

Disadvantaged community loans.**(A) Applications**

- (1) Requirements. To be eligible for disadvantaged community loan assistance for a given program year, an applicant must:
 - (a) Be on the project priority list or have submitted a pre-application to be on the project priority list by the pre-application deadline specified by the director; and
 - (b) Submit a complete application for designation as a disadvantaged community on a form acceptable by the director by the application deadline specified by the director.

(B) Determination criteria for disadvantaged communities

- (1) After receipt and review of application for designation as a disadvantaged community, the director may designate an applicant as a disadvantaged community for the purposes of this chapter based on consideration of at least the criteria set forth in paragraphs (B)(1)(a) to (B)(1)(e) of this rule. Fulfillment of any one criterion does not guarantee designation as a disadvantaged community.
 - (a) Economic affordability. To be eligible for designation, applicants shall serve communities or populations with costs per user for water and sewer services that are greater than the statewide values.
 - (b) Health related issues. To be eligible for designation, an applicant shall demonstrate the presence of indicators of serious public health risks. Applicants with more serious public health risks are more likely to be designated than those with less serious health risks.
 - (c) Median household income in the area served by the applicant as determined by the most recent final and released U.S. census. Applicants serving communities or populations with median household incomes less than the statewide median household income are more likely to be designated than those serving communities or populations with median household incomes equal to or higher than the statewide median household income.
 - (d) Population. Applicants serving relatively small populations are more likely to be designated than those serving larger populations.

- (e) Poverty rate in the area served by the applicant as determined by the most recent final and released U.S. census. Applicants serving communities or populations with a poverty rate greater than the statewide poverty rate will be more likely to be designated than those serving populations with lower poverty rates.

[For further reference see the "State of Ohio Drinking Water Assistance Fund Program Management and Intended Use Plan" submitted by the agency to the United States environmental protection agency each program year. The draft and final versions for each program year can be obtained from "Ohio EPA, Lazarus Government Center, 50 West Town Street, Suite 700, Columbus, OH 43215, (614) 644-2752" or www.epa.state.oh.us/ddagw.]

- (2) The director may also consider other factors such as unemployment, population growth, age distribution of population, and other socio-economic factors in making determinations under this rule.

(C) Loan issuance to disadvantaged communities

- (1) Applicants designated as disadvantaged communities shall submit an application for loan assistance on the form required by the director in order to be considered for disadvantaged assistance from the water supply revolving loan account in accordance with section 6109.22 of the Revised Code.
- (2) Following receipt and review of an application for loan assistance, the director may award financial assistance from the water supply revolving loan account to an eligible disadvantaged community upon a determination that the application meets the current requirements established by the director under section 6109.22 of the Revised Code and the improvements are necessary for the public water system to operate in compliance with Chapter 6109. of the Revised Code.
- (3) No more than thirty per cent of each capitalization grant may be made available to provide subsidies to disadvantaged communities. Each amount identified for disadvantaged assistance and subsidies shall be available to be obligated for qualifying projects within the time period allowed for in the applicable capitalization grant.
- (4) Designation as a disadvantaged community shall be made on an annual basis, for the program year for which the applicant is seeking disadvantaged assistance or subsidy. Applicants may reapply and may be designated by the director as a disadvantaged community in accordance with this chapter annually.

(D) Loan assistance for disadvantaged communities

- (1) The amount, form, and duration of each award of disadvantaged assistance or subsidy to a disadvantaged community shall be based on the director's determination of the necessity for the disadvantaged assistance or subsidy in relation to the ability of the eligible disadvantaged community to comply with rule 3745-87-02 of the Administrative Code, comply with Chapter 6109. of the Revised Code, and the availability of funding for this purpose.

(E) Duty to comply

- (1) The failure or inability of a disadvantaged community to obtain disadvantaged assistance or subsidy under this chapter of the Administrative Code in no way alters the obligation of the public water system serving a disadvantaged community to comply with all applicable Administrative Code rules governing public water systems.

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