

## Environmental Justice Eligibility Documentation Guidance: MWIFA Funding Applications

**Summary:** Applicants to the Maryland Water Infrastructure Financing Administration (MWIFA)’s annual funding solicitation can document that their project serves an environmentally overburdened or underserved (i.e., environmental justice, or “EJ”) community to receive preferential financing terms and increase their project’s ranking in the funding selection process.

A simple table outlining eligibility criteria is below for applicants who may be more familiar with EJ documentation. *Please note applicants should use the [MDE EJ Screening Tool](#) in order to document a project’s EJ status.*

**For a fuller guide, including concrete details on what forms of documentation will be accepted in this cycle, please start on the second page.**

Project Must Serve a Majority EJ Community	Clearly Meets Criteria if	Example	Comment
1. By Service Area	>50% of the Project Service Area is within an EJ Community	Project will serve 6 mi <sup>2</sup> of a 10mi <sup>2</sup> service area in an EJ census tract, see Figure 4 for this example	The project’s service area must be clearly shown on a map or by a percentage in terms of area (e.g., mi <sup>2</sup> )
2. By Population	>50% of Population Served is EJ	Project will benefit 5,600 people in an EJ census tract of 10,000 total population	Majority population can be shown over several census tracts, as shown in Figure 4 further below in the document, even if non-contiguous.
3. By Funding	>50% of the Project Funding Serves an EJ Community	Project will expend \$75,000 out of a total budget of \$100,000 to an EJ Community.	>50% of expenditures should be justified so it is clear the costs will be made in the EJ community.

## Full EJ documentation guidelines:

Applicants to the Maryland Water Infrastructure Financing Administration (MWIFA)'s annual funding solicitation can document that their project serves an environmentally overburdened or underserved (i.e., environmental justice, or "EJ") community to increase their project's relative priority in the scoring and evaluation process, as well as access preferential financing terms. MWIFA uses MDE's EJ Screening Tool to make these determinations about a project's EJ status. Specifically, projects identified as having EJ status will be treated as follows:

- 1) When scoring applications for funding priority – Ten (10) points will be awarded to a project wherein at least 50 percent of the project serves, protects, or benefits an Environmental Justice (EJ) community (by service area, population, or cost) as identified by a Final EJ Score Percentile (Distribution Across Maryland) of 75 or more using MDE's EJ Screening Tool.
- 2) When determining Disadvantaged Community (DAC) status – One of MWIFA's definitions of "disadvantaged community" is if the applicant is undertaking a project in which 50 percent or more of the project cost or project scope serves, protects, or benefits an Environmental Justice (EJ) community (by service area, population, or cost), as identified by a Final EJ Score Percentile (Distribution Across Maryland) of 75 or more using MDE's Environmental Justice Screening Tool. If a project is determined to be DAC, it may receive lower interest rates, additional subsidy, or an extended loan term (for drinking water projects only).

To be considered an EJ project for MWIFA's purposes, the applicant must clearly demonstrate at least one of the following:

- (a) at least 50% of the project scope serves, protects, or benefits areas designated as Environmental Justice communities, as identified by a Final EJ Score Percentile (Distribution Across Maryland) of 75 or more. This may be demonstrated based on the physical area served by the project ([see page 3](#)) or the number of people who will be served by the project ([see page 6](#));
- (b) at least 50% of the project cost serves, protects, or benefits an Environmental Justice (EJ) or overburdened community as identified by a Final EJ Score Percentile (Distribution Across Maryland) of 75 or more ([see page 6](#)).

Making this demonstration requires using MDE's [EJ Screening Tool](#). For detailed instructions on how to use the EJ tool, please reference [the guide linked here](#). (Follow the instructions for *How to run a screening report*.) Note that due to the large amounts of data being processed, some functions may take a while to complete in the EJ tool. Please allow the tool several minutes to finish the search and give a result. If the program cannot find an address, one may need to enter it several times before the tool will locate it.

Please contact Elaine Dietz at [elaine.dietz@maryland.gov](mailto:elaine.dietz@maryland.gov) to discuss alternatives to the forms of documentation listed in this document prior to submitting the application.

### (A) EJ Documentation by a Project's Scope (per Physical Area)

Please note that for “project scope”, a project’s *service area* is what should be used, not the project area specifically. (For example, if a treatment works project is located in area A, but it exclusively serves area B, area B is what should be considered.) If the two differ significantly, it is on the applicant to accurately document the service area.

#### ***If your project is best represented by a single point:***

The result of a search for a single address (i.e., project location or central point of the project service area) should bring up a box that includes the Final EJ Score Percentile (Distribution Across Maryland) (circled in red) for the associated census tract as shown below. Submission of the report with the score and project clearly identified by your map point will suffice for EJ documentation. (For details, see the linked guide on page 2.)

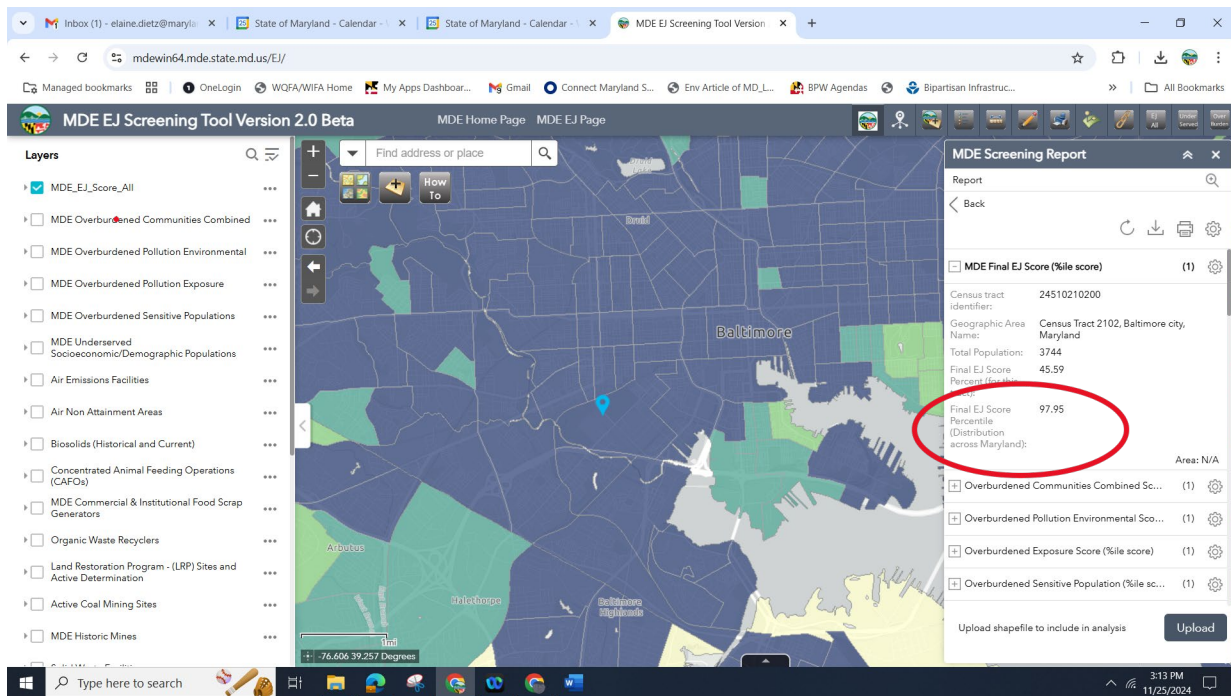


Figure 1 – Sample single-point calculation

#### ***If your project spans a larger area than a single point but is all within one census tract:***

Produce an EJ report as per the hyperlinked guide above shared above on page 2. To do this, it is strongly recommended to use the “polygon” drawing tool. If your project is contained within one

census tract, use the Final EJ Score Percentile that is given in the right-hand side of the tool window and in the report. Submission of the report with the score and project area clearly identified by your polygon tool drawing will suffice for EJ documentation.

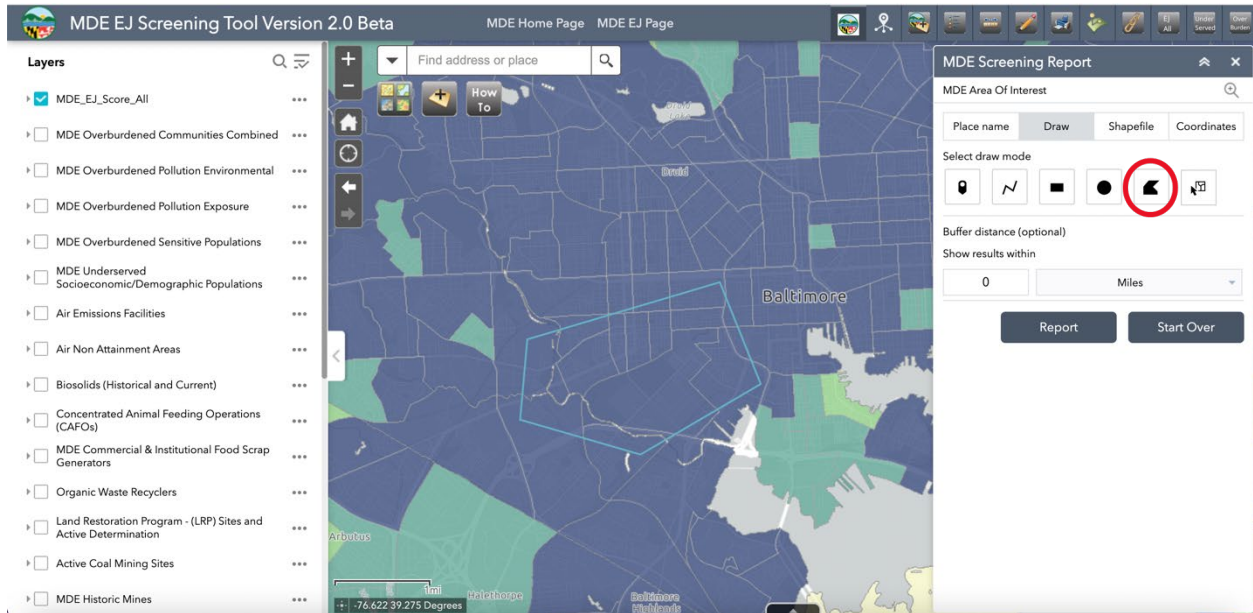


Figure 2 – Example of a project area drawn with the polygon tool (circled in red)

***If your project spans multiple census tracts but it is still entirely within EJ communities:***

If your project is solely contained within areas in navy blue on the EJ tool map (i.e., an EJ percentile of 75% or higher), then simply producing map(s) for each project site using the EJ tool will suffice. This can be accomplished using the Draw tool on the EJ map and producing screenshots that clearly label the project area with text labels, digitally editing maps screenshotted from the EJ tool with labels and boundaries of the service area, or submitting a scanned copy of the EJ map printout with hand-drawn boundaries and labels for the project area(s). Note that if there are multiple project sites, please provide a map for each site.

***If your project area spans multiple census tracts that are not entirely qualifying EJ communities:***

If your project spans multiple census tracts, and at least part of it is not in an EJ area, the tool will not be able to produce an averaged EJ score across the project, and a simple map highlighting the project's area will not suffice. Manual calculations will be required, the exact steps for which are detailed below.

1. First, draw your project area using the polygon function on the EJ tool. This may take several tries or minutes to load, depending on site traffic and the amount of data being collected.

- Once the report is ready, download the report's information in CSV format. You should have a file you can open in Excel and columns that correspond to the below areas, as shown in Figure 4. Several files will download at once, but the file you need is called "MDE Final EJ Score (%ile score).csv" or some minor variation thereof.

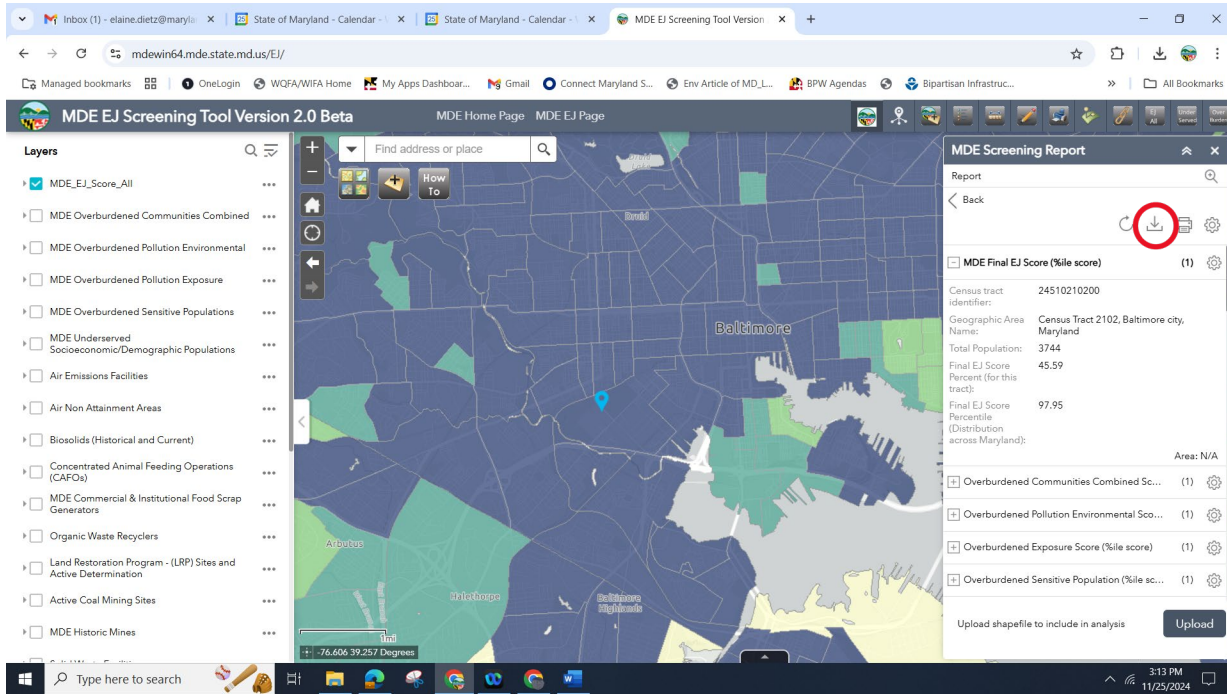


Figure 3 – Where to download report data as a CSV after you draw your site

Geographic Area Name	Total Population	Final EJ Score Percentile	Area (mi <sup>2</sup> )*
9704	3,435	71.77	0.45 (38.5% of service area)
9706	4,735	90.77	0.42 (35.9% of service area)
9705	3,577	95.35	0.25 (21.3% of service area)
9707.02	4,066	32.60	0.05 (4.3% of service area)

Figure 4 – Example values for an EJ calculation

\*Note the CSV will not produce the service area percentages for you.

- Locate the above columns to do the following steps and calculate if a project is >50% EJ by service area. (Parentheses are used here to indicate how you would do this based on the information in Figure 4.)
- Find the total area of the project area (Sum of 0.45 + 0.42 + 0.25 + 0.05 = 1.17 mi<sup>2</sup> service area) and the total area of the EJ areas within the project (Sum of 0.42 + 0.25 = 0.67 mi<sup>2</sup>)
- Calculate the percent EJ by dividing the EJ area by the total area (0.67 mi<sup>2</sup> / 1.17 mi<sup>2</sup> = 57.2%)
  - Therefore, in our example 57.2% of the project and its service area is within one or more Environmental Justice (EJ) community(ies) as identified by Final EJ Score

Percentile (Distribution Across Maryland) of 75 or more. Since this calculated percentage is over 50%, this project can be awarded 10 points and designated as a DAC because the project scope is shown to serve, protect, or benefit an Environmental Justice (EJ) or overburdened community.

### **(B) EJ Documentation by a Project's Scope (per Population)**

**Please note that for “project scope”, a project’s service area is what should be used, not the project area specifically.** (For example, if a treatment works project is located in area A, but it exclusively serves area B, area B is what should be considered.) If the two differ significantly, it is on the applicant to accurately document the service area.

In general, it is usually simplest to use method (A) to document EJ status where it applies. The below instructions are written as if the benefitting population within the service area of a project is spread across different census tracts, and EJ status cannot be shown from mapping the service area alone. (Note that for population calculations, we assume the entire population of a benefitting census tract will be affected. Again, Figure 4 is referenced here to demonstrate concretely how this is done.)

1. Follow steps 1-3 as outlined on page 5 of this document.
2. Sum the populations of each census tract involved. (E.g., for Figure 4:  $3,435 + 4,735 + 3,577 + 4,066 = 15,813$ )
3. Sum the populations of the census tracts which have an EJ score that is equal to or greater than 75% in order to calculate the percent EJ population:  $(4,735 + 3,577 = 8,312)$
4. Then calculate the percent EJ population of the project by dividing the EJ population in the project service area by the service area’s entire population:  $(8,312/15,813 = 52.56\%)$ 
  - Of the 15,813 people in the project service area, 8,312 (52.56%) are within one or more Environmental Justice (EJ) or overburdened community(ies) as identified by Final EJ Score Percentile (Distribution Across Maryland) of 75 or more. **This makes it a qualifying EJ community.**

### **(C) EJ Documentation by a Project's Expected Costs**

Please note that if the project can be documented by the approaches (A) or (B), MDE recommends using them where possible, as it is usually easier to demonstrate and verify.

*If this is not the case and you wish to use the cost-based documentation of EJ status, please follow the below steps.*

1. To document that the project cost primarily serves an EJ community by tying it to the area involved, first prepare an EJ report of the service area via the polygon drawing tool. (See p. 4 of this document and the guide linked on p.2 as needed.)
2. Next, please also append a narrative to your report in Word or PDF format that outlines how and why costs within EJ areas are expected to be at least 50% of the project’s total costs,

with reference to which EJ-designated areas/census tracts specifically will see these higher funding totals, the specific financial figures expected in each, and your overall certainty of this estimation. Please make sure to use labels and boundaries on the map as needed to make your documentation clear.

- You may also reference the *population* served to demonstrate that the cost of the project primarily goes towards EJ communities using the same steps, if preferred. In that case, please also use an EJ tool map and demonstrate the populations per census tract are covered, using as accurate numbers as possible within the service area. Please also document your assumptions or methodology for accounting for the distribution of costs across the target population.