

## Attachment 1 - SDWRLF INFRASTRUCTURE FINANCING OPTIONS 2018

PRINCIPAL FORGIVENESS CATEGORY	\$ Per Project	Max % of total award
All Eligible Projects	\$100,000	10%
Health/Compliance Projects	\$150,000	20%
Affordability Assistance	\$250,000	50%
Labor Standards Compliance	\$15,000	
Project Management Assistance	\$15,000	

**Maximum Allowed: \$500,000 or 50% of Total Award (Whichever is Less) + \$30,000**

### Loan Term Length

Loan Term Length may be extended to **30 years** (Disadvantaged Assistance) for any one of the below reasons:

1. Project would result in rates in excess of the affordability rate\*;
2. The community is located within an Economically Distressed County <http://www.oregon4biz.com/Publications/Distressed-List/>; or
3. The community is located within a county for which the Governor has declared an emergency (e.g. drought declaration). In order to be eligible the LOI must be submitted during the declaration timeframe and the project must be intended (in whole or part) to ameliorate or mitigate the emergency condition.

In those cases where the above conditions do not apply, a maximum Loan Term Length of 20 years may be awarded. In all cases, length of loan shall not exceed the expected useful life of the improvements funded in the project.

### Loan Interest Rate

Loan interest rate is determined by Business Oregon at time of award at 80% of the lesser of the prior quarter 20-Bond Index or prior month's 20-Bond Index (standard rate).

#### Communities with Median Household Income (MHI) less than State Average

Standard rate as described above. If the project would result in rates in excess of the affordability rate\*, interest rates may be reduced as low as 1%. The reduction shall not result in rates lower than the affordability rate. If reducing the interest rate to 1% results in rates in excess of the affordability rate, then the project may be eligible for principal forgiveness (Affordability Assistance).

#### Communities with MHI greater than State Average

Standard rate as described above.

**\*Affordability Rate** - Water System MHI multiplied by 1.25% and divided by 12. The Affordability Rate is compared to the average monthly residential water charge after project implementation.