

Disadvantaged Community Designation

WIFA Policy #: III.6

Purpose:

Outline the criteria to designate a drinking water system or wastewater applicant as a Disadvantaged Community and define the additional benefits available to Disadvantaged Communities.

Policy:

Section 1: Disadvantaged Community Designation

The Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated “colonia” community through the federal government, or
2. The community received 60 or more Local Fiscal Capacity points on the DWRP or CWRP PPL.

Section 2: Disadvantaged Community Financing Options

For applicants who are designated by the Board as a Disadvantaged Community, the following financing options may be considered:

1. Additional subsidy in the form of forgivable principal as outlined in Procedure III.20.1.
2. If the applicant fails to meet the applicable WIFA financial capability requirements as defined by WIFA Policy III.7 or III.8:
 - a. WIFA may reduce the Combined Interest and Fee Rate (CIFR) to a rate lower than would otherwise apply, but not below the minimum rate of 1.0%, and/or provide additional forgivable principal.

Section 3: Security Levels

WIFA may require Disadvantaged Community applicants to execute additional levels of security as follows:

<u>Applicant Type</u>	<u>Security Type</u>
Governmental	
City or Town	General Obligation
Community Facility District	General Obligation
Domestic Water Improvement District	Special Assessments
Non-Governmental	
Association/Cooperative/Non-Profit	Liens on Personal Property
Privately/Investor Owned	Personal Guarantee

Responsibility: Chief Financial Officer

Statutory Reference: A.R.S. Title 49, Chapter 8

Rule Reference: A.A.C. R18-15-104

Original Issue Date: January 11, 2000

Previous Amendment Date(s): February 15, 2006; April 18, 2007; October 20, 2010; June 20, 2012, April 30, 2014, December 21, 2017

Most Recent Amendment Date: December 19, 2018 (*Replaces All Previous Versions*)

Approval:



Executive Director

12/19/18

Date