

EPA ANNOUNCES A PILOT TECHNICAL ASSISTANCE PROGRAM FOR STATE CWSRF PROGRAMS AND FINANCING AUTHORITIES

"For too long, federal policy has actually encouraged sprawl and congestion and pollution, rather than quality public transportation and smart, sustainable development... And that's why we've created a new interagency partnership on sustainable communities..."

President Barack Obama, July 13, 2009

BACKGROUND

On June 16, 2009, EPA joined a Sustainable Communities Partnership with the U.S. Department of Housing and Urban Development (HUD) and the U. S. Department of Transportation (DOT) to help improve access to affordable housing, more transportation options, and lower transportation costs while protecting the environment in communities nationwide.

Although the name "Sustainable Communities" implies a potentially broad area of work, the partnership agreement and the descriptions of the partnership by the Administrator, both Secretaries, and even the President make clear that the work is focused on ensuring that the actions, policies and investments of the three agencies are made in a more coordinated way and in locations that do not subsidize or incentivize sprawl.

This includes our water infrastructure investments. The State-managed Clean Water and Drinking Water State Revolving Fund (SRF) programs have a variety of existing authorities to provide incentives to encourage SRF funding towards more sustainable investment locations. These incentives include adjustments to project priority setting systems, voluntary state set-asides, and strategic use of subsidies. But we can do more. During her Sustainable Communities Tour in September 2009 with Secretaries Donovan (HUD) and LaHood (DOT), Administrator Lisa Jackson announced that EPA would provide technical assistance to state SRF programs to provide interested states with the information and expertise to revise their programs to support more location efficient investments.

TECHNICAL ASSISTANCE OPPORTUNITY

States have considerable authority in developing their intended use plans and making infrastructure investment decisions. As discussed, a wide variety of states have used this flexibility to better promote more sustainable investment decisions. For example, New Jersey revised their priority setting system and incentivized smart growth projects, which include fixing existing systems and investing in transit hub areas, by giving a 0 percent interest rate to an additional 25 percent of the loan. In another example, Minnesota completes an engineering process before deciding whether to sewer an area in an effort to avoid replacing failing septic systems with centralized treatment.

To build off of these examples, EPA is sponsoring a pilot program. The pilot program will provide technical assistance to 2 - 4 states and/or associated financing authorities who want to modify their existing Clean Water¹ SRF programs to ensure their state water infrastructure investments are used to promote location-efficient investments.

¹ Currently, the technical assistance program applies only to the Clean Water SRF programs.

The aim of EPA's offer of technical assistance is to promote more widespread adoption of practices that encourage states to reinvest in their existing infrastructure systems. To do this, EPA is offering to work with your state CWSRF program to identify opportunities, such as those within the context of the program's funding guidelines, priority systems, and intended use plans, and to suggest ways in which these documents could be modified to support more location efficient investments. Your program is under no obligation to incorporate or implement any of the proposed changes. Specifically, EPA is offering to:

- Work with the state CWSRF to review the intended use plan, priority setting system, borrower application process, and other funding guidelines.
- Work with the state program to determine any existing state limitations included in the legislation, regulations, and policies.
- Recommend best practices and provide suggested revisions to these CWSRF documents for the state to consider.
- The state is under no obligation to adopt or implement the suggested changes. However, it is possible that anything developed for a specific state may be shared with another state.
- There is no cost to the state. Assistance will be provided through EPA staff and contractor assistance.

HOW TO APPLY

If you are interested in funding more location efficient water infrastructure projects and would like to receive technical assistance to help your state achieve this goal, please provide us the following information:

- a letter of interest, identifying your state's smart growth/livability goals, possible changes you would like to see in your program to better support location efficiency, any additional funding programs to which you would like to align the SRF program, a list of supporting documents, applicable deadlines, or any other relevant information.
- a letter of support from your state SRF program director and, if applicable, associated water financing authority director, confirming your interest in working with EPA to revise existing documents to promote more location efficient investment decisions. Letters requesting assistance will not be considered without this letter of support.

Please include a staff contact, as well as a contact for the letter of support. Letters of interest and support may be mailed or e-mailed to:

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Letters of interest and support are due January 6, 2010. EPA will review the letters received and select 2-4 states by February 15, 2010. A second round of applications will be accepted in late spring to better accommodate those states working to meet ARRA deadlines. The states selected will ideally represent: (1) geographic diversity, (2) variable population growth rates, (3) range of land uses (industrial, agricultural, suburban, etc.). The selected states should be open to help small or disadvantaged communities and be an enthusiastic, efficient program.

When letters are received we will review your letter and may contact you for additional information. We realize that in some cases we may be unable to meet your deadline or desired level of support so it is important that you be as clear as possible when identifying your interest for assistance.

Please feel free to contact Katie Hess at 202-564-1029 or Lynn Richards at 202-566-2858 if you have any questions. We look forward to working with you on this project!