



Environmental
Facilities Corporation

EFC FUNDING OPPORTUNITIES

**State and Federal Funding, Financing and Resources
for Municipal Infrastructure**

April 17, 2018

EFC Overview

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



EFC Staff

- Lawyers, engineers, account staff, and financial and debt service professionals
- Staff provides various services to clients
 - ✓ Application Assistance
 - ✓ Legal, Engineering and Financial Expertise
 - ✓ Individual Project Consultations
 - ✓ On-Site Visits
 - ✓ Public Outreach and Education





STATE REVOLVING FUND (SRF) PROGRAMS

Revolving funds

- The federal Environmental Protection Agency (EPA) provides grants to all 50 states and Puerto Rico to fund their SRF programs
- States provide a 20 percent match
- Each state operates its own revolving funds
- The programs provide low-cost financing for water infrastructure projects
- As recipients make repayments (of principal plus interest), the principal returns to the revolving fund to be used to make new loans to other recipients
- Over time, each fund grows as new financings are made and repayments return to the fund
- Objective is a sustainable method of infrastructure finance

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



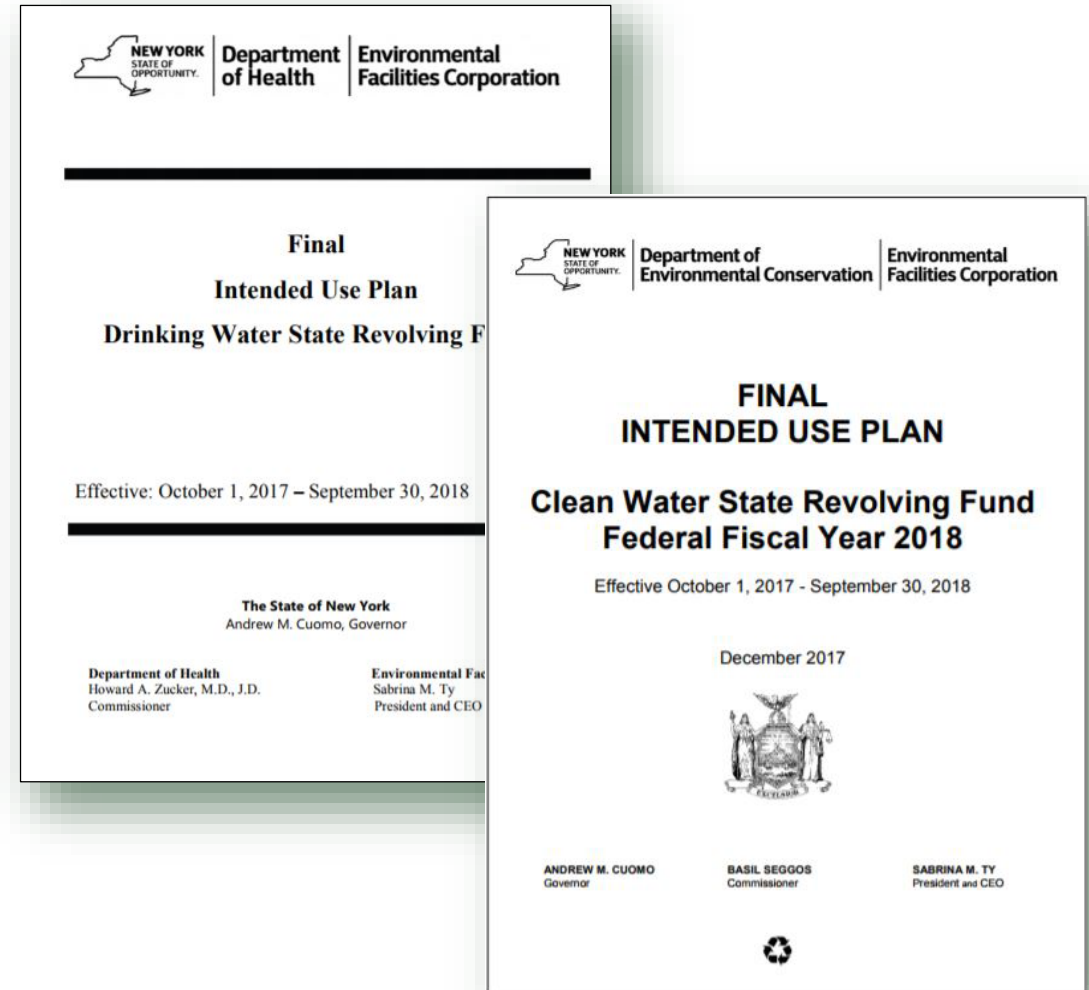
Drinking Water State Revolving Fund Overview

- Provides low-cost financing and 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 Plan (IUP)

- The Intended Use Plan describes each SRF program, lists available funds and identifies the use of those funds each FFY
- EFC assigns a project priority score based on water quality and public health impacts
- Eligible project costs will be based on documented estimates from engineering reports, plans and specifications, and bid awards



Project Listing and Updates

- CWSRF Projects are listed through EFC's Project Listing and Update System (PLUS)
- DWSRF applicants submit a Project Listing Form to DOH
- Applicants provide the following information:
 - ✓ Contact Information & Description
 - ✓ Budget & Funding Sources
 - ✓ Schedule
- Submitted information is used to score and rank the project on the IUP



Application Requirements

1. Acceptable CWSRF/DWSRF Financing 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. Adoption of a Bond Resolution
5. Completed Water/Sewer District Formation (if necessary)
6. Other requirements
 - ✓ Program requirements

SRF Program Requirements

American Iron & Steel

- Treatment works projects only

Davis-Bacon [Federal Prevailing Wage]

- Applies to entire project, even if project is only partially funded by SRF

MWBE Goals (20-30%):

- Goals 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

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



FINANCE OVERVIEW

Types of Financial Assistance Offered by EFC

- Short-Term Loans
- Long-Term Loans
- Grants
- Subsidized
- 0% interest
- Market Rate

Short-term and Long-term Funding

- Short-term Financings
 - ✓ Generally up to 5-year term
 - ✓ Designed to provide recipients with funding to design and initiate construction on SRF eligible projects
 - ✓ Can be used to pre-finance costs that will be reimbursed from proceeds from other sources of fund
 - ✓ Market rate financings will only be charged interest on the disbursed amount
- Long-term Financings
 - ✓ Generally amortized up to a term of 30 years
 - ✓ Pool financings involve the “pooling” together of financings for several municipalities, to be funded with the proceeds from the sale of one or more series of SRF bonds
 - ✓ Market Rate [November 2017 Rate = 3.23 %]
 - ✓ Subsidized interest rate
 - ✓ November 2017 33 1/3% subsidy rate = 2.15%
 - ✓ November 2017 50% subsidy rate = 1.62%
 - 0% interest rate

SRF Hardship & Grant Eligibility

CWSRF & DWSRF General Criteria	DWSRF Specific Criteria
<p>To be eligible, municipalities must have:</p> <ul style="list-style-type: none"> ▪ A population less than 300,000 and ▪ A 2015 Median Household Income (MHI) that is: <ul style="list-style-type: none"> ✓ Less than 80% of the regionally adjusted Statewide MHI or ✓ 80% to less than 100% of the regionally adjusted Statewide MHI with a family poverty rate greater than the Statewide Poverty Rate of 12.0% 	<ul style="list-style-type: none"> ▪ Project cost of less than \$14 million ▪ If privately owned, must be regulated by the Public Service Commission (PSC) ▪ Grant limited to the lesser of \$3 million or 60% of total project costs

Note: Population, MHI and Poverty Rate as measured by the 2015 American Community Survey 5-year data



GRANT PROGRAMS

Water Infrastructure Improvement Grants (WIIA)

- Clean Water Infrastructure Act of 2017 invests \$2.5 billion in clean and drinking water infrastructure projects and water quality protection across New York
- Provides at least \$1 billion for the New York State Water Infrastructure Improvement Act of 2017 (WIIA)
- Grants assist municipalities in funding water quality infrastructure
- WIIA grants available for both drinking water and sewage treatment works (clean water) projects

Intermunicipal Water Infrastructure Grants Program (IMG)

- IMG grants are available for both drinking water and clean water projects that serve multiple municipalities
- One municipality is required to be the “lead municipality” and apply on behalf of all cooperating municipalities
- IMG grants may be awarded only to projects at municipally-owned sewage treatment works or municipally-owned public water systems for:
 - ✓ Construction, replacement or repair of infrastructure; or
 - ✓ Compliance with environmental and public health laws and regulations related to water quality

Integrated Solutions Construction (ISC) Grant Program

- The ISC program was created to incentivize the incorporation of green infrastructure into traditional gray infrastructure project
- Provides grant dollars for the incorporation of green infrastructure practices into CWSRF-financed CSO / SSO / stormwater projects
- Grant covers 50% of green construction cost
- Green infrastructure practices must treat a minimum of 25% of the water quality volume from a combined, sanitary, or storm sewer system area
- CWSRF program requirements will apply and grant must be partnered with CWSRF financing



ISC Grant Application

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

- Be listed on the Annual List of the 2018 IUP
- 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
- Additional information on EFC's website: <http://efc.ny.gov/ISC>

Green Innovation Grant Program (GIGP)

- GIGP grants are available to fund transformative projects that:
 - ✓ Utilize green infrastructure components to protect and improve water quality
 - ✓ Spur innovation in the field of green infrastructure for stormwater
 - ✓ Build capacity to construct and maintain green infrastructure
 - ✓ Provide multiple benefits in the communities where they are built
- Apply through the Consolidated Funding Application (CFA)
- To date: \$140 million awarded to 190 projects
- Grant award 40 to 90% of total eligible project costs

Engineering Planning Grant (EPG) Program

- DEC and EFC offer grants to help municipalities facing economic hardship pay for the initial planning of eligible CWSRF projects
 - ✓ Development of an Engineering Report
- Apply through the State's Consolidated Funding Application (CFA) process
 - ✓ Up to \$100,000 per locality for inflow/infiltration studies.
 - ✓ Up to \$50,000 per locality with population above 50,000
 - ✓ Up to \$30,000 per locality with population below 50,000
- To date: \$8.9 million awarded to 234 projects



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