Subsidy Award Process – IIJA / BIL Funding

All pre-applications received are evaluated on the Disadvantaged Community (DAC) criteria as stated in the [Annual IUP](https://deq.louisiana.gov/page/clean-water-state-revolving-fund-iup-priority-list-annual-reports). The DAC information is tracked in the Loan and Grants Tracking System (LGTS).

During the annual award period, the subsidy requirement (i.e. 49% of the BIL Supplemental grant amount) is determined. The priority list of uncommitted projects (i.e. future funding list) is assessed for receiving the determined allocation amount for that funding cycle. Those projects considered for funding which meet the DAC criteria in the table below will be given priority (from the top down). The preliminary subsidy earmarked for award is considered by a percentage of the loan amount. There will be a maximum - not to exceed amount, but that amount may change each year with number of applications, amount of BIL subsidy, etc. For pre-application purposes, assume the maximum BIL subsidy would equal or be less than $2,000,000 per community.

Preliminary Subsidy to Award

Estimated Maximum Preliminary Subsidy Amount = $2,000,000

|  |  |
| --- | --- |
| **Criteria** | **Potential Subsidy Amount** |
| Meets all 3 DAC criteria & MHI < 50% State MHI | 100% of project or max |
| Meets all 3 DAC criteria & 50% State MHI < MHI < 75% State MHI | 75% of project or 75% max |
| MHI < 50% State MHI, but meet less than 3 DAC criteria | 75% of project or 75% max |
| 50% State MHI < MHI < 75% State MHI, but meet less than 3 DAC criteria | 65% of project or 65% max |
| Meets all 3 DAC criteria | 50% of project or 50% max |
| Meet 2 DAC criteria | 35% of project or 35% max |
| Meet 1 DAC criteria | 25% of project or 25% max |

Note that the preliminary subsidy amount may change depending on the total number of qualified subsidy projects. The Louisiana CWSRF will award at least the minimum required subsidy as per the Capitalization grant requirement.

*The final subsidy amount awarded to a project is determined after reviewing the applicant’s financial ability to repay a loan. The final awarded subsidy amount may differ from the preliminary amount.*

NOTICE: A rate study may be requested or a rate increase may be required as a condition for receiving subsidy. **Any community than cannot afford any loan component or that receives the next higher tier (or higher) of potential subsidy as laid out in table above, will be required to conduct and implement a rate study as a condition for receiving additional subsidy.**