

PROPOSITION 1:
ECONOMICALLY DISTRESSED
AREAS

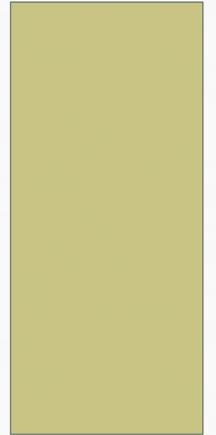


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LEGISLATIVE LANGUAGE

CALIFORNIA WATER CODE §79702 (K)

Chapter 3. Definitions

§79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

- (k) “Economically distressed area” means
 - a municipality with a population of 20,000 persons or less,
 - a rural county, or
 - a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less,
- with an annual median household income that is less than 85 percent of the statewide median household income, and
- with one or more of the following conditions as determined by the department:
 - (1) Financial hardship.
 - (2) Unemployment rate at least 2 percent higher than the statewide average.
 - (3) Low population density.

PROPOSITION 1 CITATION

Prop. 1 Chapter	Code Section	Agency	Program Name	Program Amount	Reduce/waive FM	Involve EDAs	Technical Assistance	Program Webpage
Ch. 5	CWC §79725(a)	SWRCB	Small Community Wastewater Program	\$260,000,000	X		X	click here
Ch. 5	CWC §79725(a)	SWRCB	Grants and Loans Drinking Water SRF Program	\$260,000,000	X		X	click here
Ch. 7	CWC §79742(c)	DWR	Integrated Regional Water Management Program	\$510,000,000	X	X		click here
Ch. 7	CWC §79742(c)	DWR	Water conservation/ water use efficiency plans, projects, or programs	\$100,000,000	X			click here
Ch. 7	CWC §79742(c)	SWRCB	Stormwater Management Program	\$200,000,000	X			click here (Prop 84 SW program website)
Ch. 9	CWC §79766	SWRCB	Water Recycling Funding Program	\$625,000,000	X			click here
Ch. 9	CWC §79766	DWR	Water Desalination Grant Program	\$100,000,000	X			click here
Ch. 10	CWC §79774(b)	SWRCB	Groundwater Quality Funding	\$800,000,000	X			click here
Ch. 10	CWC §79774(b)	DWR	Sustainable Groundwater Funding Program	\$100,000,000	X			click here

ECONOMICALLY DISTRESSED AREA CHECKLIST

Instructions: To meet the definition of an economically distressed area, applicants must select one criteria from each column.

Column A (Geographies in Column B must have)		
<input type="checkbox"/> 1) An annual median household income < 85% of statewide median household income		
Column B (One of these)	Column C (<u>And</u> have at least one of these*)	
<input type="checkbox"/> 1) A municipality with a population of 20,000 people or less	<input type="checkbox"/> 1) Financial hardship	
<input type="checkbox"/> 2) A rural county	<input type="checkbox"/> 2) Unemployment rate at least 2 percent higher than the statewide average	
<input type="checkbox"/> 3) A reasonably isolated and divisible segment of a larger municipality where <ul style="list-style-type: none"> • The segment of the population is 20,000 persons or less 	<input type="checkbox"/> 3) Low population density	

*As determined by the Department.

UNDEFINED TERMS

1. Municipality
2. Rural county
3. Low population density
4. Unemployment rate
5. Median household income
6. Reasonably isolated
7. Financial hardship

MEDIAN HOUSEHOLD INCOME

- **Definition:**

- California Water Code, §79702 (k)
- *an annual median household income that is less than 85% of the statewide median household income*

- **Data Source:**

- 2009-2013 American Community Survey of US Census Bureau Data

- **Level of Geography:**

- Counties
- Census places
- Census tracts
- Census block groups

MEDIAN HOUSEHOLD INCOME

Indicator	Percentage	Household Income
Statewide Average MHI*	100%	\$61,094
Economically Distressed Area	<85%	\$51,929.90
Disadvantaged Community	<80%	\$48,875.20
Severely Disadvantaged Community	<60%	\$36,656.40

**2009-2013 American Community Survey Data, United States Census Bureau*

MAP OF 85% MHI

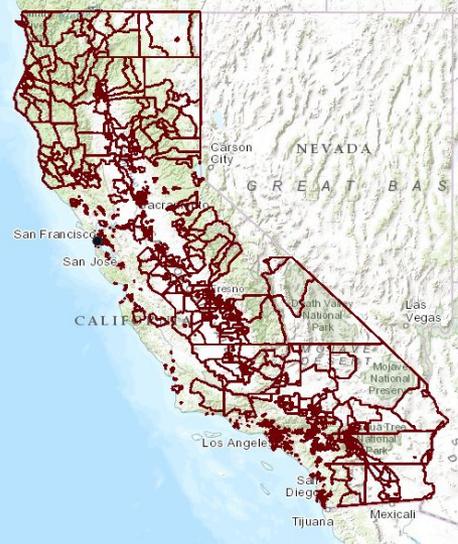
- <http://darcgis.water.ca.gov/app/edas/>



County



Place



Tract



Block Group

MUNICIPALITY

- **Definition:**
 - Incorporated or unincorporated areas where an entity provides a public service
- **Data Source:**
 - 2009-2013 American Community Survey of US Census Bureau Data
- **Level of Geography:**
 - Census places
 - Census tracts
 - Census block groups

RURAL COUNTY

- **Definition:**

- United States Office of Management and Budget, effective 2010 and verified again January 1, 2014
- *Designates 21 out of 58 counties as non-metropolitan counties or rural areas based on United States Census Bureau designation of metropolitan statistical areas*

- **Data Source:**

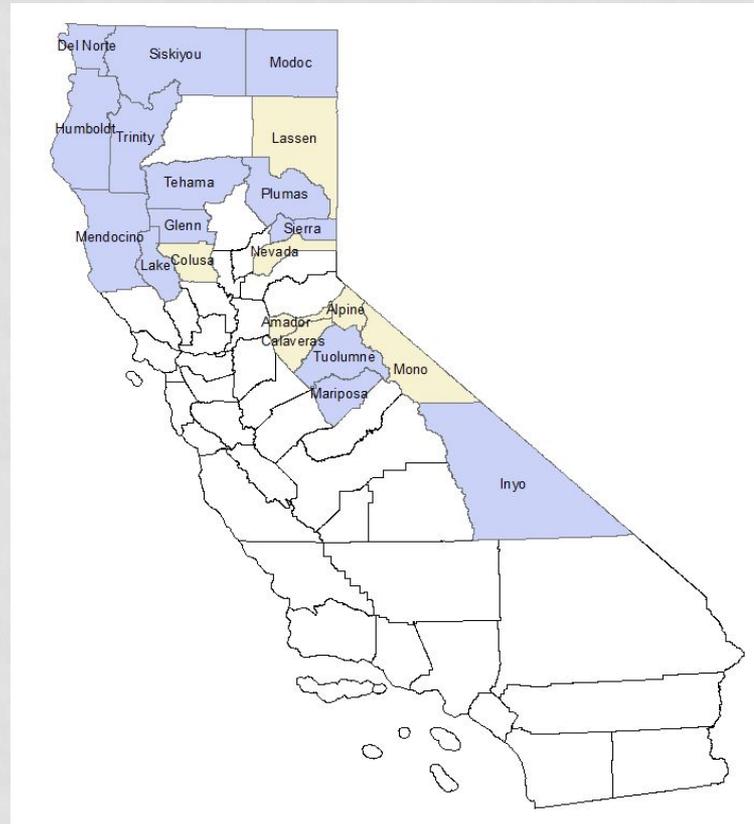
- 2009-2013 American Community Survey of US Census Bureau Data

- **Level of Geography:**

- Counties level
- 21 out of 58 counties

MAP OF RURAL COUNTIES

- <http://darcgis.water.ca.gov/app/edas/>



**21 rural counties; based on meeting the primary criteria of <85% MHI, only 14 rural counties are eligible economically distressed areas (purple)*

LOW POPULATION DENSITY

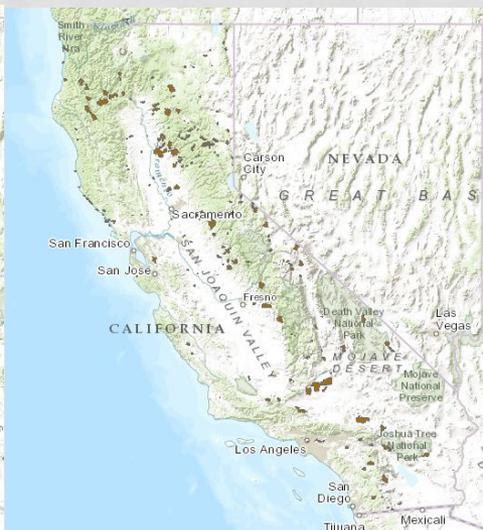
- **Definition:**
 - *Population density is the measurement of persons per square mile of land area*
 - Low threshold – 100/square mile
- **Data Source:**
 - 2009-2013 American Community Survey of US Census Bureau Data
- **Level of Geography:**
 - Counties
 - Census places
 - Census tracts
 - Census block groups

MAP OF LOW POPULATION DENSITY

- <http://darcgis.water.ca.gov/app/edas/>



County



Place



Tract



Block Group

Census Geography	Total Pop'n Included	Percentage
County	2,020,405	5%
Place	117,018	0.3%
Tract	1,618,111	4%
Block Group	1,259,972	3%

*2013 Census CA Total
Pop'n = 37,659,181

UNEMPLOYMENT RATE

- **Definition:**

- California Water Code, §79702 (k)
- *Unemployment rate at least 2 percent higher than the statewide average*
- Employment Development Department 2014 statewide average unemployment rate= 7.5%
- 2% higher than statewide average
 - 7.5% + 2% = 9.5%

- **Data Source:**

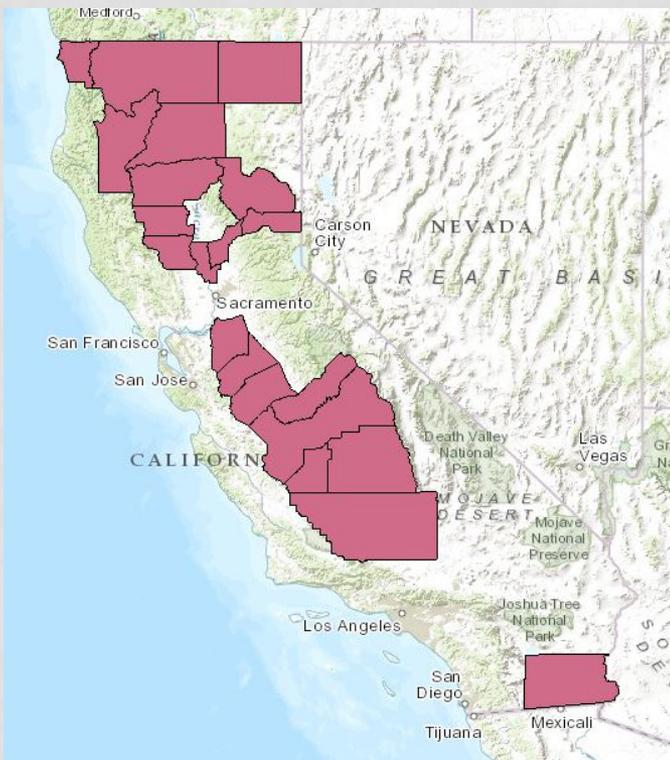
- 2014 Employment Development Department annual average

- **Level of Geography:**

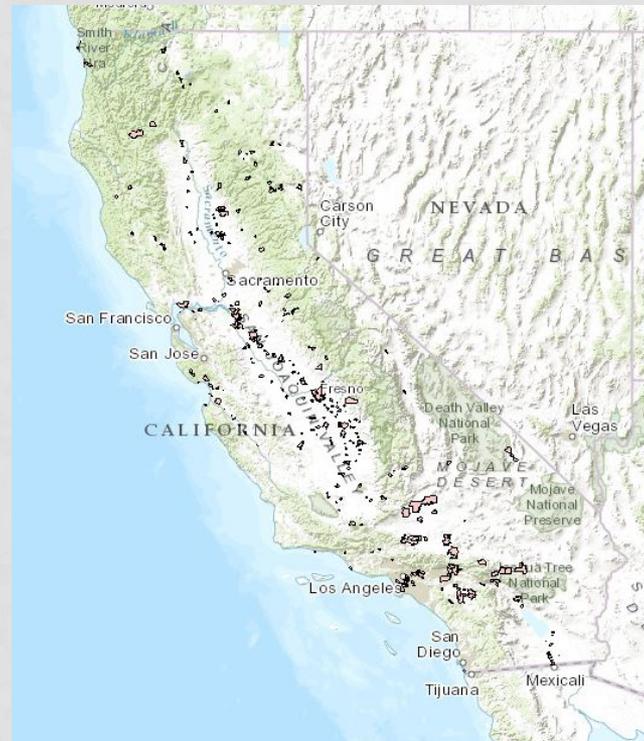
- Counties
- Cities
- Census places

MAP OF UNEMPLOYMENT RATE

- <http://darcgis.water.ca.gov/app/edas/>



County



Places/Cities

REASONABLY ISOLATED

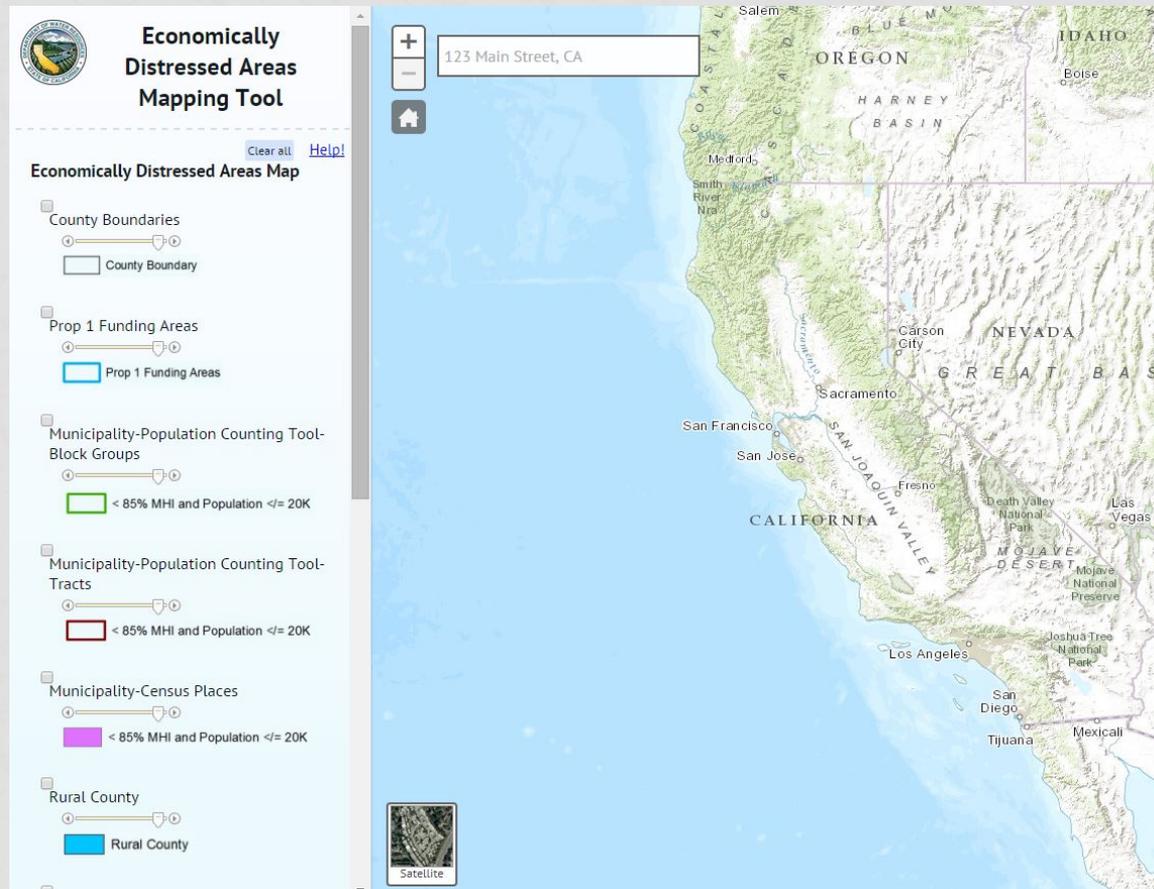
- Reasonably isolated must be justified:
 - Physical isolation/Community barrier examples
 - Communities divided by waterbodies
 - Communities divided by highways/railroads, or other physical barriers
 - Language barriers
 - Jurisdictional boundaries
 - Served by separate water or wastewater services
- Any other reasonable isolation metrics provided will be submitted and approved by DWR

FINANCIAL HARDSHIP

- Financial hardship must be justified:
 - Affordability of water
 - Average residential water rate exceeds 1.5% of the area's MHI
 - Average residential wastewater rate exceeds 1.5% of the area's MHI
 - Total water management services exceeds 5% of the area's MHI
- Any other financial hardship metrics provided will need to be submitted and approved by DWR

MAPPING TOOL

- <http://darcgis.water.ca.gov/app/edas/>



PROPOSED SUBMISSION PROCESS

1. Review Economically Distressed Area Instructions
2. Select your economically distressed area criteria (Columns A-C)
 - Provide map of project benefit area and criteria
 - Provide justification for any other criteria
3. Submit your economically distressed area package to the state grant program in which you are applying
4. DWR will update the public central repository of economically distressed areas in coordination with other state grant programs

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*As determined by the Department.

TENTATIVE SCHEDULE

- Public release of draft instructions and tool
 - End of July
- 30-day public comment period
 - Month of August
- Public release of final instructions and tool
 - End of August

QUESTIONS / COMMENTS

- Thank you