

Michigan

Disadvantaged Community (DAC)

EPA defines a disadvantaged community in DWSRF as the entire service area of a public water system that meets affordability criteria established by the State. Disadvantaged communities may be afforded additional subsidization or extended loan terms.

Michigan's affordability criteria, referred to as a disadvantaged community determination, was defined in the state DWSRF law. The new DWSRF legislation was enacted earlier this year and requires EGLE to undergo a public participation process in developing new criteria, now being referred to in Michigan as Overburdened and Significantly Overburdened. Because the public participation process is currently underway and new criteria have not been finalized, projects on the FY 2023 PPL will follow the previous disadvantaged community determination process. The previous definition is as follows:

Disadvantaged community means all of the following conditions are met:

1. Users within the area served by a proposed project are directly assessed for the costs of construction.
2. The median annual household income of the area served by a proposed project does not exceed 120% of the statewide median annual household income (MAHI) for Michigan.
3. The municipality demonstrates at least 1 of the following:
 - a. More than 50% of the area served by the proposed project is identified as a poverty area by the US bureau of the census.
 - b. The median annual household income of the area served by a proposed public water supply project is less than the most recently published federal poverty guidelines for a family of 4 in the 48 contiguous United States. In determining the MAHI of the area served under this the municipality shall utilize the most recently published statistics from the US bureau of the census, updated to reflect current dollars for the community which most closely approximates the area being served.
 - c. The MAHI of the area served by a proposed project is less than the most recently published statewide MAHI for the state and annual user costs for water supply exceed 1% of the median annual household income of the area served by the project.
 - d. The MAHI of the area served by the project is not greater than 120% of the statewide MAHI for this state and annual user costs do not exceed 3% of the MAHI of the area served by the project.