

EXISTING WASHINGTON STATE INFRASTRUCTURE FINANCING PROGRAMS APPROPRIATED IN THE 2015-17 CAPITAL AND TRANSPORTATION BUDGETS

| PROGRAM NAME AND GOVERNANCE | PURPOSE AND STATUTORY AUTHORITY | ELIGIBLE APPLICANTS AND PROJECTS | FINANCIAL INFORMATION |
|--|---|---|--|
| <p>Community Economic Revitalization Board (CERB) Program</p> <p><i>CERB Board, staffed by Department of Commerce</i></p> | <p>Makes loans and some grants to finance public infrastructure improvements that encourage new business development and expansion in areas seeking economic growth.</p> <p>RCW 43.160.</p> | <p>Eligible Applicants: Ports, cities, towns, counties, special purpose districts, federally recognized tribes municipal and quasi-municipal corporations.</p> <p>Eligible Projects: Finance bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, telecommunications, electricity, transportation, natural gas, buildings or structures, and port facilities.</p> | <p>2015-17 Appropriation: \$10.6 million.</p> <p>Sources: Public Facilities Construction Loan Revolving Account, which contains revenues from loan repayments.</p> <p>Match Required: Minimum of 10%.</p> <p>Interest Rates: Vary. By law, may not exceed 10%.</p> <p>Loan Term: Maximum of 20 years.</p> |
| <p>Public Works Assistance Account Programs</p> <ul style="list-style-type: none"> • Construction • Pre-construction • Planning • Emergency <p><i>Public Works Board, staffed by Department of Commerce</i></p> | <p>Makes loans or grants for local infrastructure improvements.</p> <p>RCW 43.155.</p> | <p>Eligible Applicants: Counties, cities, towns, and special purpose districts. Ports and school districts ineligible.</p> <p>Eligible Projects: Repair, replacement, rehabilitation, reconstruction, and improvement of eligible public work systems to meet current standards for existing users. Includes roads, sanitary sewer, domestic water, bridge, storm sewer, solid waste/recycling.</p> | <p>2015-17 Appropriation: \$0</p> <p>Sources: Public Works Assistance Account, which contains revenues from the real estate excise tax and loan repayments.</p> <p>Match Required: 0 -15% depending on community “distress” status.</p> <p>Interest Rates: 0 – 4% depending on “distress” status and match.</p> <p>Loan Term: Averages 20 years. Cannot exceed 30 years or the life of the asset, whichever is shorter.</p> |

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| <p>Water Pollution Control Revolving Loan Fund</p> <p><i>Department of Ecology</i></p> | <p>Provides low interest loans for planning, design, acquisition, and construction of water pollution control facilities and nonpoint source pollution control activities.</p> <p>RCW 70.146 (State); Clean Water Act and Congressional Appropriations (Federal).</p> | <p>Eligible Applicants: Counties, cities, special purpose districts, tribes and conservation districts.</p> <p>Eligible Projects: Plan, design, acquire, construct and improve rate-based water pollution control facilities such as wastewater or storm water treatment facilities. Plan and implement nonpoint source pollution control activities.</p> | <p>2015-17 Appropriation: \$203 million.</p> <p>Sources: Water Pollution Control Revolving Account – State, which contains revenues from loan repayments; Water Pollution Control Revolving Account – Federal, which contains revenues from EPA Capitalization Grants. State must also provide 20% match to EPA Grant, which is generally provided from the Public Works Assistance Account.</p> <p>Match Required: N/A.</p> <p>Interest Rates: Based on average market rate for tax-exempt municipal bonds and on repayment period. Up to 5 years, 1.3%. Over 5 years to 20 years, 2.6%. Hardship interest rate, extended term, forgivable principal also offered to certain communities.</p> <p>Loan Term: Up to 20 years.</p> |
| <p>Drinking Water State Revolving Fund</p> <p><i>Department of Commerce (Department of Health in 2017-19)</i></p> | <p>Provides low interest loans for public water systems statewide.</p> <p>RCW 70.119A (State); Safe Drinking Water Act and Congressional Appropriations (Federal).</p> | <p>Eligible Applicants: Publicly- and privately-owned water systems.</p> <p>Eligible Projects: Plan, design, construct drinking water system infrastructure projects that increase public health protection and compliance with regulations.</p> | <p>2015-17 Appropriation: \$135 million.</p> <p>Sources: Drinking Water Assistance Repayment Account – State, which contains loan repayments; Drinking Water Assistance Account – Federal, which contains revenues from EPA Capitalization Grants; Drinking Water Assistance Account - State, which contains transfers from the Public Works Assistance Account to satisfy a 20% match requirement.</p> <p>Match Required: N/A.</p> <p>Interest Rates: 0 – 1.5%. Principal forgiveness is available for</p> |

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| | | | <p>disadvantaged communities and water system restructuring/consolidation projects.</p> <p>Loan Term: 20 years.</p> |
| <p>Housing Assistance, Weatherization, Affordable Housing Trust Fund</p> <p><i>Department of Commerce</i></p> | <p>Provides loans and grants for construction, acquisition, and rehabilitation of low income multi-family and single-family housing.</p> <p>RCW 43.185; RCW 43.185A.</p> | <p>Eligible Applicants: Local governments and housing authorities; regional support networks; nonprofit community or neighborhood-based organizations; federally recognized Indian tribes; and regional or statewide nonprofit housing assistance organizations.</p> <p>Eligible Projects: New construction, rehabilitation, or acquisition of multi-family and single-family housing units that serve people with incomes at 80% or below the local area median income. The Legislature generally specifies a portion of the funding for use on projects that serve specific populations such as people with special needs, farm workers, homeless families with children, and homeless veterans. At least 30% of the funding must benefit rural areas.</p> | <p>2015-17 Appropriation: \$83 million</p> <p>Sources: State Taxable Building Construction Account (bonds) and the Washington Housing Trust Account</p> <p>Match Required: Average leverage ratio is \$1:\$5. Sources of match include private sector (banks, developers) and public sector (local and federal governments).</p> <p>Interest Rates: Generally 1%. Rarely exceeds 2%. Loans are often deferred for some time period.</p> <p>Loan Term: Generally require a 40 year term; sometimes allow as long as 50 years to align with a local government's term. Very rarely allow shorter term - in no case less than 25 years.</p> |

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| <p>Freight Rail Investment Bank</p> <p><i>Department of Transportation Rail Capital Program</i></p> | <p>Provides low interest loans and some grants for rail capital projects on a competitive basis.</p> <p>Originally authorized in the 2007 Transportation Budget -- ESHB 1094, Sec. 309(1)(b).</p> | <p>Eligible Applicants: Only public entities may apply (publicly-owned railroads, port districts, rail districts, local governments).</p> <p>Eligible Projects: Rail capital projects. Applications are evaluated for cost-benefit. Loan applications can be for any size within the maximum amount available for all projects.</p> | <p>2015-17 Appropriation: \$7.7 million.</p> <p>Sources: Multi-modal Account, which contains revenues from sales taxes on the purchase of vehicles, rental vehicles and certain license and permit fees.</p> <p>Match Required: At least 20% in funds from other sources.</p> <p>Interest Rate: Only so much interest as is necessary to recoup the Department's costs to administer the loans.</p> <p>Loan Term: Maximum of 10 years.</p> |
| <p>Transportation State Infrastructure Bank</p> <p><i>Department of Transportation Local Programs</i></p> | <p>Provides low interest loans for transportation infrastructure projects.</p> <p>State Infrastructure Banks were originally authorized by the National Highway System Designation Act of 1995. State authority: RCW 82.44.195.</p> | <p>Eligible Applicants: Cities, counties, ports (any entity that receives federal highway funds).</p> <p>Eligible Projects: Any transportation project eligible for federal highway funds.</p> | <p>2015-17 Appropriation: \$1.7 million</p> <p>Sources: Federal highway funds and interest earnings</p> <p>Match Required: Federal Highway Administration requires 13.5% state match</p> <p>Interest Rate: 0.5%</p> <p>Loan Term: 1.5 years</p> <p>Other: Two loans are made at a time. Since establishment in 1999, 5 loan agreements have been authorized.</p> |