

How will Ohio EPA apply the Affordability Criteria under the Clean Water Act during Program Year 2019?

Based upon changes made to the Clean Water Act [see Section 603 (i)(2)(A)] in 2015, Ohio EPA developed affordability criteria, and first used those criteria in Program Year (PY) 2016 to determine which communities or districts qualified for additional financial subsidy (i.e. principal forgiveness). These criteria were required to include "...income and unemployment data, population trends, and other data determined relevant by the State...". The following information updates how Ohio EPA proposes to implement affordability criteria in PY 2019.

For many years, Ohio EPA has used population size and median household income to determine which entities are classified as "hardship communities." Subsequently, these communities qualified for a reduced interest rate (0% or 1%) on their Water Pollution Control Loan Fund (WPCLF) loan. To establish which entities qualify for principal forgiveness from among the hardship communities, we added the following socio-economic statistics:

- Unemployment rate using data from the most recent American Community Survey (ACS) five-year dataset. This is consistent with the requirement that we use the most recent 24 months of data.
- Per capita income from the same, five-year ACS dataset, as the unemployment rate.
- Percent population change. We continue to use U.S. Census data to establish these figures at a county and community level.

For PY 2019 we have modified our approach and consider an affordability criteria candidate to be a loan applicant that meets **any three of the four** above criteria, including hardship status. Applicants with populations over 10,000 will be excluded.

The following table details the four proposed criteria for PY 2019:

Proposed Criteria	Program Value for 2019
1a. Median Household Income (MHI) for 0% Hardship Interest Rate Type (based on 75 th percentile for Ohio Incorporated Areas with populations ≤ 2,500)	≤ \$51,563*
1b. MHI for 1% Hardship Interest Rate Type (based on 50 th percentile for Ohio Incorporated Areas with populations between 2,501 and 10,000)	≤ \$48,278*
2. Unemployment Rate	≥ 8.4% (> 1% over national average) *
3. Per Capita Income	≤ \$23,863 (80% or less of national average) *
4. Percent Population Change since 1990.	≤ 150% change

*Values determined using data collected from the American Community Survey for 2012-2016.

Here's some additional background information for the updated criteria:

1. Unemployment rate – the rate above the national average (7.4%) defined as an “area” that has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate (8.4%).
2. Low per capita income – defined as an “area” with a per capita income of 80 percent or less of the national average of \$29,829 (\$23,863).
3. Percent population change since 1990 – The interval chosen is unchanged since PY 2018, as is the percentage.

We have developed a table that lists all the communities and counties that meet these updated criteria. This table can be found on our website. This table lists communities that meet the affordability criteria and is meant to help Ohio's counties and incorporated areas decide whether they are eligible for additional financial subsidy as part of a WPCLF loan.

ACS Source Tables:

B01003 - TOTAL POPULATION

B19013 - MEDIAN HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2016 INFLATION-ADJUSTED DOLLARS)

DP03 – SELECTED ECONOMIC CHARACTERISTICS