



**Environmental  
Facilities Corporation**

# **How NYSEFC Supports Environmental Justice**

**Council of Infrastructure Financing Authorities  
2022 CIFA SRF Workshop**

**November 7, 2022**

# Types of Financial Assistance Offered by EFC

- Short-Term Loans
  - Up to 5-year term
  - Funds planning, design and construction
  
- Long-Term Loans
  - Amortized up to a term of 30 years
  - May Provide 40-year term for Disadvantaged Community
  
- Interest Rate
  - 0% Interest
  - Subsidized
  - Market-Rate
  
- Grants / Principal Forgiveness

# Hardship Financing

- **Interest-free financing**
- Municipalities that qualify for hardship financing may also be eligible for additional subsidy.
- Extended term financing may be offered.
- Projects in area with Environmental Justice (EJ) areas that do not otherwise qualify for hardship will be considered for hardship if at least 50% of the project cost or project scope serves, protects or benefits an EJ area.
  - Visit <https://www.dec.ny.gov/public/911.html> for EJ maps.
- **Municipalities must qualify for Hardship Financing to be eligible for BIL funding.**

# Hardship Financing Criteria

- Project was not in a short-term financing agreement before November 15, 2021 and is not in a long-term financing agreement
- Municipal population must be:
  - Less than 300,000, or
  - If greater than 300,000, the population served by and responsible for the debt is less than 300,000
- MHI of the municipality must be:
  - Less than 80% of the regionally adjusted MHI, or
  - 80% to less than 100% of the regionally adjusted MHI and Poverty Rate is greater than the 2019 statewide Poverty Rate of 10.4%

# Regionally Adjusted MHI

- The Statewide Median Household Income (MHI) for New York State, taken from the 2019 American Community Survey, is \$68,486. This is adjusted for certain counties by a Regional Cost Factor (RCF)

Region	RCF	Adjusted MHI	80%	100%
Upstate	1.00	\$ 68,486	\$ 54,789	\$ 68,486
Dutchess, Orange, Putnam, Rockland, Sullivan, and Ulster Counties	1.27	\$ 86,977	\$ 69,582	\$ 86,977
Suffolk, Nassau and Westchester Counties	1.52	\$ 104,099	\$ 83,279	\$ 104,099

# Hardship Policies Consider EJ impacts

- Effective October 1, 2020, SRF Hardship Policies were amended to reach additional disadvantaged communities.
  - Most EJ areas within the state were already eligible for hardship financing.
  - EJ areas in otherwise wealthy communities have historically been shut out of hardship financing.
  - At least 50% of the project cost or scope benefits, serves, or protects EJ area.
- With increased funding available, these EJ projects also may be eligible for hardship grant/additional subsidy.

# Value Engineering Review of EJ Projects

- Municipalities must complete a questionnaire providing detail about the EJ area to be served.
- Value Engineering review is required, funded by EFC.
- The VE review recommends cost-effective alternatives to proposed project to lower cost of project and save ratepayers.
- The recommendations from the review must be incorporated into an acceptable revised Engineering Report.

# Value Engineering – Example Project

## Town of Southampton, Suffolk County (Long Island)

Population approx. 58,000 with a 2019 MHI of \$95,281

- VE Questionnaire submitted May 17, 2021
- The VE process was initiated in June
- VE conference held Sept 14-16, 2021
- Draft VE report received November 2021, Final February 2022
- Community is working with a neighboring municipality regarding the VE report recommendations



# Criteria for Determining Affordability

## Municipal MHI Relative to Regionally Adjusted MHI

Criteria	Score
0 – 60%	20
60 – 80%	16
80 – 100%	10
> 100%	0

## Municipal Poverty Level Relative to Statewide Level

Criteria	Score
> 120%	10
100 – 120%	5
< 100%	0

# Criteria for Determining Affordability cont.

## Environmental Justice

Criteria	Score
Project expected to benefit an EJ area	7
No anticipated benefit to an EJ area	0

## Readiness

Criteria	Score
EFC received an acceptable finance application	2
EFC did not receive an acceptable finance application	0

# Criteria for Determining Affordability cont.

## Municipal Population Trend

Criteria	Score
Negative	1
Positive	0

## County Unemployment Rate Relative to Statewide Rate

Criteria	Score
Greater Than	1
Less Than or Equal To	0

# CWSRF Scoring for Hardship Grant

## Affordability Score + $\frac{1}{2}$ of CWSRF Water Quality Factors:

- Existing Source – Level of Impairment
- Water Quality Improvement
  - Classification Points Factor
  - Impairment Factor
  - Potential Improvement Factor
- Consistency with the Goals of Management Plans
- Violation?

# Alternatives to Demonstrate Hardship

**Where census data is not reflective of the area served or the population responsible for the debt**

- Income Survey
  - All Residential households
  - Upon EFC acceptance, survey is valid for five years
  - 4-7 per year
- EFC, in its discretion, may use alternative means of determining population, MHI, or Poverty when the census data are not reflective of the population served by or responsible for the debt incurred by the project. For special districts or other areas where census data are not available, an income survey (Survey) may be conducted by the municipality and submitted to EFC to establish

# Environmental Justice Areas

Populations must meet or exceed at least one of the following statistical thresholds:

- At least 52.42% of the population in an urban area reported themselves to be members of minority groups; or
- At least 26.28% of the population in a rural area reported themselves to be members of minority groups; or
- At least 22.82% of the population in an urban or rural area had household incomes below the federal poverty level.

# Environmental Justice Mapping

- NYS Department of Environmental Conservation maps
- Based on 2020 five-year updates from the American Community Survey
- U.S. Census block groups of 250 to 500 households
- EJ areas are shown on a layer in NYSDEC's DECinfo Locator  
<https://gisservices.dec.ny.gov/gis/dil/>
- Allows EJ areas to be shown on the same map with various other information, such as WWTPs and CSO outfalls.

# Environmental Justice Mapping

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

## DECinfo Locator

Base Map: Topographical [Help](#)

Search

Tools

**DEC Information Layers**

Environmental Quality Outdoor Activity

Permits and Registrations

Environmental Cleanup

Environmental Monitoring

**Public Involvement**

Check / Uncheck all [Layer Information](#)

Potential Environmental Justice Areas

Draft Disadvantaged Communities (DAC)

OEJ Grants

Environmental Excellence Awards Winners

Climate Smart Communities

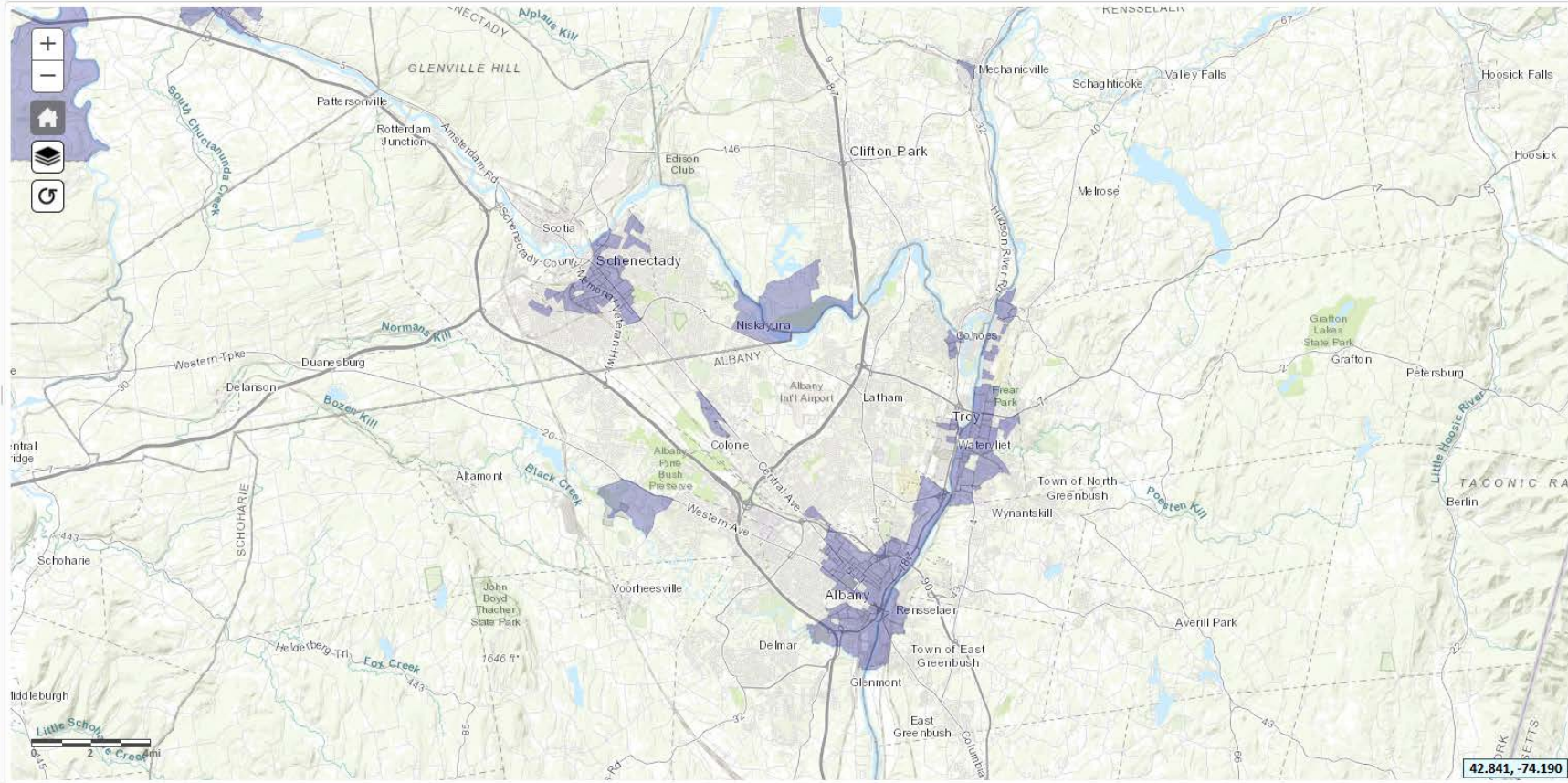
Climate Smart Communities Grants

Zero-emission Vehicle Rebates

Environmentally Sensitive Areas

Legal Information

Reference Layers





# State Grant Programs Available at EFC

Engineering Planning Grants

Green Innovation Grant Program

Water Infrastructure Improvement Act

Intermunicipal Water Infrastructure Grants



# Engineering Planning Grant (EPG) Program

EFC offers grants to help municipalities facing **economic hardship** pay for the initial planning of eligible **CWSRF** projects

- Grants Available for up to 80% of cost:
  - Up to \$100,000 per locality for inflow/infiltration studies required by enforcement action
  - Up to \$50,000 per locality all other projects
- Report can be used to be listed for CWSRF funding or grant programs
- Builds a pipeline of projects

**\$3 M Available**



# Green Innovation Grant Program (GIGP)

- Eligible project categories include:
  - **Water Efficiency:**
    - Reuse, Conserve or Improve Water Efficiency
    - 50-75% grants available
  - **Energy Efficiency:**
    - Reduce Energy Consumption or Produce Renewable Energy
    - 50-75% grants available
  - **Green Stormwater Infrastructure:**
    - Maintain and restore natural hydrology by infiltration, evapotranspiration, and harvesting stormwater
    - 75-90% grants available

**\$15 M Available**



➤ *Maximum Grant Percentages provided to EJ Communities*

# Water Infrastructure Improvement Grants

- Clean Water
  - Municipalities will be awarded **25%** of total project costs, up to **\$25 million**
  - Stormwater scope only eligible if related to sanitary sewer
- Drinking Water
  - Municipalities will be awarded **60%** of total project costs, up to **\$5 million**
  - Projects addressing an **emerging contaminant** above the State determined Maximum Contaminant Level (MCL) may be awarded **60%** of total project costs with no cap

# Intermunicipal Water Infrastructure Grants

- Municipalities will be awarded **40%** of total net project costs, up to **\$30 million**
- A **joint** project that serves multiple municipalities
- One municipality must be the “lead municipality” and apply on behalf of all cooperating municipalities
- Available for both drinking water and clean water projects
- Project examples:
  - Regional wastewater treatment plant
  - Water system interconnection

# Clean Water Infrastructure Investment

- **\$4.5 B** investment in clean water
- Water Infrastructure Improvement Grants
- Intermunicipal Water Infrastructure Grants
- Over **\$600 M** awarded to municipalities in April 2022
- Eligible costs include planning, design, and construction
- Can be used for rehabilitation and new construction
- Projects must result in construction
- **Extra Points for EJ Communities**



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