



# Local Government Workshop

Fall Funding Roundtable

USDA, Rural Development



Rural Development  
U.S. DEPARTMENT OF AGRICULTURE



# Rural Development Programs

Rural Development is one of seven mission areas under the United States Department of Agriculture.

Rural Development programs are delivered through 3 program areas:

- ❖ Rural Business Service focus on assisting businesses along with energy programs.
- ❖ Rural Utilities Service provide assistance for water and sewer improvements
- ❖ Rural Housing Service provide assistance with housing loans and essential community facilities.

Rural Development has over 40 loan, grant, and technical assistance programs to support economic development in rural communities.

# Infrastructure for Rural America

## Water and Environmental Programs (WEP):

- Drinking water sourcing, treatment, storage tanks and distribution; pumping stations
- Sewer collection, transmission, treatment and disposal;
- Solid waste collection, disposal and closure;
- Storm water collection, transmission and disposal.

# Infrastructure for Rural America

## **Water and Waste Disposal Loans and Grants**

- An applicant must be:
  - ❖ A public body
  - ❖ Not-for-profit organization
  - ❖ Native American tribe on Federal or State reservations or other Federally recognized tribes
- Rural areas with population of 10,000 or less
- Applicant must have the legal capacity to borrow and repay loans, pledge security for loans, and maintain the facilities.

# Infrastructure for Rural America

## **WEP Direct Loan Terms**

- Loan repayment shall not exceed the useful life of the facility or 40 years.
  - ❖ Typical construction period of 2 years for interim financing long term financing based upon 38 years at the time of closing.
- Applicant is responsible for short term financing during construction period.

# Infrastructure for Rural America

## **WEP Guaranteed Loan Terms**

Change in Regulations – Guaranteed Loan Program population will increase to serve communities up to 50,000 in population!

- Term is negotiated between lender and applicant but cannot exceed 40 years.
- Loan made by a commercial lender
- Guarantee by the Government (up to 90%)
- Lender pays 1% Guaranteed Fee of guaranteed amount – no annual renewal fee

# Infrastructure for Rural America

## WEP Direct Loan Interest Rates:

- **Poverty**                      **1.750%**
- **Intermediate**                **2.375%**
- **Market**                        **3.000%**

Rates Change quarterly – Jan, April, July & October

# Infrastructure for Rural America

## **Loan Security – direct loans must be adequately secured:**

- ❖ General Obligation – NY requires GO Bonds for Municipalities
- ❖ Revenue Bonds for Authorities
- ❖ Assignment of Income



# Infrastructure for Rural America

## **Water and Waste Disposal Loans and Grants**

- ✓ Construction costs
- ✓ Purchasing existing facilities to improve service or prevent loss of service
- ✓ Legal and engineering fees
- ✓ Land acquisition, water and land rights, permits and equipment

# Infrastructure for Rural America

## **Water and Waste Disposal Grants**

### **GRANT ELIGIBILITY:**

Not to exceed 75% of eligible project costs – limited grant funding available

- Project to alleviate a documented health or sanitary problem.

AND

- MHI of service area is below the higher of poverty line or 80% of the SNMHI (\$45,506).

# Infrastructure for Rural America

## **Water and Waste Disposal Grants**

### **GRANT ELIGIBILITY (Cont.)**

Not to exceed 45% of eligible costs

- The project is not eligible for up to 75%
- MHI of service area exceeds 80% (\$45,506) is less than the SNMHI but not more than 100% (\$56,882).

0% of eligible costs

- MHI of service area is greater than the SNMHI (\$56,882).

# Infrastructure for Rural America

## **Emergency Community Water Assistance Grants (ECWAG)**

- Helps eligible communities prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.
- Eligible applicants include: local governmental entities, non-profits and federally recognized tribes, serving rural areas 10k or less.
- Grants made for repairs, partial replacement, cannot exceed \$150,000. Grants not to exceed \$1,000,000 for new water source.

# Infrastructure for Rural America

## **Predevelopment Planning Grants (PPG)**

## **Special Evaluation Assistance for Rural Communities (SEARCH) Grants**

- ✓ Assists low-income communities with initial planning and development of applications
- ✓ Predevelopment feasibility studies, design and engineering assistance, and technical assistance for funding applications

# Infrastructure for Rural America

## PPG Program

- Eligible areas include rural towns/cities/villages (10,000 or less), not for profit organizations and federally recognized tribes that have a 2010 MHI less (\$45,506).
- Max. grant amount is **\$30,000** or **75%** of predevelopment planning costs

## SEARCH Program

- Eligible areas include rural towns/cities/villages (**2,500** or less), not for profit organizations and federally recognized tribes that have a 2010 MHI less **(\$45,506)**.
- Max. grant amount is **\$30,000** or **100%** of predevelopment planning costs



# Infrastructure for Rural America

## RD Apply

- Safe and secure
- Convenient and available 24/7
- Faster processing with less paper

The screenshot shows the RD Apply web application interface. The browser address bar displays the URL: <https://rdapply.sc.egov.usda.gov/Intake/spring/AppHomeFlow?execution=e1s1>. The page features the USDA logo and the text "United States Department of Agriculture Rural Development" on the left, and "RD APPLY" with a wind turbine icon on the right. A navigation bar includes links for "Home", "Notifications", "Admin", "Electric CWP", and "Tutorials". Below this, there are buttons for "+ Add New Application" and "+ Authorized Representative Request", followed by the text "or Select an existing application from below.". A "Search Filters" section contains a text input field labeled "Application Nbr". Below this is a "Search Results" section. An "Export to Excel" button is located in the bottom right corner. The footer contains a list of links: "USDA.gov", "Site Map", "Policies and Links", "Our Performance", "Report Fraud on USDA Contracts", "Visit OIG", "FOIA", "Accessibility Statement", "Privacy Policy", "Non Discrimination Statement", "Information Quality", "USA.gov", and "White House".

# Village of Monticello – WWTP Project

- The proposed project is for the upgrade of the WWTP, sewer main repairs, and pump station upgrades
- Other funding - \$569,000
- RD Loan – \$7,841,500
- RD Grant – \$11,947,000
- Total project Cost: **\$20 Million**



# Village of Port Leyden – Sewer System Project

- Total project Cost: **\$2.8 Million**
- The project is for sanitary sewer collection system and treatment plant upgrades.
- CDBG funding - \$600,000
- RD Loan – \$1,663,000
- RD Grant – \$549,000





# Community Facilities Programs

Loans and grants for essential  
community infrastructure



# Community Facilities Program

## **Eligibility:**

An applicant must be:

- A public body
  - Not-for-profit organization
  - Native American tribe on Federal or State reservations or other Federally recognized tribes
- 
- The facility must be located in a town/city/village with a population under 20,000.

# Community Facilities Program

## **Eligible Projects:**

- Purchase real estate
- Construction, expansion, or renovations
- Purchase vehicles and major equipment



# Community Facilities Program

## **Eligible Loan and Grant Purposes:**

- ❖ Construction Related Costs
- ❖ Technical Services- Architectural Fees
- ❖ Soft Costs

# Community Facilities Program

## **Ineligible Loan and Grant Purposes**

- Facilities to be used for recreational purposes – unless for educational purposes such as schools and libraries.
- Commercial Enterprises
- Electric generation and transmission facilities or telephone systems.
- Loan and/or grant finder's fees/application preparation fees.
- Projects that are not modest in size, type, and design

# Community Facilities Program

## **Rates / Terms:**

- ❖ Interest Rate – currently 3%
- ❖ New Construction – typically 30 years for Public Bodies
- ❖ Rehabilitation/Expansion – typically 20 years
- ❖ Major Equipment – varies (useful life, ranges 5 to 15 years)
- ❖ New Fire Trucks, Rescue Vehicles and Police Cars – up to 15 years or useful life

# Community Facilities Guaranteed Loan Program

## **CF Guaranteed Loan Terms**

Change in Regulations – Guaranteed Loan Program population will increase to serve communities up to 50,000 in population!

- Term is negotiated between lender and applicant but cannot exceed 40 years.
- Loan made by a commercial lender
- Guarantee by the Government (up to 90%)
- Lender pays 1.5% Guaranteed Fee of guaranteed amount – 0.5% annual renewal fee on outstanding principal loan balance

# Cobleskill Fire Department

Fund to purchase new fire truck:

- Loan Funds - \$560,000
- Grant Funds - \$80,000
- Leveraged Funds - \$40,000
- Total Project Costs –
- \$680,000



# Mercy Flight - Western

- Acquisition of three state of the art Bell 429 helicopters:
- RD Direct Loan: \$11,381,000
- RD Guaranteed Loan: \$11,381,000
- Applicant Contribution: \$ 1,431,200
- Total project Cost: **\$24 Million**





# Water and Environmental Programs (WEP)

## **OVERVIEW OF SUCCESS – Fiscal Year 2019**

	<u>Loans/Grants</u>	<u>Funding</u>
WEP Direct Loans	30	\$60,056,000
WEP Direct Grants	26	\$36,991,000
SEARCH / Preliminary Planning Grants (PPG)	6	\$125,000
Rural Economic Area Partnership (REAP)	1	\$1,492,250
REAP – Sullivan, Town of Wawarsing & Tioga County only		

# Community Facilities Program

## **OVERVIEW OF SUCCESS – Fiscal Year 2019**

	<u>Loans/Grants</u>	<u>Funding</u>
CF Direct Loans	17	\$11,676,000
CF Direct Grants	13	\$ 729,900
EII Grants (Economic Impact Initiative Grants)	4	\$ 158,900

FY 2020 – no funding yet, we are going with the assumption funding will be similar to last Fiscal Year.

# Community Facilities Program

## **Area Offices:**

Batavia Service Center - Voice: (585) 343-9167, ext. 4

Bath Service Center - Voice: (607) 776-7398, ext. 4

Canandaigua Service Center - Voice: (607) 753-0851, ext. 4

Canton Service Center - Voice: (315) 386-2401, ext. 4

Cortland Service Center – Voice: (607) 753-0851 x4

Watertown Service Center - Voice: (315) 782-7289, ext. 4

Marcy Service Center - Voice: (315) 736-3316, ext. 4

Greenwich Service Center - Voice: (518) 692-9940, ext. 4

Schoharie Service Center - Voice: (518) 295-8600, ext. 4

Middletown Service Center - Voice: (845) 343-1872, ext. 4

# Community Facilities Program

## Contact Information:

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