PROPOSITION 1: ECONOMICALLY DISTRESSED AREAS
TABLE OF CONTENTS

• Legislative Language
• Terms to Define
• Proposition 1 Citations
• Proposed Submission Process
• Schedule
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.
<table>
<thead>
<tr>
<th>Prop. 1 Chapter</th>
<th>Code Section</th>
<th>Agency</th>
<th>Program Name</th>
<th>Program Amount</th>
<th>Reduce/ waive FM</th>
<th>Involve EDAs</th>
<th>Technical Assistance</th>
<th>Program Webpage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch. 5</td>
<td>CWC §79725(a)</td>
<td>SWRCB</td>
<td>Small Community Wastewater Program</td>
<td>$260,000,000</td>
<td>X</td>
<td>X</td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 5</td>
<td>CWC §79725(a)</td>
<td>SWRCB</td>
<td>Grants and Loans Drinking Water SRF Program</td>
<td>$260,000,000</td>
<td>X</td>
<td>X</td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 7</td>
<td>CWC §79742(c)</td>
<td>DWR</td>
<td>Integrated Regional Water Management Program</td>
<td>$510,000,000</td>
<td>X</td>
<td>X</td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 7</td>
<td>CWC §79742(c)</td>
<td>DWR</td>
<td>Water conservation/ water use efficiency plans, projects, or programs</td>
<td>$100,000,000</td>
<td>X</td>
<td></td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 7</td>
<td>CWC §79742(c)</td>
<td>SWRCB</td>
<td>Stormwater Management Program</td>
<td>$200,000,000</td>
<td>X</td>
<td></td>
<td>Click here (Prop 84 SW program website)</td>
<td></td>
</tr>
<tr>
<td>Ch. 9</td>
<td>CWC §79766</td>
<td>SWRCB</td>
<td>Water Recycling Funding Program</td>
<td>$625,000,000</td>
<td>X</td>
<td></td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 9</td>
<td>CWC §79766</td>
<td>DWR</td>
<td>Water Desalination Grant Program</td>
<td>$100,000,000</td>
<td>X</td>
<td></td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 10</td>
<td>CWC §79774(b)</td>
<td>SWRCB</td>
<td>Groundwater Quality Funding</td>
<td>$800,000,000</td>
<td>X</td>
<td></td>
<td>Click here</td>
<td></td>
</tr>
<tr>
<td>Ch. 10</td>
<td>CWC §79774(b)</td>
<td>DWR</td>
<td>Sustainable Groundwater Funding Program</td>
<td>$100,000,000</td>
<td>X</td>
<td></td>
<td>Click here</td>
<td></td>
</tr>
</tbody>
</table>
**ECONOMICALLY DISTRESSED AREA CHECKLIST**

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

<table>
<thead>
<tr>
<th>Column A</th>
<th>(Geographies in Column B must have)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) An annual median household income &lt; 85% of statewide median household income</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column B</th>
<th>(One of these)</th>
<th>Column C</th>
<th>(And have at least one of these*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) A municipality with a population of 20,000 people or less</td>
<td>1) Financial hardship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) A rural county</td>
<td>2) Unemployment rate at least 2 percent higher than the statewide average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) A reasonably isolated and divisible segment of a larger municipality where • The segment of the population is 20,000 persons or less</td>
<td>3) Low population density</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
<th>Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide Average MHI*</td>
<td>100%</td>
<td>$61,094</td>
</tr>
<tr>
<td>Economically Distressed Area</td>
<td>&lt;85%</td>
<td>$51,929.90</td>
</tr>
<tr>
<td>Disadvantaged Community</td>
<td>&lt;80%</td>
<td>$48,875.20</td>
</tr>
<tr>
<td>Severely Disadvantaged Community</td>
<td>&lt;60%</td>
<td>$36,656.40</td>
</tr>
</tbody>
</table>

*2009-2013 American Community Survey Data, United States Census Bureau
MAP OF 85% MHI

- [http://darcgis.water.ca.gov/app/edas/](http://darcgis.water.ca.gov/app/edas/)
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
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
*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/

<table>
<thead>
<tr>
<th>Census Geography</th>
<th>Total Pop'n Included</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>2,020,405</td>
<td>5%</td>
</tr>
<tr>
<td>Place</td>
<td>117,018</td>
<td>0.3%</td>
</tr>
<tr>
<td>Tract</td>
<td>1,618,111</td>
<td>4%</td>
</tr>
<tr>
<td>Block Group</td>
<td>1,259,972</td>
<td>3%</td>
</tr>
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</table>

*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 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 reasonably 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