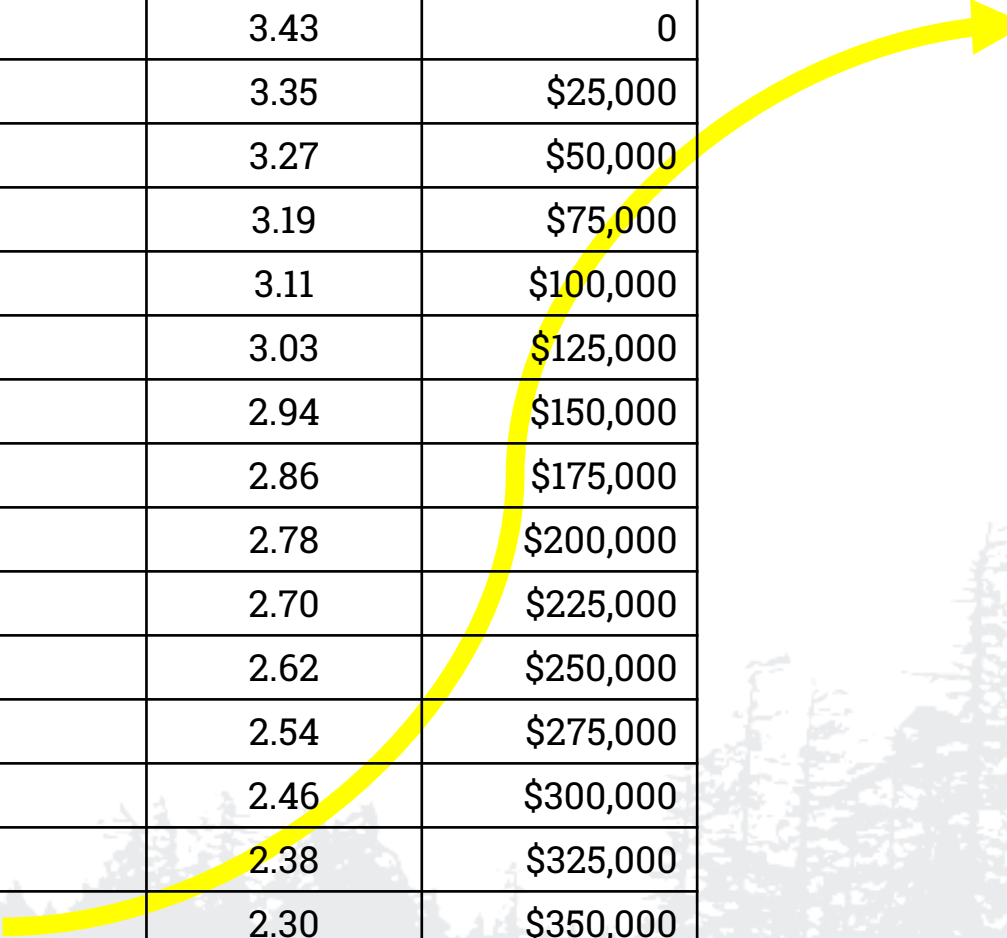
Adjust Incentives Based on MHI

- **Current practice—Scale is sliding and starts at 100%**
- **Current Rule or Statute—N/A**
- **Proposal—max at 80% of MHI**

Rate Subsidy Calculator

% of Statewide MHI	Rate Subsidy Calculator 1/30/18	Max Grant "Up to"
100%	3.43	0
99%	3.35	\$25,000
98%	3.27	\$50,000
97%	3.19	\$75,000
96%	3.11	\$100,000
95%	3.03	\$125,000
94%	2.94	\$150,000
93%	2.86	\$175,000
92%	2.78	\$200,000
91%	2.70	\$225,000
90%	2.62	\$250,000
89%	2.54	\$275,000
88%	2.46	\$300,000
87%	2.38	\$325,000
86%	2.30	\$350,000

% of Statewide MHI	Rate Subsidy Calculator 1/30/18	Max Grant "Up to"
85%	2.22	\$375,000
84%	2.13	\$400,000
83%	2.05	\$425,000
82%	1.97	\$450,000
81%	1.89	\$475,000
80%	1.81	\$500,000
79%	1.73	\$525,000
78%	1.65	\$550,000
77%	1.57	\$575,000
76%	1.49	\$600,000
75%	1.41	\$625,000
74%	1.32	\$650,000
73%	1.24	\$675,000
72%	1.16	\$700,000
71%	1.08	\$725,000
<=70%	1.00	\$750,000



Change WWFP Tech Assistance Grants

- **Current practice—provide \$20K grants to eligible entities**
- **Current Rule or Statute—provide \$20K grants to eligible entities**
- **Proposal—0% loan that is forgivable if a construction project is awarded**

Approval Cycles

- **Current practice**—applications are accepted and processed year round
- **Current Rule or Statute**—N/A
- **Proposal**—mirror Safe Drinking Water quarterly evaluation cycles
 - (March, June, September, December)

Split Awards Between Design and Construction

- **Current practice—this does not exist**
- **Current Rule or Statute—N/A**
- **Proposal—require awards to split design and construction**

Cap Cash Funding to \$5M

- **Current practice—\$10M**
- **Current Rule or Statute—\$10M**
- **Proposal—decrease cash funding of awards to \$5M; Bond Bank awards can stay at \$10M.**

Change Annual Payments to Semi-Annual

- **Current practice—annual payments**
- **Current Rule or Statute—annual payments**
- **Proposal—require semi-annual payments instead of annual**

Water Wastewater Financing–Compliance

- **Current practice–Technical Assistance and Construction awards are only for helping communities come into compliance**
- **Current Rule or Statute–Requires non-compliance to be eligible**
- **Proposal–open up awards to projects that are not compliance based. Reward systems that are trying to maintain before failing.**

Revenues Should Not Exceed Expenditures

- **Current practice—budget based**
- **Current Rule or Statute—N/A**
- **Proposal—cap the expenditures to revenues**

Committee Suggestions

- **Sell loan portfolio**
- **Explore new revenue**
- **Explore a matched cash bond concept**
- **Look at a recommendation package (consider program flexibility and revenue positive or neutral analysis)**