

(2) An area zoned or, if applicable, classified after January 1, 1997, as industrial may be designated as a priority funding area if the area is served by a public or community sewer system.

(c) (1) An area where the principal uses of the area are for employment may be designated as a priority funding area if:

(i) the area is served by public or community sewer systems; or

(ii) public or community sewer systems are planned in the approved 10-year water and sewer plan.

(2) An area zoned or, if applicable, classified after January 1, 1997 as industrial, or where the principal uses are for employment, in addition to meeting the criteria set forth in paragraph (1) of this subsection, shall be located within a locally designated growth area.

(d) (1) A community in existence prior to January 1, 1997 that is within a locally designated growth area may be designated as a priority funding area if the community:

(i) is served by a public or community sewer system and in that part of the community designated by the local government for residential use or development:

1. there is an average density of at least 2.0 units per acre; or

2. if a portion of the community is undeveloped, the permitted average density is not less than 2.0 units per acre; or

(ii) except as provided in paragraph (2) of this subsection, is served by a public or community water system and in that part of the community designated by the local government for residential use or development there is an average density of at least 2.0 units per acre.

(2) (i) The provisions of paragraph (1)(ii) of this subsection do not apply to mobile home parks or communities with less than 10 units.

(ii) Funding for a growth-related project under paragraph (1)(ii) of this subsection is to be provided only if the project serves to maintain the character of the community and does not serve to increase the growth capacity of the community except for limited peripheral or in-fill development.

(3) (i) If an existing community receives a public or community sewer system, an area beyond the periphery of the developed portion of the existing community may be designated as a priority funding area if the development of the area beyond the periphery:

1. has a permitted average density of at least 3.5 units per acre; and

2. the area is served by a public or community sewer system.