Funding & Financing Green Infrastructure in San Mateo County

A partnership with the City/County Association of Governments of San Mateo, California, WaterNow Alliance, Corona Environmental Consulting, and American Rivers

Stormwater Committee Presentation

September 16, 2021

WATERNOW PROJECT OVERVIEW

- Explore legal and accounting requirements for countywide regional- and parcel-scale GSI funding and financing options

- Examine funding and financing scenario for a hypothetical regional- and parcel-scale GSI spending plan to invest in countywide regional-scale and parcel-scale projects over the next 20 years

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EXPLORING FUNDING & FINANCING OPTIONS FOR GSI

- Funding Options
  - Non-balloted stormwater fees
  - Enhanced infrastructure financing district/tax increment revenue
  - Water rates
  - Wastewater rates
- Financing Options
  - Revenue bonds
  - General obligation bonds
  - Clean Water State Revolving Fund Loans
  - Water Infrastructure Finance and Innovation Act Loans

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NON-BALLOTED STORMWATER FEES

- Property-related stormwater fee to fund
  - ✓Capital improvements
  - ✓Ongoing O&M
- A novel fee type supported by SB 231
- Legal authority may include ability to fund regional- and parcel-scale GSI
- Can serve as security for debt-financing options to pay for capital projects

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ENHANCED INFRASTRUCTURE FINANCING DISTRICT

- Establishes a multi-jurisdictional district to capture property tax increment revenues within the district
  - ✓$61M estimated for San Mateo County over the next 20 years based on 1% tax increment
- Revenues for capital improvements only
- Legal authority may include ability to fund regional- and parcel-scale GSI
- Can serve as security for debt-financing options to pay for capital projects

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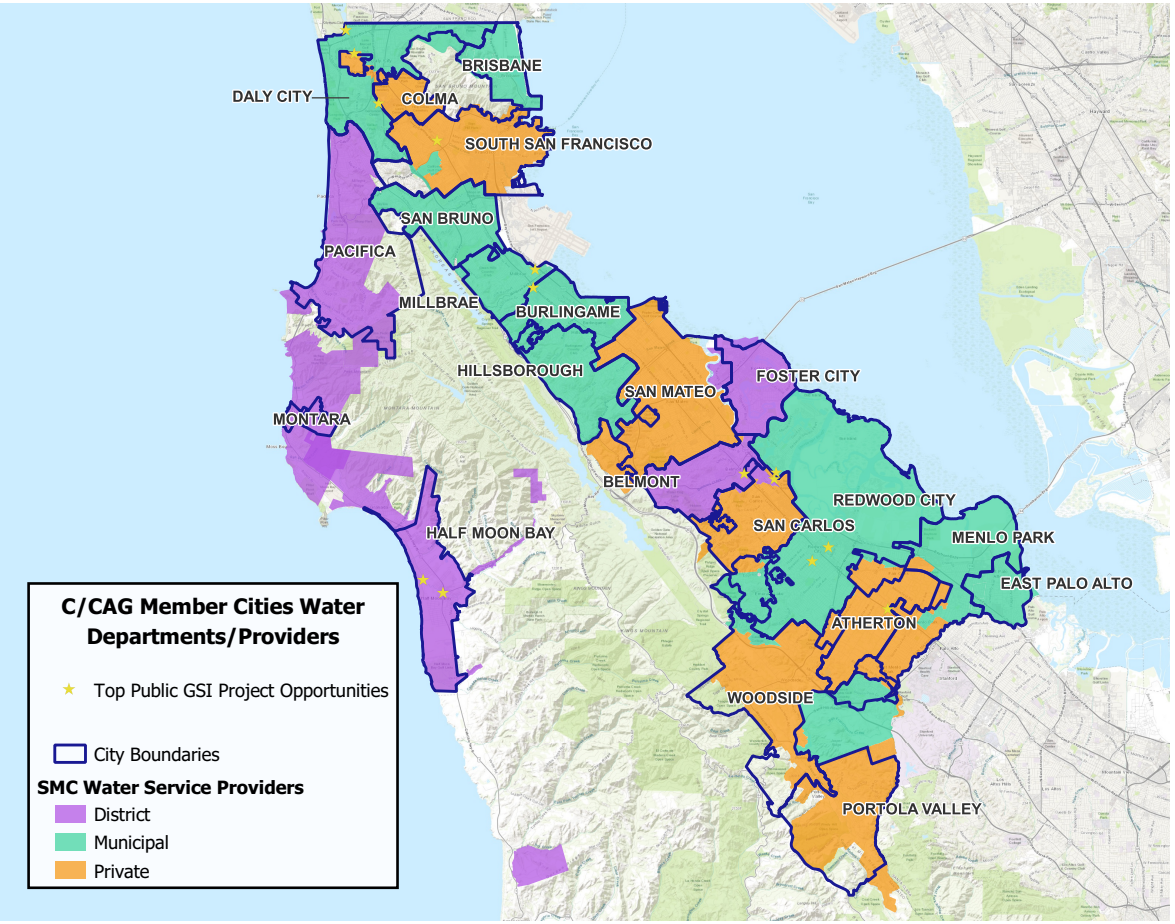
WATER AND WASTEWATER RATES



- Co-fund multiple benefit GSI projects with water and wastewater rates
- Potential GSI projects identified provide water supply and wastewater/sewer benefits
- Depending on agency type legal authority may include ability to fund regional- and parcel-scale GSI projects
- Can serve as security for debt-financing options to pay for capital projects

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MUNICIPAL BONDS

- Financing scope & requirements depends on issuing entity and authority, e.g.,
  - ✓Revenue and GO bonds may finance regional- and parcel-scale GSI
  - ✓Ownership or control of financed projects depends on bond type and issuing entity
  - ✓Voter approval requirements vary by bonding authority used and issuing entity
- Local charters also source of authority
- Current muni bond rates
  - "AAA" – 1.5%
  - "AA" – 1.65%
  - "A" – 1.8%

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STATE & FEDERAL LOANS

- Clean Water SRF Loans
  - ✓ Interest rate in 2021 – 1.10%
  - ✓ No loan minimum
- WIFIA Loans
  - ✓ Interest rate in 2021 – 1.8%
  - ✓ Loan minimum – $20M
- Eligible project types may include regional- and parcel-scale GSI including on property not owned by the loan recipient

We've got the **green**...
to keep California's **water clean**.
CLEAN WATER STATE REVOLVING FUND

WIFIA PROGRAM

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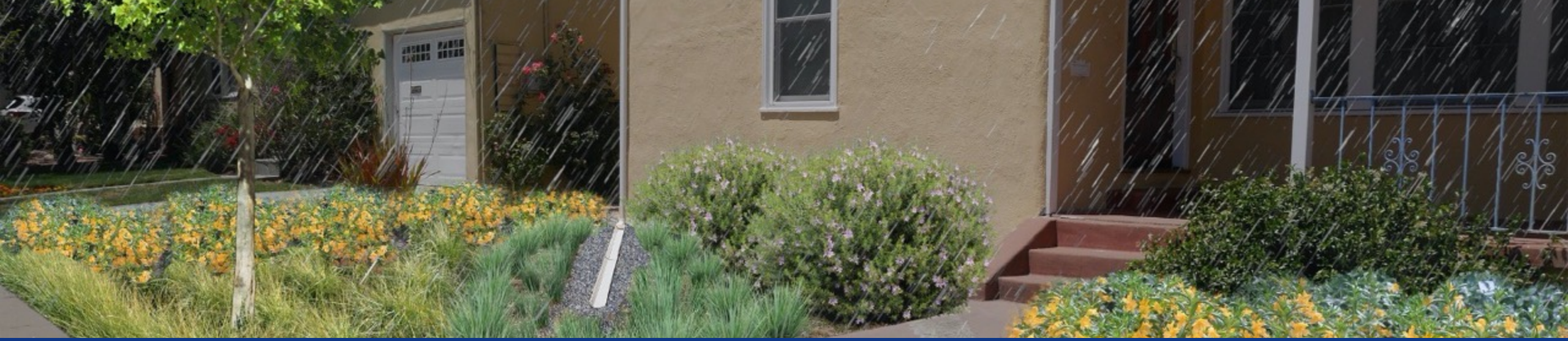
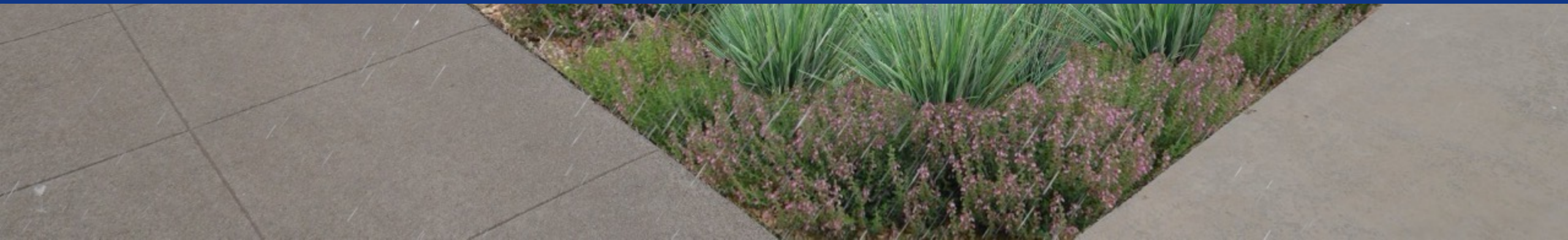


QUESTIONS?



THANK YOU

Caroline Koch, WaterNow Alliance
cak@waternow.org