

Funding Available for Water-Wastewater Needs

Community Development Block Grants Iowa Department of Economic Development

Community Development Block Grants (CDBG) provide funding for public water and wastewater facilities for cities under 50,000, counties and non-profit organizations, specifically engineering fees, land acquisition and construction (does not include maintenance, service lines and connection fees). Funding is limited to \$300,000 or \$1,000 per capital, whichever is less. The CDBG funding must benefit disadvantaged communities by providing funding assistance where financial need is the greatest, replacing inadequate infrastructure or extending service and helping the project proceed to completion in a timely manner. A disadvantaged community is defined as fifty-one percent or more of the community's population is documented in having low to moderate income. A CDBG can be used in conjunction with other funding sources, such as Iowa SRF or USDA.

Program and Application Information: www.iowalifechanging.com/community/cdbg
Contact: Dan Narber, (515) 725-3072, Dan.Narber@iowalifechanging.com

I-Jobs Iowa Finance Authority

The I-Jobs bill (Senate File 376) allocated \$55 million for water quality projects. Of that \$55 million appropriated, approximately \$35 million must fund projects in communities with populations less than 10,000; while the remaining \$20 million will fund communities with populations over 10,000. All I-Jobs Water Quality Grants will be combined with a State Revolving Fund (SRF) loan. Two grants are available:

For communities with populations over 10,000 people

- Projects must be eligible for a SRF loan
- Prioritization will be based on the environmental benefit
- Applications will be due by October 30, 2009

For communities with populations less than 10,000 people

- Projects must be eligible for a SRF loan
- Prioritization will be based on both environmental benefit and affordability criteria
- Maximum grant of \$2 million per project
- Applications will be due March 30, 2010

Program and Application Information: www.iowafinanceauthority.gov
Contact: Lori Beary, IFA, (515) 725-4965, lori.beary@iowa.gov

Onsite Wastewater Systems Assistance Program Iowa Department of Natural Resources

The Onsite Wastewater Systems Assistance Program funds the replacement of outdated septic systems with approved onsite systems. Approved systems include both a septic tank and a secondary treatment system such as a leachfield. Eligible applicants include homeowners in unincorporated areas of Iowa not served by a public sewer. The program cannot be used for new homes under construction. Also, the program is available in counties which have a DNR-approved environmental health program. Loan amount can be up to 100% of the project costs. The minimum loan amount is \$2,000, with no maximum, and loan terms can be up to 10 years.

Program and Application Information: www.iowadnr.com/water/srf/onsite.html
Contact: Dan Olson, (515) 281-8263, daniel.olson@dnr.iowa.gov

Funding Available for Water-Wastewater Needs

Water and Environmental Programs

United States Department of Agriculture – Rural Development

The United States Department of Agriculture (USDA) Rural Development provides loans, grants and guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas, cities and towns of 10,000 people or less. Public bodies, nonprofit organizations, special purpose districts and recognized Indian tribes may qualify for assistance. All applications must be unable to obtain funds from other sources at reasonable rates and terms.

- The maximum term for loans is 40 years, the useful life of the facility or state statute, whichever is less. Interest rates are established quarterly and may be obtained from any USDA Rural Development office.
- Grant assistance is determined only after considering the maximum amount of loan an applicant can obtain. In no case will the grant assistance exceed 75% of the eligible project costs. Grants are typically made in conjunction with a direct loan.
- Guaranteed loans are made and serviced by conventional lenders. The maximum amount of loan guarantee is 90%.
- USDA Rural Development also makes grants to nonprofit organizations to provide technical assistance and training to assist rural communities with their water, wastewater and solid waste problems.

Program and Application Information: www.rurdev.usda.gov/ia/rus.html

Contact: Karla Peiffer, (515) 284-4459, karla.peiffer@ia.usda.gov

State Revolving Fund for Wastewater and Drinking Water

Iowa Department of Natural Resources and Iowa Finance Authority

The Iowa State Revolving Fund (SRF) finances drinking water and wastewater infrastructure, as well as projects addressing stormwater quality and non-point source pollution. Borrowers save money on their financing costs because the SRF provides below-market interest rates.

The Iowa SRF is operated through a unique partnership between the Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA). The DNR administers the environmental and permitting aspects of the programs, while the IFA provides financial assistance including loan approval and disbursements. The SRF loans can be used in conjunction with other programs and many SRF projects are co-funded with Community Development Block Grants, Iowa Finance Authority wastewater assistance grants or federal grants.

There are two separate funds: the Clean Water SRF, which finances water quality projects; and the Drinking Water SRF, which finances drinking water system upgrades to provide safe drinking water. The SRF currently has the capacity to fund all eligible projects.

Three types of available loans help cities, public water supplies, counties, sanitary districts, or utility management organizations upgrade their water and wastewater systems.

- Planning and Design (P&D) loans are provided at 0% interest for up to three years to cover the costs of preparing facility plans and project specifications. The loans will be rolled into SRF construction loans or repaid by another source of permanent financing. Many facilities are using P&D loans to prepare for applying for grants and other financing as well as for SRF loans. There is no minimum or maximum amount for P&D loans.
- Construction loans are offered at 3% interest. Loans durations are generally for 20 years; however extended financing, of up to 30 years based on the useful life of the facility, is available for all wastewater projects and for disadvantaged communities taking drinking water loans. The minimum loan amount is \$50,000, with no maximum amount.
- Source water protection loans are offered at 0% interest. These loans can help public water supplies acquire land and conservation easements or work with facilities in their wellhead or source water protection areas.

Program and Application Information: www.iowasrf.com

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