

Disadvantaged Community Program, Arizona DWSRF – from FY24 IUP

Section 7: Disadvantaged Community Program

WIFA is committed to providing assistance to public water systems serving Disadvantaged Communities.

In June of 2022 WIFA revised the definition of disadvantaged community in response to EPA BIL Guidance. An applicant may be designated as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated “colonia” community through the federal government, or
2. The community received 50 or more Local Fiscal Capacity points on the DWSRF PPL, or
3. The community has a Local median household income (MHI) of 90% or less of the State MHI.

WIFA intends to provide the maximum allowable percentage of the capitalization grant in additional subsidy as forgivable principal to communities who cannot otherwise afford projects (see table below). WIFA’s Disadvantaged Policy also allows for extended term, reduced interest or a combination. Further, WIFA’s Additional Subsidy Procedure (III.20.1) for drinking water projects allows for up to 100% forgivable principal for disadvantaged communities who are resolving public health threats and project costs are \$250,000 or less.

Table 2. Grant amounts, forgivable principal amounts, and forgivable principal eligibility

Grant	Grant Amount	% Available as Forgivable Principal	Dollar Amount of Forgivable Principal
Base	\$8,638,000	49% (35% for disadvantaged)	\$4,232,620
BIL – Supplemental	\$36,833,000	49% (only for disadvantaged)	\$18,048,170
BIL – Lead Service Line*	\$28,650,000	49% (only for disadvantaged)	\$14,038,500
BIL – Emerging Contaminant	\$13,365,000	100% (25% for disadvantaged or community serving 25,000 persons or less)	\$13,365,000
Total	\$87,486,000		\$49,684,290

**WIFA is applying for a partial award of the BIL – Lead Service Line grant. Current Lead Service Line projects on WIFA’s PPL equals \$3,882,000. WIFA will apply for the remaining grant amount if additional projects are identified.*