



State Revolving Fund Loan Programs

Drinking Water, Clean Water, Nonpoint Source

DISADVANTAGED COMMUNITIES (DAC) MEMORANDUM GUIDANCE

The Bipartisan Infrastructure Law (BIL) requires certain funds provided to SRF Programs be disbursed as forgivable loans (e.g., grants) for projects that directly impact areas meeting the state's affordability criteria. Any community seeking these funds needs to provide information to prove the project's direct impact to a disadvantaged community (DAC). **This information should be submitted with the SRF application and PER on or before April 1 to be considered for funding in the next state fiscal year.** All information discussed below should be submitted via a memorandum addressed to the SRF.

What is Disadvantaged Community funding?

The SRFs are designed to assist water systems finance infrastructure improvements. The Environmental Protection Agency (EPA) also requires that each state establish affordability and disadvantaged criteria to define DAC in the state. When a community meets the state's DAC qualification, they are made eligible for consideration to possibly receive forgivable loans (i.e., grants) through the SRF.

Who qualifies as a Disadvantaged Community?

In Indiana, a DAC is one where the directly impacted area has a Median Household Income (MHI) less than 80% of the state's MHI. For State Fiscal Year 2025, this threshold is an MHI of \$53,800 or less. SRF also reserves the right to examine a broader range of statistics to ensure the communities most in need receive forgivable loans (e.g., grants). The impacted area's MHI is determined by the Census tract or the Census place (city or town) information depending on which best reflects the area served by the project components.

What qualifies as an impacted area?

The impacted area relates to the census tract or place that fully encompasses the basin or area served by the project components. In some cases, this will be a smaller area within the water or wastewater utility's service area and in other cases it will be the entire service area. The chosen area should be the smaller unit between the census tract(s) or census place while still including the entire basin or area served by the project component. Census tracts, census place, and township data will be considered as valid project areas. However, census blocks and block groups will not be considered due to a lack of available census data.

Will SRF need information to verify data regarding Disadvantaged Community status?

Yes. Communities are required to submit a DAC memorandum with the information for their community using the template provided in this guidance.

Will the SRF accept an income survey instead of the Census data?

Yes, if the income survey is approved by SRF Staff. Please email Camille Meiners (cmeiners@ifa.in.gov) for more information.

Where can I get more information about the Disadvantage Communities Eligibility?

For further information, please contact Camille Meiners (cmeiners@ifa.in.gov).

DISADVANTAGED COMMUNITIES (DAC) MEMORANDUM REQUIREMENTS

Please submit the following information via a memorandum with requested figures along with the SRF application and PER on or before April 1, 2024.

Memorandum Required Components:

- **Subject:** This memo’s subject should clearly state the participants name and “DAC Memo.”
 - Example: City of Everytown DAC Memo

- **Introduction:** Brief introduction explaining the project. This can be the same as the SRF application brief project description or the summary in the PER’s Executive Summary.

- **Census Area Impacted:** Directly impacted Census tract numbers or Census place names should be listed (along with the corresponding county) with the corresponding project components within that geographic area as described in the PER.
 - Example
 Wastewater Treatment Plant (WWTP): A new WWTP is being built in census tract 1111 of Corn County just outside the town limits of Big City, Indiana. The service area for this WWTP is the entire city of Big City, Indiana and does not include any customers outside of city limits. The location of users benefitting from this project is the census place of Big City, Indiana

 Collection System Improvements: Big City, Indiana contains six census tracts. Collection system improvements will take place in a basin that serves 100 customers that live within census tracts 3333 and 4444 of Corn County. 10 of those customers live in census tract 3333 and 90 of them live in census tract 4444. Both census tracts will be used to reflect the entire basin served by the improvements.

- **Service Area Overlap:** Answer the following question: Is the entire wastewater or drinking water system located within the town/city limits?

- **Summary Table:** A summary table of each of the census tracts impacted and the project components in each individual census tract.
 - Example:

<u>Project Component</u>	<u>Location of Users Benefitting from Project Component</u>	<u>Component Construction Cost</u>
<u>WWTP Improvements</u>	<u>Big City, Indiana</u>	<u>\$5,000,000</u>
<u>Collection System Improvements</u>	<u>Tract 3333 and 4444</u>	<u>\$2,500,000</u>

- **Attached Figures:**
 - A clearly presented map with the following information:
 - Census Tract number and geographic boundaries
 - Project components mapped and labeled using the same alternative breakdown as used in the summary table above.
 - Municipal boundaries, if applicable.
 - Please see attached examples.