

Municipal Financing 101

Intro:

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Quantified Ventures (QV) is a Washington D.C.-based company that supports projects in the environment and health and human services spaces. QV works to bring funding and financing to impactful solutions that help people and the planet.

What is Municipal Financing?

Tools and policies that the City of Seattle can use to generate money to support Duwamish Valley Resilience District. The city can directly fund this work through the city budget, or it can pursue financing to have money upfront for projects that will be paid back through a specific revenue stream.

Funding and Financing are different concepts.

- Examples of **municipal funding** include grants and city budgets. Funding sources do not require repayment but may have specific criteria that the funds must follow.
- Examples of **municipal financing** include municipal bonds and loans. Financing sources do require repayment, with the timeline and amount to be repaid established when the money is negotiated. Financing makes it so that a project can start work before it is generating revenue, allowing the city to repay the initial cost over time.

Municipal Financing Team Objective

Identify ways to generate capital that can finance:

1. Infrastructure to protect Duwamish Valley residential and industrial communities from sea level rise
2. Improvements that will advance health, equity, and wealth building outcomes for residents

Criteria for selecting the funding and financing strategy

The MF team will consider:

- **Equity:** How will the funding and financing sources be equitably managed, distributed, and who will they impact and how?

- **Decision rights:** Who, when, and how decisions on moving forward and allocating funding and financing?
- **Efficiency:** How fast or slow certain funding and financing will be available
- **Regulatory:** Do city or state regulations currently support the tools we want to use, or do they have to be created?
- **Scalability:** Can the tools be scaled to support larger projects, different types of projects, or different geographically located projects?
- **Complexity:** How complex are the tools and are they worth developing?

Case Studies

QV has been researching case studies that feature example funding and financing mechanisms for the DVRD to consider. During our presentation, we will walk through four of our case studies and will pause for discussion on the applicable factors for Seattle.

Questions to Consider

- What is most interesting to you about municipal financing of sea level rise infrastructure and health outcomes?
- What municipal funding and financing tools are you familiar with?
- Are there example projects you can point to that have been successful in raising funds?
- What selection criterion is most important to you?