

# SPWF Committee

4<sup>th</sup> Meeting

The WA Perspective & Fund Management

4/13/2018















































# Project Planner

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

Period Highlight: 1

 Plan Duration

 Actual Start

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	5	4	3	50%												
High hanging polies	4	4	7	2	0%												
Fund management	5	4	7	1	10%												
Big ideas	6	6			0%												
Recommendations	7	7	5		50%												
Present to IFA Board	10	3			0%												



		3/4/2018						
<b>Program</b>	<b>Account Balance</b>	<b>Remaining to Draw</b>	<b>Funds Available</b>	<b>Contracts Pending</b>	<b>Intakes &amp; Apps</b>	<b>Ending Funds</b>		
Special Public Works	\$78,642,257	\$36,832,593	\$41,809,664	\$10,280,073	\$17,312,648	\$14,216,943		
Water / Wastewater	\$34,175,959	\$19,075,464	\$15,100,495	\$40,000	\$5,581,400	\$9,479,095		
<b>Total</b>	\$112,818,216	\$55,908,057	\$56,910,159	\$10,320,073	\$22,894,048	\$23,696,038		

# IFA Interest Rates

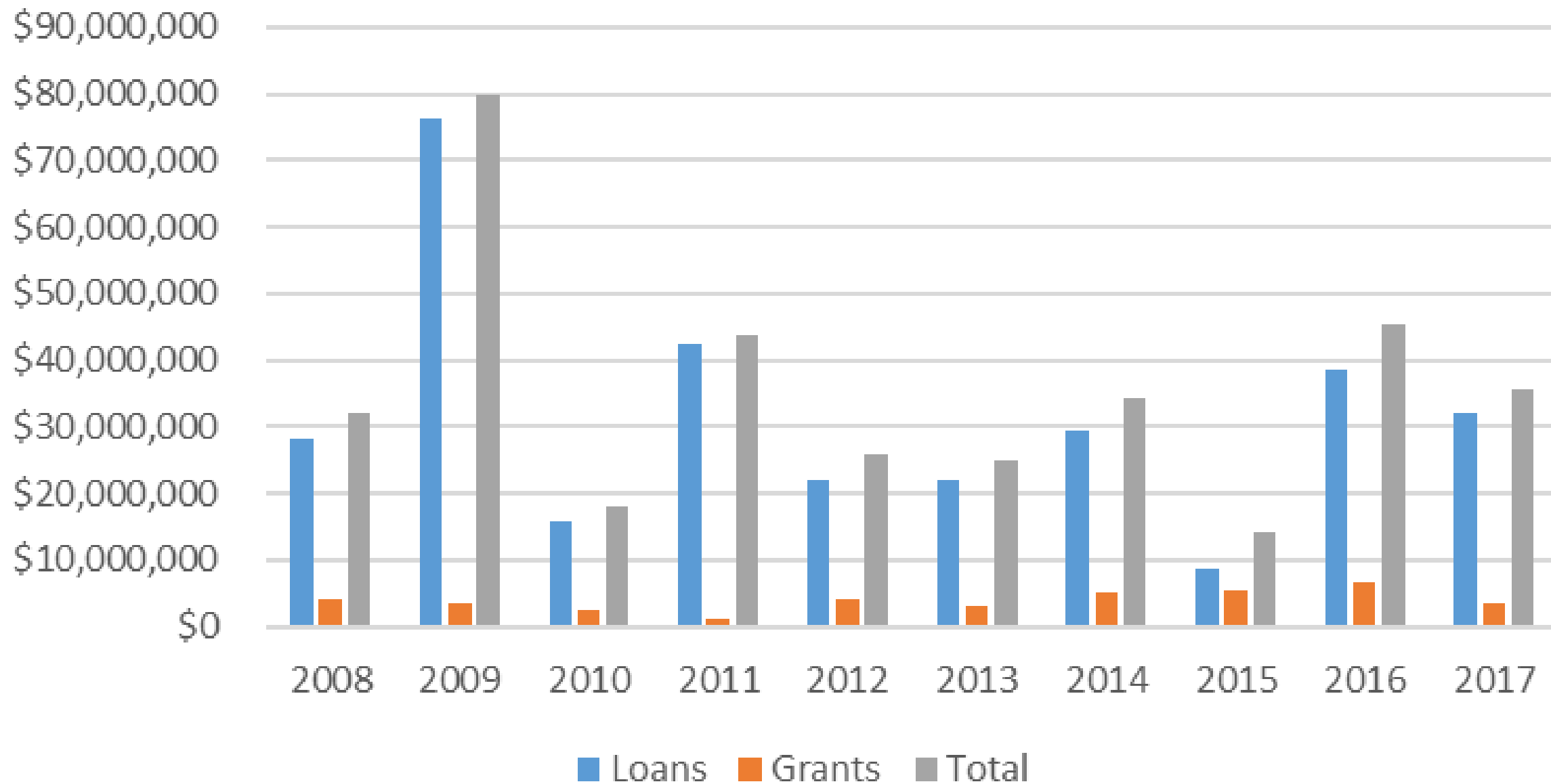
## 1st Quarter 2018

As of Tuesday January 02, 2018

Direct Loans—SPWF, W/W, PRF (Std. Rate)	3.43%
SDWRLF Loans (Std Rate)	2.74%
SDWRLF Loans (INCENTIVE Rate)	2.06%
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%

2Q2018 Indicative	2Q2018 Indicative
Tax Exempt	Taxable
<b>3.46%</b>	<b>4.87%</b>
Tax Exempt	Taxable
2Q2018 Indicative	2Q2018 Indicative

# SPWF & WWFP Awards



# **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

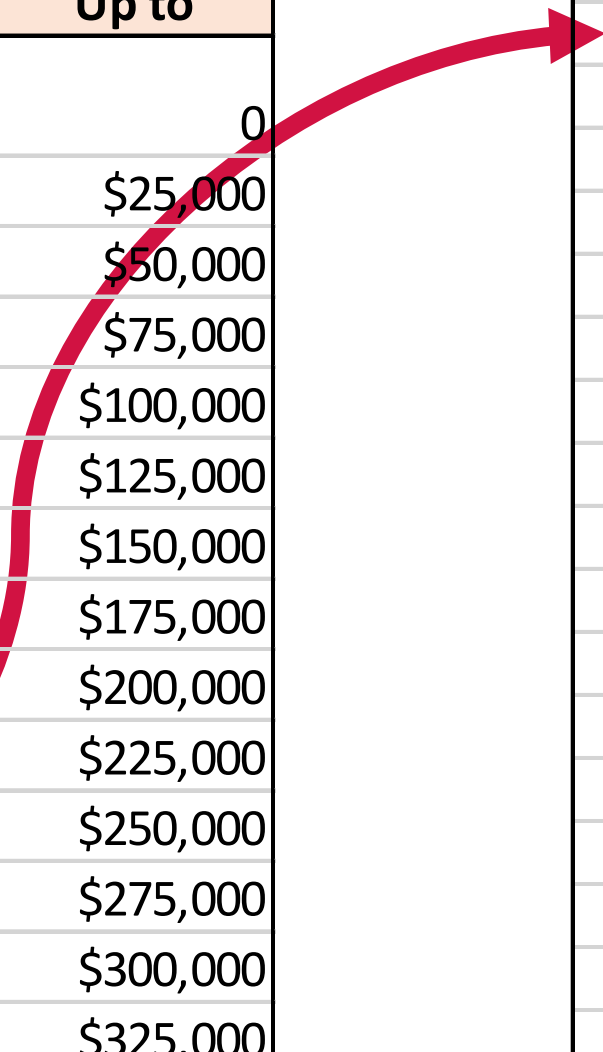
- **Current practice – typically maximum eligible grant is provided**
  - Industrial planning grants \$60K; ½ rate for loans
  - FEMA emergency grants, 25%
  - Jobs (Firm Business Commitments), \$5K per job (max \$500K)
  - Levees, \$50K per site; \$1 M @ 0%
  - Water Wastewater Tech Assistance, \$20K
  - 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**

% 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

% of Statewide MHI	Rate Subsidy Calculator 1/30/18.		Max Grant - "Up to"
86%	2.30		\$350,000
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)**