

## **New Hampshire**

### **Disadvantaged Community (DAC)**

A disadvantaged community or system includes:

1. Financially Disadvantaged Water Systems - Non-transient public water system or community that serves residents whose median household income (MHI) is less than the statewide MHI based on the most recent census data and/or income survey. If an applicant for DWSRF assistance meets the definition of “disadvantaged” and if the water rate exceeds the statewide affordability criteria (see section 3.8.3), it may be eligible for subsidies from the Disadvantaged Community/System Program. Subsidies will be available in the form of principal forgiveness. This program only applies to infrastructure projects; and
2. Environmentally Disadvantaged Water Systems - Non-transient public water system or community that is: 1) Affected by environmental pollution, naturally occurring contaminant(s) and/or has lead in the water supply or service lines; and 2) Is at risk for negative health effects due to contamination and/or there is water supply or lead service lines containing lead.

#### **3.8.3 Affordability Criteria and Terms of Financial Assistance for Financially Disadvantaged Water Systems**

Affordability of a proposed project considers both the water rate (based on usage of 71,996 gallons per household per year) and the MHI of the community system or community in which the system exists. An affordable project is one that results in user rates that do not exceed 0.8% of the system or town MHI. For the purpose of determining the level of subsidy given the applicant through the Disadvantaged Community/System Program, the following process is followed: Communities or systems requesting a loan that have a MHI less than the statewide MHI (based on the most recent census data and/or income survey), which for NHDES is \$77,923 using the 2016 - 2020 American Community Survey data, are identified and considered disadvantaged. Provided they score enough points to be funded using the previously described prioritization ranking methodology, they will be given a subsidy in the form of principal forgiveness to bring the resulting user rate closer to being considered “affordable.” The level of subsidy is determined by using an Affordability Index, which serves to measure the impact of a project on a disadvantaged community. The index is calculated by dividing the water rate by the community or community system’s MHI. Loans, rates and terms for this program will be the same as those for standard project loans.