



# 2016-17 Grant Program Strategy

**South Carolina**  
**Rural Infrastructure Authority**  
**Grant Programs**  
1201 Main Street, Suite 1600  
Columbia, South Carolina 29201

**Program Strategy**  
**2016-17**

**Table of Contents**

---

Program Objectives _____	1
Eligible Applicants _____	2
Application Guidelines _____	2
Application Deadlines _____	3
Funding Available and Distribution _____	4
▪ Basic Infrastructure _____	5
▪ Economic Infrastructure _____	6
Application Selection Process _____	7

## Program Objectives

---

The South Carolina Rural Infrastructure Authority (RIA) was created by the General Assembly to select and assist in financing qualified rural infrastructure projects. Such infrastructure must meet an essential public purpose of protecting public health and the environment by improving environmental facilities and services or building infrastructure capacity to support economic development and employment opportunities.

RIA was established under Title 11, Chapter 50 of the South Carolina Code of Laws (Code) and is governed by a seven member Board of Directors (Board.) The RIA Board develops programs and selects qualified infrastructure projects for state grant funding.

In 2016, the General Assembly established the Statewide Water and Sewer Fund to assist qualified infrastructure projects that would not otherwise be eligible under the RIA's rural infrastructure fund programs. To be considered for funding, such projects must follow the same procedures and guidelines as set forth in this RIA Program Strategy.

The RIA Program Strategy reflects the Board's plan for distributing grant funds and selecting qualified rural infrastructure projects for Fiscal Year (FY) 2017 (July 1, 2016 to June 30, 2017.) It includes a description of the grant programs and funds to be made available as well as the process for distribution. Each grant program category includes a description of the eligible activities, grant amounts, and other information for applicants.

Infrastructure refers to the basic physical facilities and systems required by communities to protect public health and the environment, sustain communities and support economic development. The RIA is focused primarily on publically-owned water, wastewater and other public facilities necessary to improve communities.

The RIA will offer assistance to local governments and other eligible entities primarily through competitive grants for new or improved infrastructure facilities. This assistance will help communities close the gap between needs and resources and build a strong foundation for the future.

The RIA will help communities by making strategic investments in infrastructure that are targeted to the following program objectives:

- Increase **community sustainability** by helping to maintain reliable and affordable infrastructure;
- Improve the **quality of life** by addressing public health, environmental and regulatory concerns; and
- Create opportunities for **economic impact** by building the infrastructure capacity necessary to support economic development in rural areas.

A portion of the available funding will be focused on rural and distressed communities that lack adequate means to address its infrastructure needs.

Wherever possible, the RIA will leverage additional resources in order to maximize the impact for projects statewide. To further such efforts, RIA will work collaboratively with other partners to coordinate any available assistance and serve as a catalyst for further investment in rural and other communities.

## **Eligible Applicants**

---

---

The RIA is authorized to provide grants and assistance to local governments, special purpose and public service districts, or public works commissions for constructing and improving infrastructure facilities statewide. Not-for-profit water/sewer companies are not eligible applicants but may be assisted with RIA funds if the local government being served by the project agrees to be the applicant.

In 2016, the General Assembly established funding through the Statewide Water and Sewer Fund to assist qualified infrastructure projects that would not otherwise be eligible under the RIA's rural infrastructure fund programs. Thus, projects located in all counties are eligible for funding consideration.

## **Application Guidelines**

---

---

### **THRESHOLDS**

Generally, applicants may submit only one application per program category. However, a local government may submit an application and also apply on behalf of one or more not-for-profit water/sewer companies. If there is an emergency, defined as an imminent public health or environmental threat that requires immediate action, or if a project requires a timely response to ensure job creation and investment, then additional applications in that program category will be considered.

The applicant must own, operate and maintain the facilities being improved except that a local government may: (1) apply on behalf of a not-for-profit water/sewer company; or (2) apply for an Economic Infrastructure project. There should not be multiple applications for the same project activity or service area unless it involves a job creation/economic development project.

Once a project has been approved, it should be completed before another application is submitted in the same category unless there is a documented health or environmental emergency or where timely action is required for job creation/economic development projects. Entities that have received multiple grants may be asked to provide additional information with an application, such as historical and planned rate structures, capital improvement budgets or audits.

## **MATCH/COST SHARING**

All applicants are expected to cost-share in project activities. Projects within counties designated as distressed or least developed by the SC Department of Revenue (DOR) pursuant to the 2009 Jobs Tax Credit Act, or currently designated by DOR as a Tier III or IV county must contribute all non-

construction costs. Projects within the remaining counties, designated by DOR as Tiers I or II, are required to provide all non-construction costs as well as a 25% match of the total construction costs.

Non-construction and other costs that are the applicant's responsibility include:

- Repairs, operating or maintenance expenses
- Relocation of utilities unless there is an upgrade of the line
- Equipment that is not a permanent part of the system
- Impact fees, connection or service line costs and customer meters
- Acquisition costs
- In-kind labor
- Planning, engineering, or permitting fees
- Legal or administrative fees

Project costs will be comparatively evaluated and must be reasonable. Generally, RIA costs should not exceed \$10,000 per customer served. For new line extensions, the applicant should have written agreements/commitments from customers to connect to the new line. A commitment rate of 70% is considered appropriate to ensure the feasibility of project costs and such commitments must be appropriately documented. Contingencies should not exceed 10%.

RIA project costs may not be under contract or obligated at the time of application. RIA will not reimburse expenditures incurred prior to grant award and clearance of grant conditions. Projects are expected to be completed within 18 months of grant award.

## **Application Deadlines**

---

---

Applications for RIA grant program funds are available upon request by contacting the RIA or may be downloaded from the RIA website. The Office of Rural Grants staff is available to provide technical assistance to help potential applicants determine the eligibility of a project or how to apply for funding. In order to be considered for RIA funding, the chief executive or administrative official for the applicant must submit an acceptable application that meets all program requirements.

Grant applications consist of project application forms and certifications, as well as a narrative description of the project and justification for the need, impact and amount requested. The application also consists of attachments including funding commitments, a detailed budget, maps and other appropriate documentation. Applications will be considered on a competitive basis in two funding cycles. **Applications must be received no later than 5:00 p.m. on the following dates:**

<b>RIA Grant Funding Cycles</b>
<b>Round 1:</b> September 12, 2016
<b>Round 2:</b> March 13, 2017

Funds will not be allocated for each funding round; however, the Board may make a determination to reserve funding for Round 2. Projects submitted but not funded in Round 1 will automatically be considered in Round 2, unless otherwise notified. However, applicants may request technical assistance and will have the opportunity to improve the competitiveness of the project by submitting a revised application for consideration in Round 2.

**An original and four copies of the application must be submitted to RIA.** Postmarked applications or applications submitted electronically will not be accepted. Failure to submit a complete application and the required copies by the deadline could delay consideration of your project or result in a determination that the application is incomplete. Applications must be submitted to:

**SC Rural Infrastructure Authority**

1201 Main Street, Suite 1600

Columbia, SC 29201

Applicants may request a modification of any program requirement where there are exceptional circumstances, an urgent and compelling need, or if other significant project funding is at risk and there are no other funding sources available. The RIA may request additional documentation (such as financial statements, audits, etc.) to justify the program modification. Such requests must be submitted in writing by the chief executive/administrative official with the application submission and will be considered on a case-by-case basis. The Board may make modifications to these guidelines when it is considered to be necessary or appropriate to achieve the purposes and intent of the South Carolina Rural Infrastructure Act.

**Funding Available and Distribution**

---

The amount of funds to be made available for grant distribution for FY 2017 is \$25 million. Funds are being set aside in the grant program categories as described herein. However, the Board may allocate more or less than the total funding or the amounts for each grant program category depending on application demand and fundability.

<b>Grant Program Category</b>	<b>Amount</b>
Basic Infrastructure	\$12,500,000
Economic Infrastructure	\$12,500,000
<b>Total Funds Available</b>	<b>\$25,000,000</b>

## Basic Infrastructure

---

**Purpose:** This program is designed to assist communities in bringing facilities into compliance with environmental quality standards, protecting public health from other environmental concerns or improving the capacity of existing infrastructure.

**Grant Amount:** \$500,000

**Eligible Activities:** Upgrades, improvement or extension of water or sewer infrastructure or storm water drainage.

**Priorities:** Applicants must address the severity of the need and provide supporting documentation which quantifies the frequency of the problem and the number of customers impacted. Priority consideration will be given to projects based on a comparative analysis of the documentation in the following relative order:

1. Projects that address US Environmental Protection Agency (EPA) or SC Department of Health and Environmental Control (DHEC) Consent Orders, violations or unsatisfactory ratings related to public health or environmental quality or projects that resolve a public health or environmental concern that has become critical in the past six months.
2. Projects that address other health/environmental concerns supported by appropriate documentation of the frequency, quantity and severity of the problem.
3. Improvements to existing infrastructure that has reached the end of its useful life or is in severely deteriorating condition and having a negative impact on the system, but has not resulted in DHEC compliance issues.
4. Other system enhancements that significantly improve system capacity.

EPA or DHEC violations related to reporting, monitoring, program management or operational issues are not considered a priority.

While the program will assist distressed communities without adequate resources to address its infrastructure need, the applicant must be able to demonstrate its long-term ability to operate and maintain the system and improvements with system revenues.

Projects that require immediate action to resolve a documented emergency may be submitted at any time and will not be subject to comparative analysis in a funding round. Such projects will be evaluated using criteria for need, feasibility and impact, as applicable, and may be funded at any time.

## Economic Infrastructure

---

**Purpose:** This program is designed to help build local infrastructure capacity to support economic development activities that will create or retain jobs and boost opportunities for long-term community sustainability.

**Grant Amount:** \$500,000

**Eligible Activities:** Upgrades, improvement or extension of publically owned water or sewer infrastructure, storm drainage and other public facilities.

**Priorities:** Consideration will be given to projects based on a comparative analysis of the supporting documentation in the following relative order:

1. Economic development projects that create impact through new job creation and private investment.
2. Product development projects for publically owned industrial sites or industrial parks that are currently certified or have a tiered certification.
3. Other projects involving publically owned properties where there is demonstrated potential to create or retain jobs and private investment.
4. Projects that will expand infrastructure capacity where there is demonstrated growth potential or help existing businesses to create or retain jobs.

RIA will seek input and recommendation from the SC Department of Commerce to determine the feasibility, potential economic impact and appropriateness of assistance.

Generally, RIA will only consider economic development projects to support job creation where there is a funding gap after state and local assistance is exhausted. Applications for such projects should be submitted to RIA simultaneously with or following approval of any other incentives. A performance agreement that commits to job creation within five years will be required.

Projects that require a timely response to ensure job creation and investment will not be subject to comparative analysis in a funding round. Such projects will be evaluated using the criteria for need, feasibility and impact, as applicable, and may be funded at any time.

## **Application Selection Process**

---

Projects will be reviewed by staff for completeness, eligibility and consistency with the program objectives, priorities and guidelines. Applications that are incomplete or contain significant problems, deficiencies or discrepancies, such that a determination of the eligibility or feasibility of the project cannot be readily determined, will not be presented to the RIA Board as a qualified project. Projects which are locally controversial will not be considered feasible until the controversy is satisfactorily resolved.

RIA may request additional information from the applicant or other sources as necessary to evaluate the application and proposed project but such requests should not be viewed as an indication of priority consideration. Any clarifications requested must be submitted within the timeframe specified and must be acceptable to RIA. Failure to adequately respond or submit the requested documentation within the requested timeframe may result in the project not being presented to the RIA Board as a qualified project. An on-site review of the proposed project may be conducted as necessary to verify information in the application.

As part of the due diligence review, RIA may seek the expertise of other appropriate Federal or State agencies (such as DHEC, Commerce, EPA, RD, US Army Corps of Engineers, etc.) to determine the appropriateness of the assistance and compliance with federal or state requirements.

Upon completion of all due diligence reviews, qualified projects will be prioritized based on a comparative evaluation of need, impact and feasibility of the project as documented and addressed in the application.

Qualified projects will be submitted to the RIA Board for consideration along with priority recommendations for funding. The Board in its sole discretion will determine the appropriate source of funding for each qualified project selected. The Board may give additional consideration to qualified projects that will ensure a more equitable geographical distribution of funds or to applicants that have not previously received an RIA grant. The Board reserves the right to limit the number of grants that benefit one entity if funding is limited. All funding decisions are made by the RIA Board. The Board will be provided information on all applications received and may approve, modify or decline funding approval on any and all applications.

RIA reserves the right to negotiate or require changes in activities or funding amounts. For water and sewer projects, a rate structure analysis or adjustment may be required or recommended as a condition of assistance in order to ensure appropriate levels of funding for operation and maintenance.

All applicants will be notified of the funding decisions. Applications that are not approved for funding may not be carried forward for consideration beyond the current fiscal year. The RIA Board will generally review applications at its regularly scheduled meetings in accordance with the specifications of each grant program category. However, specially called meetings may be held as needed to address emergency requests or for projects requiring immediate action to ensure job creation.

## EVALUATION FACTORS

### **Need**

- ✓ What is the severity and extent of the problem?
- ✓ Is there recent documentation of the problem?
- ✓ Does the project address the identified problem?
- ✓ Is the project consistent with program priorities?
- ✓ Is there a need for timely action?

### **Impact and Expected Benefits**

- ✓ What are the quantitative and qualitative benefits?
- ✓ Will the project result in EPA or DHEC compliance?
- ✓ Is there a commitment to achieve the level of benefit proposed?
- ✓ Will benefits be achieved in the timeframe provided?
- ✓ Will the project have a system-wide impact?
- ✓ Will the project have local or regional impact?
- ✓ Are benefits long term or short term?
- ✓ Does the project build capacity to support economic activity?
- ✓ Is there potential to create economic impact?

### **Feasibility**

- ✓ Is the project consistent with program guidelines?
- ✓ What past efforts have been taken to solve the problem?
- ✓ Will the project resolve the problem or are additional improvements needed?
- ✓ Were alternatives considered and is the most appropriate/cost effective solution proposed?
- ✓ Are cost estimates current and all necessary costs included?
- ✓ Are costs reasonable?
- ✓ What is the level of local effort or contribution?
- ✓ Is there a firm commitment for all necessary funding at time of application?
- ✓ Is the project ready to proceed to construction and can it be completed in 18 months?
- ✓ Does the applicant have the technical, operational and financial capacity to sustain improvements?