

## **Priority Funding Area (PFA) Procedure**

The Maryland Department of the Environment (MDE) reviews pre-applications for financial assistance for the Clean Water and Drinking Water capital projects for eligibility for potential financial assistance in the form of a low interest loan and grant. All projects are reviewed for consistency with the County Water and Sewer Plan and for compliance with the PFA law.

The Department's ability to fund projects is limited by a provision of State law codified in the State Finance and Procurement Article in Title 5, Subtitle 7B. To be funded, the entire project and the area served by it must either be in a PFA or qualify for an exception under the PFA law. The Smart Growth Interagency Coordination Committee, which is chaired by the Maryland Department of Planning (MDP), reviews each request for an exception and makes a decision. The permitted grounds for exceptions are set forth in the law as follows:

1. A project that is required to protect public health or safety;
2. A project involving federal funds, to the extent compliance with this subtitle would conflict or be inconsistent with federal law; or
3. A growth-related project related to a commercial or industrial activity, which, due to its operational or physical characteristics, shall be located away from other development.

If your project and the area served by the project are in the PFA, please submit with your application for financial assistance<sup>1</sup> a Maryland Department of Planning map<sup>2</sup> that shows the PFAs and PFA Comment Areas<sup>3</sup> in the vicinity of your project, and mark your project (including linear features) and its service area on the map.

If any part of the project or its service area is in a PFA Comment Area or outside the PFA, then a PFA exception must be granted prior to submission of your funding application. Please provide the following information with the request for the PFA Exception:

1. Which of the three categories of exceptions, stated above, applies to your project?
2. Describe in detail the facts and data that support your claim. For example, what is the nature and extent of the threat to public health or safety?
3. Is there a possibility that the project could serve any currently undeveloped lot outside the PFA or in the PFA Comment Area? If so, please provide a map that shows those currently undeveloped parcels and their zoning classifications.
4. What steps can you take to limit the amount of development that may occur on these currently undeveloped lots or outside your planned service area?
5. Please provide any other information that you think supports your qualification for an exception.

It's important to note that each year, MDE receives many more pre-applications than it can fund. A project may have received a PFA Exception but may not receive funding. Any project that requires a PFA Exception but has not received one before submitting an application will be ineligible for funding. If you need any additional information regarding PFA issues, please contact MDE's Water Resource Planning Division, at [MDE.PFAException@maryland.gov](mailto:MDE.PFAException@maryland.gov).

**Note: A PFA Exception can take at least 2 months to be granted once all of the required information is received by MDE.**

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<sup>1</sup>Funding applications for financial assistance are available during the annual solicitation period at: [Water Quality Finance Home](#)

<sup>2</sup> Maps are available from [Maryland Department of Planning](#).

<sup>3</sup> PFA Comment Areas are identified by the county or municipality as part of its Priority Funding Areas but, in the judgment of MDP, do not meet the criteria in the 1997 Law for PFAs. The Smart Growth Interagency Committee reviews projects in the PFA Comment Areas.