

Division of Boating and Waterways (DBW)
Public and Private Marina Loan Programs

DBW has two loan programs for recreational marinas that are open to the public. One program is for marinas owned and operated by public agencies and the other is for marinas owned by private owners.

Summary:

Since 1957 DBW has provided loan funding to public agencies for the development or rehabilitation of recreational marinas, and since 1980 DBW has provided loans to private companies to do the same. Most of the marinas on California's waterways were funded by these programs.

Currently, 49 loans from 20 different borrowers are in repayment. Four public loans and one private loan were fully repaid last fiscal year for a total of nearly \$8 million in principle returned to the Fund as well as \$4.3 million in interest added to the Fund.

These two programs are currently paused due to the lack of resources in the Harbors and Watercraft Revolving Fund as well as the historic lack of applications in the last few years for both programs. Since the great recession, between 2007 and 2009, very few applications for either loan programs have been received:

- The Public Marina Loan program received one complete application in the last seven years.
- The Private Marina Loan program has received four complete applications in the last 15 years. One of those was funded only to withdraw the request two years later.

DBW and the California Boating and Waterways (CBW) Commission held a supplemental public workshop in September 2019, specifically to meet with stakeholders regarding the status and future need for both loan programs. Few stakeholders attended but it was recommended to survey potential borrowers who weren't able to attend. DBW sent out a survey to potential borrowers in January 2020 (before the pandemic) including to all members of the Marine Recreation Association and the California Association of Harbormasters and Port Captains to ask about interest in the these programs, future needs for DBW loan funding, timelines, interest rates, alternative funding sources, etc.:

- Five Public Entities responded: One stated that a DBW loan was their only source of revenue for their rehabilitation, which was scheduled to occur within the next five years. Four stated that they would seek either bond funding or a DBW loan within five years.
- Six Private Entities responded: Three stated that they would only seek a DBW loan for their rehabilitation within five to ten years and three stated that they would either fund the rehabilitation with private money, saved revenues, or commercial lenders.