



Environmental
Facilities Corporation

EFC Funding Opportunities

**State and Federal Agency Funding and Financing Roundtable
Smart Management for Small Communities:
Practical Resources for Governance**

April 25, 2017

EFC Overview

- Public benefit corporation that provides low-cost capital and grants for water-quality improvement projects
- New York's Water Infrastructure Bank
- Provides financial assistance for local wastewater and drinking water infrastructure through Clean Water and Drinking Water State Revolving Fund Programs



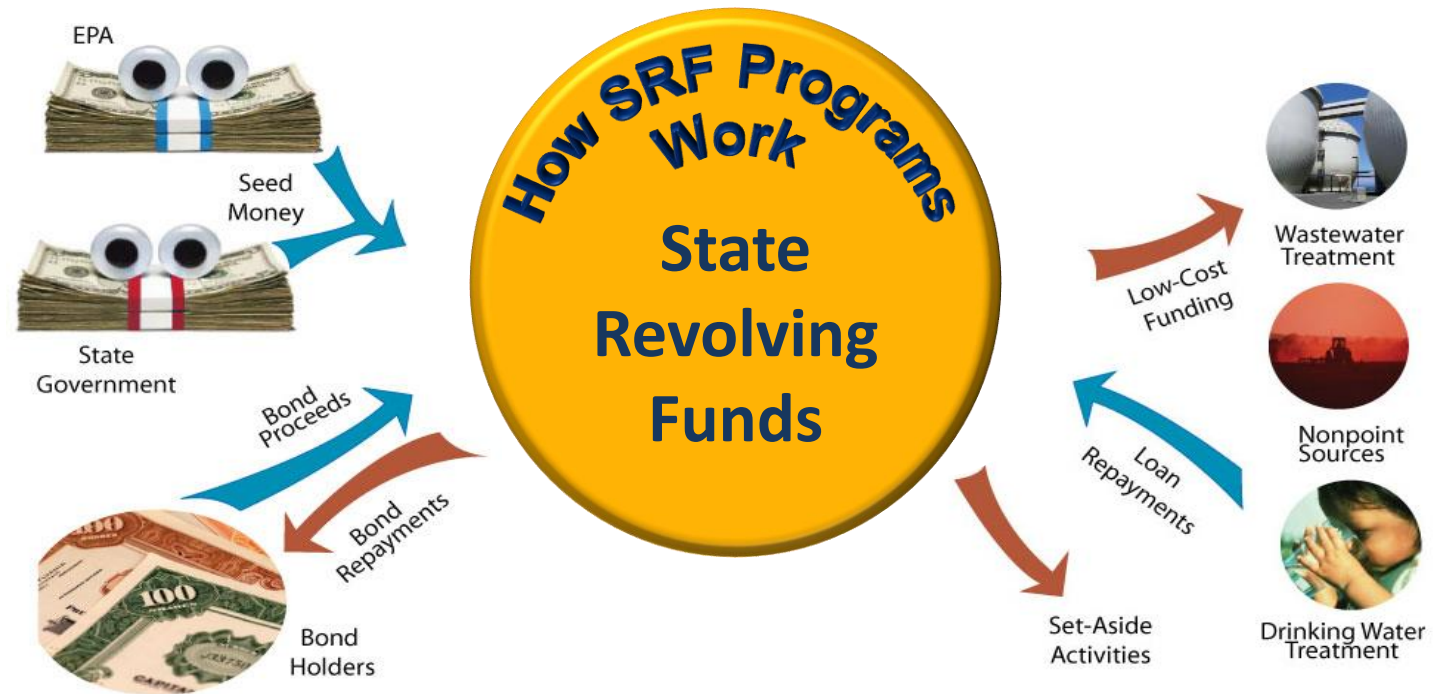
National Leader in Water Infrastructure Investment

- NYS leads the nation with the largest annual investment in water-quality infrastructure of any state
- Since 2011, EFC has provided more than \$11.5 billion in subsidized loans, grants and loan re-financings to local governments



Funding the SRF Loan Program

- Federal Government Grants are used to capitalize SRF programs, along with state matching funds
- SRF loans “revolve” – each year money is loaned to communities and, as loans are repaid, they recycle back into the SRF program to fund additional water quality protection projects





SRF Programs

Clean Water State Revolving Fund Overview

- Low-cost financing for wastewater and water quality infrastructure
- Administered by EFC and DEC
- A variety of publicly-owned water quality improvement projects are eligible for financing including:
 - ✓ Point Source Projects
 - ✓ Nonpoint Source Projects
 - ✓ National Estuary Projects



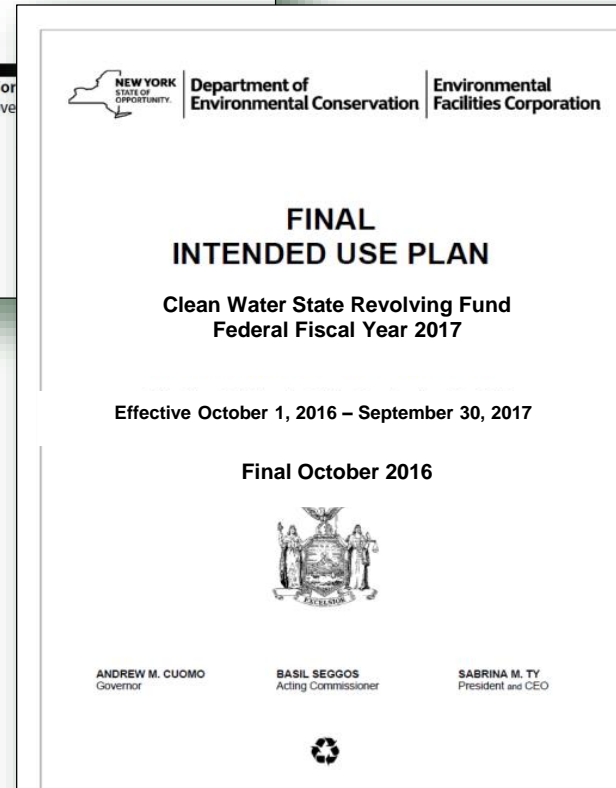
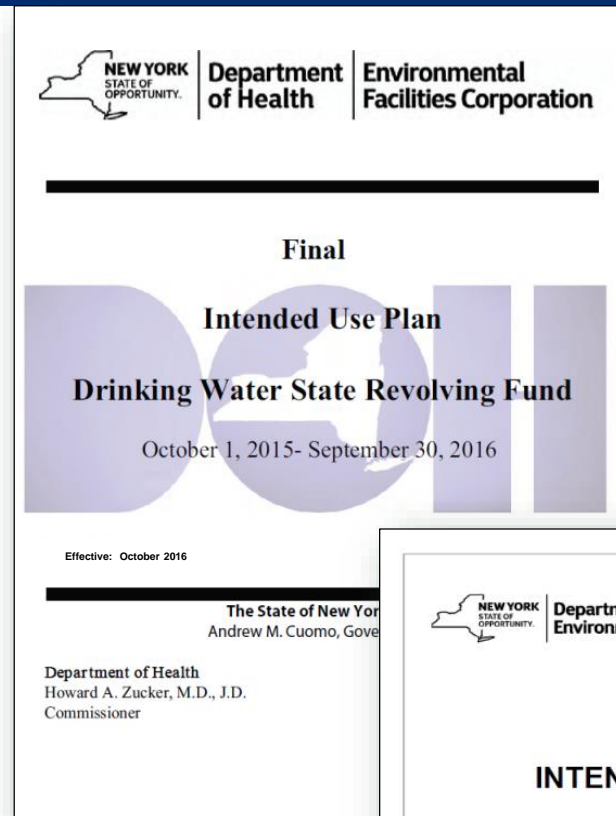
Drinking Water State Revolving Fund Overview

- Provides low-cost financing and limited grants for public and private drinking water infrastructure
- Administered by EFC and DOH
- A variety of public and private water system projects are eligible for low-cost financing including:
 - ✓ Treatment Plants
 - ✓ Distribution Mains
 - ✓ Storage Facilities



Intended Use Plans

- The Annual Intended Use Plans describes the SRF programs, identify available funds and the use of those funds each FFY (effective Oct. 1 through Sep. 30)
- EFC & DOH assigns a project priority score based on water quality and public health impacts



State Revolving Funds

Clean Water	Drinking Water
Leveraged rate financing with 50% subsidy for up to 30 years	Leveraged rate financing with 33% subsidy for up to 30 years
Hardship financing as low as 0% interest for up to 30 years	Grants up to \$2 million for hardship projects + financing as low as 0% interest for up to 30 years
Subsidy financing based on priority scoring system, impacts on water quality and public health	
Short-term financing for up to 5 years as low as 0% interest	
Short and Long-Term Market Rate Programs (AAA tax-exempt rate)	

SRF Short-Term Financing

- Initial financing to fund the full project cost
 - ✓ Majority of SRF financings start as short-term
 - ✓ Can include planning, design & construction costs
 - ✓ Can reimburse costs already incurred
 - ✓ Term of up to five years
- Financing can be interest-free, market-rate, or a combination
- Awarded grants from third-parties may be pre-financed with market-rate financing only
- Market-rate financings will be charged interest only on the disbursed amount
- Market-rate as of early April 2017: 1.06%

SRF Long-Term Financing

Leveraged (Pooled) Financings

- Subsidized Interest Rate or Market-Rate
 - ✓ Subsidy 50% CW or 33 1/3% DW
 - September 2016
 - CW Subsidized Rate = 1.49%
 - DW Subsidized Rate = 1.99%
 - Unsubsidized Rate = 2.98%
 - ✓ EFC bonds rated “AAA”

Direct

- Interest-Free / Financial Hardship



CWSRF Hardship

Wastewater Treatment Projects may be eligible for interest-free loans based on financial hardship

- Municipalities must:
 - ✓ Have a population* less than 300,000
 - ✓ Have a Median Household Income* (MHI) less than 125% of the statewide 2013 MHI, or \$72,504, subject to the following:
 - Municipalities with a MHI less than the Statewide MHI (\$58,003) do not need to apply for hardship confirmation.
 - Municipalities with a MHI from \$58,003 to \$72,504 must submit a hardship application to be reviewed for hardship consideration.

**per the 2013 American Community Survey 5-year data*



CWSRF Hardship

(continued)

- Total project cost must be less than \$20 million dollars unless:
 - the project is being undertaken in support of an executed State Consent Order, SPDES permit compliance schedule or judicial order. In this case, there is no maximum project cost; however, interest-free financing is available only for the first \$20 million in CWSRF financing.
- Municipalities are limited to \$20 million in combined interest-free financing and grant over a rolling 5-year period (FFY 2013 – 2017)
- Municipalities are limited to \$5 million in EFC grant over a rolling 5-year period (FFY 2013 – 2017)



SRF Financing Application Elements

1. CWSRF/DWSRF Application Form
2. Completion of the State Environmental Quality Review (SEQR)
3. Signoff of project by NYS Office of Parks, Recreation and Historic Preservation (SHPO)
4. Water/Sewer District Formation (if necessary)
5. Adoption of a Bond Resolution

Financing Application Due: March 1st

Program Requirements

American Iron & Steel

- Treatment works projects only
- Guidance available on EFC's website

Davis- Bacon [Federal Prevailing Wage]

- Applies to entire project, even if project is only partially funded by SRF
- Applies to construction contracts over \$2,000 and all subcontracts on prime contracts over \$2,000, regardless of the subcontract amount



Program Requirements

(continued)

MWBE / EEO Program

- **Goals (20-30%) depend on type of financing, but apply to:**
 - ✓ Non-construction contracts/service agreements exceeding \$25,000
 - ✓ Construction contracts exceeding \$100,000
 - ✓ Any change order exceeding \$25,000
- **Requirements can be met through:**
 - ✓ Contract language; and
 - ✓ Any combination of MBE and/or WBE participation per contract; or
 - ✓ Adequate demonstration of good-faith efforts exerted to achieve the goal



Visit
www.efc.ny.gov/MWBE
for more information



Grant Funding

\$2.5B Clean Water Infrastructure Act of 2017

The FY 2018 Budget included a **\$2.5 billion** investment for the *Clean Water Infrastructure Act*, addressing:

- Local Drinking Water Systems
- Local Wastewater Treatment
- Protecting Water Sources

Water Infrastructure Improvement Act of 2017 (WIIA)

At least \$1 billion included in the Clean Water Infrastructure Act

- This funding is for drinking water and wastewater infrastructure projects
- Focus will be on projects that will result in the greatest water quality improvement or greatest reduction in serious risk to public health, among other factors
- The program will be administered by the state Environmental Facilities Corporation (EFC) and the state Department of Health (DOH)

Intermunicipal Water Infrastructure Grants Program (IMG)

At least \$150 million for IMG is also included in the Clean Water Infrastructure Act. Under this program:

- EFC will provide grants for infrastructure projects to be undertaken by two or more cooperating municipalities
- Projects will include shared water quality infrastructure, interconnection of multiple municipal water quality projects, or for compliance with environmental and public health laws
- Focus will be on those projects that result in the greatest efficiencies and the greatest community impacts in the cooperating municipalities

Integrated Solutions Construction (ISC) Grant Program

- Provides grant dollars for the incorporation of green infrastructure practices into CWSRF-financed CSO / SSO / stormwater projects. Grant covers 50% of construction cost
- Green infrastructure practices must remove a minimum of 25% of the water quality volume from a combined, sanitary, or storm sewer system
- There is a \$5 million limit on EFC grants awarded to individual municipalities
- Grant-only projects are not eligible

ISC Grant - Application Process

To be considered for the next round of ISC grant funding, applicants must:

- Be listed on the Annual List of the 2018 IUP
(see EFC website for information on how to list a project and deadlines)
- Submit an acceptable CWSRF financing application indicating an interest in the ISC grant
- Submit an engineering report or amendment that describes the green infrastructure features (contact EFC for details)
- Additional information on EFC's website: <http://efc.ny.gov/IUP>

Green Innovation Grant Program (GIGP)

- Highly competitive, award-winning grant program
- Projects focused on green, wet weather stormwater infrastructure
- After 8 rounds, **\$140.2 million** has been awarded to **190 GIGP** projects across New York.
- In 2016 (Round 8), EFC allocated **\$10 million** in funding for **9 GIGP projects**.
- For Round 9, apply through the Consolidated Funding Application (CFA)



Practices Eligible for GIGP Funding

- Bioretention
- Construction or Restoration of Floodplains, Riparian Buffers, Streams, or Wetlands
- Downspout Disconnection
- Green Roofs and Green Walls
- Porous Pavements
- Stormwater Harvesting & Reuse
- Stormwater Street Trees/ Urban Forestry
- Stream Daylighting



Engineering Planning Grants

- Through Governor Cuomo's Consolidated Funding Application (CFA), grants are made available each year to develop engineering reports to apply for funding and to list projects on the CWSRF IUP.
- Administered by DEC and EFC.
- After 6 rounds, **\$8.9 million** has been allocated to **234 engineering and environmental review projects** across New York.
- In Round 6 (2016), DEC and EFC awarded more than **\$2.1 million** to **39 communities**



Consolidated Funding Application (CFA)

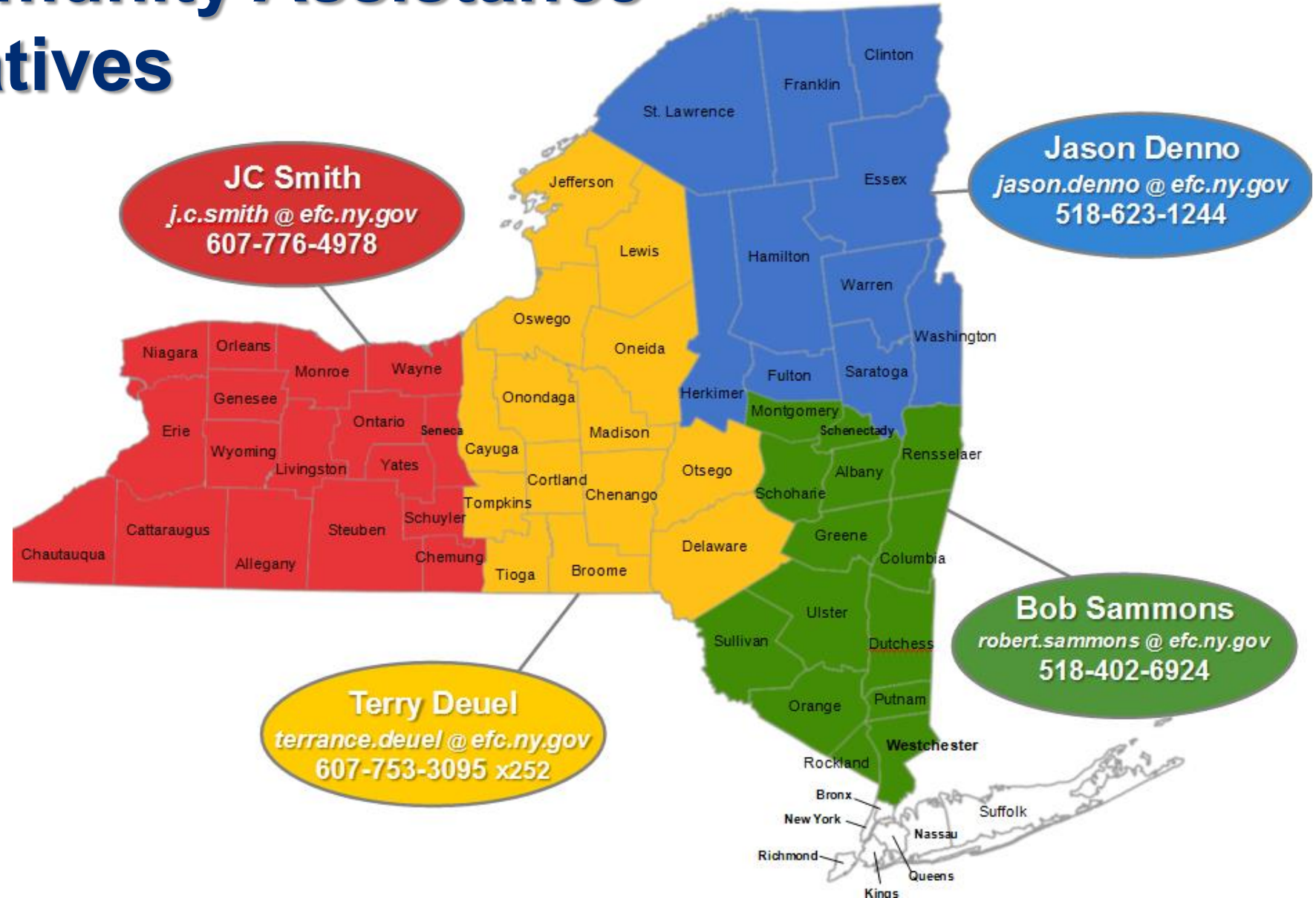
**Apply for EPG and GIGP Grants
through the Consolidated
Funding Application (CFA)**

<http://regionalcouncils.ny.gov/>

Regional Councils



EFC's Community Assistance Representatives



Any Questions?





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