



## Housing Assistance Council

Building Rural Communities

1025 Vermont Ave., N.W., Suite 606, Washington, DC 20005, Tel.: 202-842-8600, Fax: 202-347-3441, E-Mail: [hac@ruralhome.org](mailto:hac@ruralhome.org)  
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### **Affordable Rural Housing Issues and Recommendations: WATER AND SANITATION**

In the last five decades the United States has achieved remarkable success in improving access to modern water and sanitation services for its residents. Hundreds of rural communities nationwide, however, still do not have access to clean residential drinking water and safe waste disposal systems. Most of the people affected are the poorest of the poor or the elderly, usually living in rural areas with incomes below the federal poverty level.

The per capita cost of water investments can be very high for small, sparsely populated rural communities lacking economies of scale. Once their systems are functioning, they also face higher per capita costs for operations, maintenance, and compliance. According to the Environmental Protection Agency, most violations of federal drinking water standards are made by small communities that have limited resources for compliance.

Many small communities look to the U.S. Department of Agriculture's Rural Water and Waste Disposal program as their sole source of affordable financing for drinking water, sanitary sewage, solid waste disposal, and storm drainage facilities. The program assists rural areas and cities and towns of up to 10,000 residents that are unable to finance their needs through their own resources or with credit from commercial sources. Available financing includes both direct and guaranteed loans. Communities with low median household incomes are also eligible for grants.

To meet rural water and waste disposal needs, and to assist with economic recovery in small communities, HAC recommends:

- △ **In economic recovery appropriations legislation, include \$500 million for water-sewer financing**, \$10 million of which should be used for technical assistance to local governments, tribes, and nonprofits that lack the necessary expertise.
- △ **In appropriations for fiscal year 2009, continue funding these programs at \$1 billion for loans (direct and guaranteed) and \$467.5 million for grants.**