



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 2024, this threshold is an MHI of \$49,555 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 impacted area of the project.

What qualifies as an impacted area?

The impacted area relates to who will benefit from the project components. In some cases, this will be a smaller area within the service area and in other cases it will be the entire service area.

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.

How should communities access census tract information and associated MHI?

Please see data.census.gov for the most up to date Census tract and Census place data and maps. Once you have identified the appropriate Census tracts or Census Place, use Table S1901: 2021 ACS 5-Year Estimate to identify the corresponding MHI.

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

Yes, if the income survey follows the guidelines outlined below. **However, the results will only be considered in lieu of the Census data at the discretion of the SRF. All communities must start with the default SRF DAC form below.**

To complete a valid income survey, the following requirements must be met:

- If the area being surveyed has under 50 connections, you must survey 100% of the connections and 80% or more of those connections must have an MHI below the standard established above.
- If the area surveyed is over 50 connections, you must survey 80% of the connections and 80% or more of those connections must have an MHI below the standard established above.

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, 2023.

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 Tracts 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. Please include Median Household Income for each Census tract or place.
 - Example:
Census Tract 1010, Any County (MHI: \$45,000): 135 lead service lines will be replaced within Census Tract 1010.
Anytown Census Place, Any County (MHI: \$33,000): Water Treatment Plant improvements will occur within Anytown Census Place along with installation of a new water storage tank.
- **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:

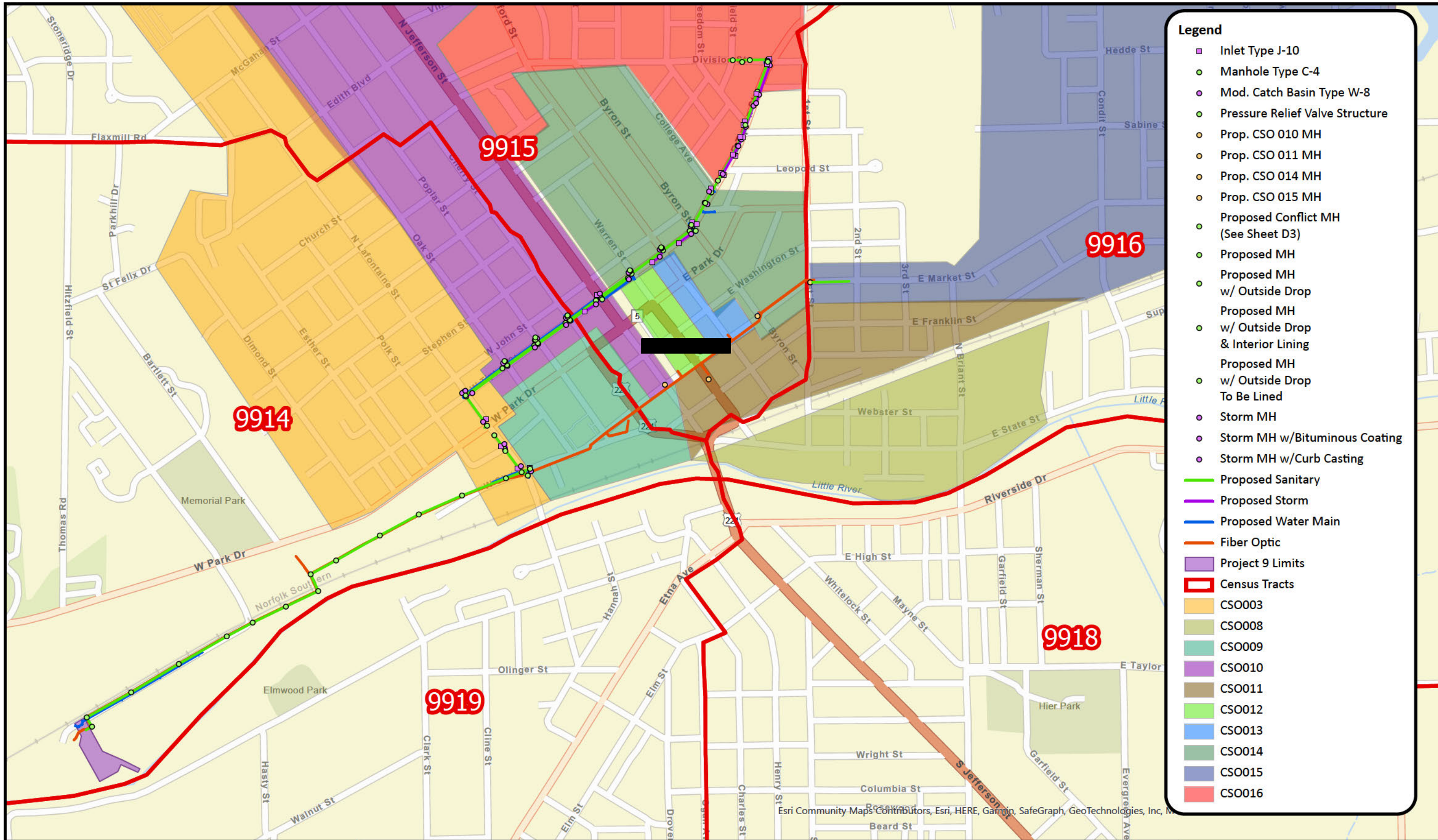
Census Tract, County	Project Components	Median Household Income (MHI)
1010, Any County	<ul style="list-style-type: none"> • Lead service line replacements 	\$45,000
Anytown Census Place, Any County	<ul style="list-style-type: none"> • Water Treatment plant improvements • New water storage tank 	\$33,000

- **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.

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

For further information, please contact the SRF staff below:

Mr. Brett Roberts
(317) 232-8623
broberts@ifa.in.gov



- Legend**
- Inlet Type J-10
 - Manhole Type C-4
 - Mod. Catch Basin Type W-8
 - Pressure Relief Valve Structure
 - Prop. CSO 010 MH
 - Prop. CSO 011 MH
 - Prop. CSO 014 MH
 - Prop. CSO 015 MH
 - Proposed Conflict MH (See Sheet D3)
 - Proposed MH
 - Proposed MH w/ Outside Drop
 - Proposed MH w/ Outside Drop & Interior Lining
 - Proposed MH w/ Outside Drop To Be Lined
 - Storm MH
 - Storm MH w/Bituminous Coating
 - Storm MH w/Curb Casting
 - Proposed Sanitary
 - Proposed Storm
 - Proposed Water Main
 - Fiber Optic
 - Project 9 Limits
 - Census Tracts
 - CSO003
 - CSO008
 - CSO009
 - CSO010
 - CSO011
 - CSO012
 - CSO013
 - CSO014
 - CSO015
 - CSO016

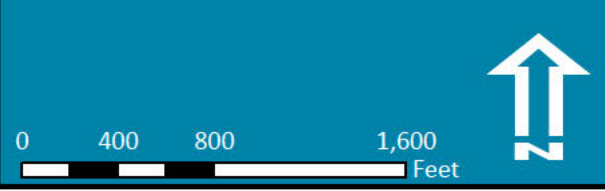


Exhibit 1-1
Census Map
 [Redacted], Indiana

Esri Community Maps Contributors, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, M