



Improving Community Water Infrastructure

Communities Unlimited
www.communitiesu.org

About This Investment

Clean, affordable water is fundamental to good health. To deliver safe drinking water and reliably manage wastewater and stormwater, those who manage community water systems must upgrade aging infrastructure by replacing lead pipes, updating antiquated technology, and improving resilience to extreme weather events. The Infrastructure Investment and Jobs Act, signed into law in November 2021, provides a historic \$55 billion federal investment in infrastructure for drinking water, wastewater, and stormwater. However, the challenge remains to ensure that these funds reach the communities that need them most.

This \$5 million loan from the Robert Wood Johnson Foundation (RWJF) to **Communities Unlimited**, a nonprofit community development financial institution, is enabling Communities Unlimited to provide loans to water utilities in seven Southern states. These utilities will use the loans to cover the costs of submitting an application for the federal water infrastructure funds, which are distributed through state revolving loan funds. Costs include design and engineering plans, environmental studies, and legal expenses for developing a proposal.

RWJF is providing additional grant funds for technical assistance to utilities to complete and submit the applications.

Communities Unlimited projects that this investment will secure at least \$75 million in public funding for 100 communities in the U.S. South and lay the groundwork for replication in other regions.

Why It Was Needed

The majority of the federal water infrastructure funds will flow through the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund programs (known as SRFs) administered by the Environmental Protection Agency (EPA). SRFs provide states with grants and low-interest loans for local water projects.

However, communities with low incomes and communities of color historically have experienced a lack of investment. In these places, water systems often do not have the staffing capacity, technical expertise, or financial capability to even apply for federal water infrastructure funding. In fact, in the last decade, only 25% of SRF funding has reached what the EPA refers to as “small and disadvantaged communities.”

How It Works

Communities Unlimited is providing predevelopment capital to water systems in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas. Each water system will repay its loan if it successfully receives the federal water infrastructure funds.

About Communities Unlimited

Founded in 1976, Communities Unlimited serves small rural communities—defined as having a population of fewer than or equal to 10,000 people—and tribal nations across the Mississippi River Delta, Alabama Black Belt, Tribal Country, and the Rio Grande Valley.

In 2001, Communities Unlimited was certified as a community development financial institution (CDFI). With more than \$16 million in assets, it offers a range of services, including financing from an array of funding sources, and has made more than \$45 million in loans to small rural communities and small businesses in 24 states.

Communities Unlimited is an affiliate of the Rural Community Assistance Partnership and a member of the Partners for Rural Transformation, which is made up of six regional CDFIs and nine national support organizations committed to ending persistent poverty in rural America.

Learn More About Our Impact Investments

www.rwjf.org/impactinvesting

INVESTMENT LOCATIONS

Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas

YEAR APPROVED

2022

TYPE OF TRANSACTION(S)

Loan

INVESTMENT AMOUNT

\$5,000,000 over six years

In the Spotlight: River Road Water Works

In the small rural town of Rayville, Louisiana, the local water system River Road Water Works was 30 years old and in need of urgent upgrades to meet health and safety requirements. After years of neglect, new board managers were working to get River Road's finances back in order, but could not cover the cost of bringing the system up to date. Communities Unlimited worked with River Road on a loan to consolidate its debt and pay for the upgrades. It also provided technical assistance to help the water system set its rates to ensure it would have the funds to make emergency repairs as needed in the future.