

ONSITE STORMWATER LOAN PROGRAM

Program Guidelines

Section 1 – Program Description

- 1.1 The Ohio Water Development Authority created the Onsite Stormwater Loan Program to provide financial assistance for stormwater management projects that focus on treating stormwater at its source to minimize, avoid, or offset impacts on water resources and reduce flow to sewers or surface waters.
- 1.2 Program is funded from the Strategic Initiatives Fund, dependent upon available funds.

Section 2 – Eligible Borrowers

- 2.1 Local government agencies that meet the following criteria:
 - Own or have access to the property that is the subject of the application
 - Authorized to incur debt and enter into legally binding agreements
 - Financially sound and have the ability to repay the loan
 - Currently in environmental compliance
 - Current on all taxes, loan payments, or other indebtedness to the State of Ohio or any political subdivision

Section 3 – Eligible Project Costs

- 3.1 The maximum loan amount is \$5,000,000.
- 3.2 Eligible costs include the following:
 - Construction of onsite stormwater controls, such as bioretention, pervious pavement, bioswales, rain gardens, tree boxes, green roofs, infiltration basins/trenches, soil profile restoration, and rainwater harvesting with appropriate designated uses,
 - Professional engineering services related to the eligible stormwater controls,
 - Legal fees related to the application and/or project implementation, and application preparation,
 - Site preparation, including grading, earthwork, and demolition required to support the eligible stormwater controls,
 - Associated maintenance for the initial period of project establishment prior to owner acceptance, based on the project contract.
- 3.3 Ineligible costs include:
 - Demolition related to redevelopment activities on the site outside of the stormwater project area,
 - Costs for operation and maintenance of the stormwater project (not including the maintenance for the project establishment period as specified in 3.2),
 - Acquisition costs,

- Infrastructure activities unrelated to the stormwater project,
- Landscaping, traditional seeding and sodding.

3.4 In accordance with Ohio Revised Code Section 4115, prevailing wage rates apply to all activities that are a part of the onsite stormwater project.

Section 4 – Loan Terms

4.1 Term

- Maximum of 15 years amortization

4.2 Loan Fees

- Loan Administration Fee of 0.35% of the loan amount or \$400 minimum.
- The loan administration fee will be disbursed from loan proceeds.
- Legal Fee of \$15,000 is non-refundable and due 30 days after Board approval.
- If the applicant alters the proposed structure or security for the loan after Board approval, then the applicant will be responsible for additional legal fees incurred by OWDA.

4.3 Contract Interest Rate

- Equal to the 10 year treasury rate plus 10 basis points or 1.50% whichever is greater at the time of loan approval for the term of the loan.
- The contract interest rate will be set on the first day of the month that the loan will be presented to the Board for approval.

4.4 Capitalized Interest Rate

- Same rate as the contract interest rate
- Accrues on disbursed loan amount until 6 months prior to the first repayment date

4.5 Repayment

- Begins 12-months after the project is in service on January 1 or July 1
- Payments due January 1 and July 1 of each year during the repayment period

4.6 Repayment Rate

- Choice of equal annual repayments or equal annual principal with amortized interest repayments

4.7 Late Payment Penalty

- 5 day grace period
- Payments received less than 30 days after the payment date:
 - Will be charged the default rate (contract interest rate plus 3%) on the default amount from the due date until the date of payment
- Payments received more than 30 days after the payment date:
 - Will be charged the default rate (contract interest rate plus 3%) on the default amount from the due date until the date of payment plus a late charge of one percent (1%) on the amount of each default; additional one percent (1%) for each additional 30 days

4.8 Prepayment of loan

- No prepayment penalty.

- 4.9 Commencement
- The loan agreement must be executed within six months of Board approval. If the loan agreement is not executed, the applicant will need to reapply.

Section 5 – Application Process

- 5.1 Applicant will contact OWDA to schedule an informational meeting to discuss the project prior to submitting an application.
- 5.2 OWDA application requirements:
- Certified engineer’s itemized cost estimate to determine eligibility
 - Pass legislation authorizing signing of the loan agreement
 - Complete any necessary assessment, tap-in and/or rate legislation
 - Prepare a projection schedule that shows user revenues, debt service obligations, and operation and maintenance costs over the contract term of the years of loan repayment to OWDA
 - Proposed project schedule
- 5.3 Board presentation and approval
- OWDA will invite the Applicant to present their project to the OWDA Board prior to loan approval.

Section 6 - Authorization

Ohio Revised Code	Section 6121
OWDA Board Action	Resolution 104-10 Motion September 27, 2012 Motion October 29, 2015 Motion December 8, 2016 Motion February 28, 2019 Motion March 26, 2020 Motion December 9, 2021