

Funding Municipal Water Infrastructure Investments

WI DNR



CDBG

**COMMUNITY
DEVELOPMENT
BLOCK GRANT
PROGRAM**

USDA-Rural Development



Committed to the future of rural communities.



Funding Agencies

- **WI DNR**
 - Clean Water Fund Program
 - Safe Drinking Water Loan Program
- **USDA-Rural Development**
 - Water and Waste Disposal Program
- **CDBG (WI Department of Administration)**
 - Public Facilities Program

DNR Clean Water Fund Program

- **Types of projects:**
 - Wastewater/Stormwater/Collection systems
 - Small Loan Program
- **Type of funding:**
 - Subsidized loans – Current Subsidy:
 - 70% of market rate;
 - 0% interest - Non-traditional projects (Adaptive management/nutrient trading)
 - Proposed in 2017 – 2019 Biennial Budget:
 - 55% of market rate
 - 33% of market rate (disadvantaged municipalities)
 - Municipal population <10,000
 - Median Household Income (MHI) <80% of WI MHI
 - 0% interest (“extremely” disadvantaged municipalities)
 - Municipal population < 1000
 - MHI < 65% of WI MHI
 - Principal Forgiveness
 - Qualifying projects/disadvantaged municipalities until funds run out (funding levels determined on an annual basis by Congress)

DNR Clean Water Fund Program (cont'd)

- **Timing:**

- Intent to Apply deadline: October 31st
- Application deadline: September 30th (for municipalities seeking principal forgiveness)
- Loans closed within 8 months of project “acceptance”
- Projects accepted by June 30th of SFY of application
- Continuous funding cycle for projects not qualifying or seeking PF funding

- **Miscellaneous:**

- Small Loan Program
- < \$2,000,000 project cost
- Interest Rate Subsidy for loan through the State Trust Fund

- **Website** for more information:

<http://dnr.wi.gov/Aid/EIF.html>

DNR Safe Drinking Water Loan Program

- **Types of projects:**

- Municipal drinking water systems
 - Wells, mains, treatment, etc.

- **Types of Funding**

- Subsidized loans
 - 55% of market rate
 - 33% of market rate
 - Municipal population <10,000
 - Median Household Income (MHI) <80% of WI MHI
- Principal Forgiveness
 - Qualifying projects/disadvantaged municipalities until funds run out (funding levels determined on an annual basis by Congress)

DNR Safe Drinking Water Loan Program (cont'd)

- **Timing:**

- Intent to Apply deadline: October 31st
 - Must be received in order to apply for funding
- Application deadline: June 30th
- Loans closing deadline: June 30th of following year

- Website for more information:

<http://dnr.wi.gov/Aid/EIF.html>

CDBG Public Facilities

Types of projects:

- Infrastructure reconstruction
 - Wastewater
 - Drinking water
 - Must meet one of the national objectives:
 - Blight elimination
 - Low-to-moderate income
 - Urgent Local Need
 - Municipality MHI < 80% of county MHI OR community-wide and neighborhood income survey can be completed to determine LMI% for project beneficiaries.
- **Type of funding:**
 - Grant (\$500,000 or 50% of eligible costs)
 - 50% matching funds required

CDBG Public Facilities (cont'd)

- **Timing:**
 - Application deadline – May
 - Grant Awards – last week of July
 - Project must be completed within 2 years of receiving funding
- **Website** for more information:

<http://www.doa.state.wi.us/Divisions/Housing/Bureau-of-Community-Development>

USDA-Rural Development

- **Types of Projects:**

- Drinking water system improvements
- Wastewater system improvements
- Storm sewer systems

- **Type of Funding**

- Subsidized 40 year term loans
- Grants (0% - 75% based on MHI and Health Standards)
 - Typical grants = 15% - 30% of project cost
 - MHI must be less than \$56,439 in order to qualify for grant
 - MHI less than \$45,151 and Health issue to qualify for 45% - 75% grant

USDA-Rural Development (cont'd)

- Interest rate tied to 11 Bond Index
 - Currently Poverty at 2.0% (MHI less than \$45,151 and health issue)
 - Intermediate 2.75% (MHI between \$45,151 and \$56,439)
 - Market 3.25 (MHI greater than \$56,439)
- Timing
 - Loan and grant awarded at the preliminary design phase
 - Project must be completely constructed within 5 years of approval
 - Open application cycle, applications accepted anytime
 - Funding is authorized based on a 10/1- 9/30 fiscal year
 - Funds are typically pooled in May and August



USDA-Rural Development (cont'd)

- **Miscellaneous**
 - Loan Approval authority at \$5 million in WI
 - National Approval authority needed over \$5 million
 - Largest loan in state is at \$20 million
 - 180 Rural utilities financed by Rural Development in WI
 - Grant allocation typically around \$8 million
 - \$450 million in outstanding loan portfolio
 - RD can finance connection fees to regional treatment facilities