

Program Highlights for SFY25!

Enhanced Assistance for Disadvantaged Communities (DACs)

Historically, New Jersey's low-income communities and communities of color have been subject to a disproportionately high number of environmental and public health stressors, including pollution from numerous industrial, commercial, and governmental facilities located in those communities and, as a result, suffer from increased adverse health effects including, but not limited to, asthma, cancer, elevated blood lead levels, cardiovascular disease, and developmental disorders.

NJ Water Bank will continue to use the Affordability Criteria developed in SFY 2023, which better aligns the Clean Water Affordability Criteria with the Drinking Water Disadvantaged Community criteria and the Environmental Justice Law's **economic criteria** for overburdened communities. For projects sponsored by borrowers that meet the [Drinking Water Affordability Criteria](#), the DWSRF will set aside principal forgiveness for eligible drinking water projects for emerging contaminants, lead service line replacement and other high priority projects as described in further detail below. These sponsors are also eligible to participate in the Drinking Water Technical Assistance Program (NJ-TAP). The program has developed additional resources for sponsors participating in this program:

- Participating sponsors are now eligible to receive up to \$2 million in PF for planning and design loans on the condition that they will be moving forward with a clean water capital improvement project.
- Participating sponsors will also be guaranteed at least \$2 million in PF or the best available funding package for their capital improvement project at the time of loan certification.

To learn more, see the [Technical Assistance & Principal Forgiveness \(PF\) for Disadvantaged Communities Section](#).

For SFY25, the NJWB has also developed tiered Affordability funding packages to provide additional financial assistance to the most disadvantaged communities and has created an Enhanced Base DWSRF funding package for applicants who do not meet the Affordability Criteria but are below the state average MHI. New funding packages are as follows:

- Tier AC2 CSO Affordability and Affordability Packages maintain generous principal forgiveness for sponsors with an Affordability Score of 66 to 80.
- Tier AC1 CSO Affordability and Affordability Packages provide additional principal forgiveness caps for sponsors with an Affordability Score of 65 or below.
- Sponsors with Affordability Scores of 100 and under are eligible for the Enhanced Base CWSRF Package which consists of loan funding equivalent to 75% DEP loan and 25% I-Bank's AAA Market Rate financing up to \$20 million.

Build American Buy America Act (BABA)

Congress passed BABA in 2021 concurrently with the BIL. For SRF recipients, BABA expands existing American Iron and Steel (AIS) domestic preference requirements to include construction materials and manufactured products. The Department recognizes this is a new and complex provision, and we will work closely with project sponsors and the USEPA to provide appropriate guidance, technical assistance, and training. In SFY 2024, the NJWB sponsored a USEPA BABA webinar, which can be found on the [Water Infrastructure Investment Plan \(WIIP\) website](#). The NJWB expects to continue similar technical assistance efforts for BABA.

USEPA BABA Guidance (<https://www.epa.gov/cwsrf/build-america-buy-america-baba>)

Climate Change

New Jersey is already experiencing many of the impacts of climate change such as increasing temperatures, rising sea levels, and more frequent and intense storms. In July 2019, Governor Murphy signed into law amendments to the Global Warming Response Act (GWRA) reaffirming New Jersey's commitment to climate action. First passed in 2007 and since amended to enhance the state's response, the GWRA introduced a fixed goal of reducing greenhouse gas emissions by 80% from their 2006 levels by 2050.

The Department has published "[Building Resilient Water Infrastructure, Climate Change Resilience Guidance for New Jersey's Clean Water & Drinking Water State Revolving Funds.](#)" This document establishes climate impact standards to assess resilience of project alternatives and include resilience as a consideration within the alternatives analysis which are required elements for new projects seeking State funding through the Water Bank, beginning SFY 2024. The Water Bank will also be informed by data in the following reports and documents and in evaluating the technical, environmental, and financial feasibility of proposed projects:

- [2020 New Jersey Scientific Report on Climate Change](#)
- [Sea Level Rise Guidance for New Jersey](#)
- [State of New Jersey Climate Change Resilience Strategy](#)

Projects implementing climate resilience measures will receive an additional 150 priority points if the resilience components represent a significant amount of the overall project activities. See Eligible Projects to learn what kinds of projects qualify.

Projects implementing climate resilience measures will receive 150 priority ranking points if the resilience components represent a significant amount of the overall project activities. Resilience measures for drinking water infrastructure projects must apply the best available and most geographically relevant climate information, projections, and standards.

Updated Program Application Guidance and Resources

The New Jersey Water Bank has begun modernizing its public facing content, including its website, guidance, and IUPs to be more user friendly and include all up to date information about the program. [The Water Infrastructure Investment Plan website](#) now includes information about the Program's application and review process and BIL financing, including the [Spending Dashboard](#), which shows a breakdown of funding sources and investments administered for Fiscal Year 2023 onwards.

The Program also developed a comprehensive [SRF Applicant Guidance](#) to assist applicants with program navigation with a step-by-step Program Pathway that explains the process of financing from conception to review to long-term loan closing. The Department will continue to update and modernize its [guidance and forms](#) on its WIIP website.