



United States
Department of
Agriculture

Rural Development



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Rural Development Funding

RURAL DEVELOPMENT

Rural Utilities Service (RUS)

- Water & Environmental Programs (WEP)

Rural Housing Service (RHS)

- Community Facilities (CF)

WATER AND ENVIRONMENTAL PROGRAM (WEP)

Facilities include:

- Water / Wastewater Treatment Facilities
- Water / Sewer Pipeline
- Pumping Stations
- Water Storage Tanks
- Solid Waste Disposal
- Storm Water Facilities

ELIGIBILITY - WEP

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 community (town/village) must have a population under 10,000.

Other Credit – Applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms.

INTEREST RATES – WEP

Based on Median Household Income (MHI) – use the American Community Survey (ACS) - 5 year estimate for period 2006-2010

Three Interest Rate Levels:

Poverty Rate - The Median Household Income (MHI) of the service area is **less than \$45,506**.
Project must be necessary to alleviate a health and sanitary problem.

Intermediate Rate - Does not qualify for Poverty Rate – MHI between **\$45,506 and \$56,882**

Market Rate – MHI over **\$56,882**. No grant funds available for Market Rate projects.

INTEREST RATES – WEP

Poverty Rate this quarter 1.375%

Intermediate Rate this quarter is 1.875%

Market Rate this quarter is 2.375%

Rates change every quarter (January, April, July, October)

WEP Loan Terms

- Loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond in accordance with local finance laws. In New York, we use 38 years as the project is typically on a BAN for 2 years prior to loan closing.
- Applicant responsible for interim financing during the construction period for the RD loan funds. RD comes in after the project is complete and closes on long term financing which allows the municipality to retire the interim financing (BAN).

Grants – WEP

Grants are determined based on affordability, which is determined by Similar Systems costs. Grant funds are limited and each project will be reviewed on a case by case basis to determine eligibility for grant assistance.

Similar Systems are other communities that have similar MHI, population, treatment systems, etc.

Example

Town, MHI \$40,000

Affordability = 1.5% MHI or \$600 per EDU per year

WEP Application Process

Applicant/Engineer/Fiscal Advisor submits application via RD Apply – the new online application process for Rural Development WEP Applications. <https://rdapply.usda.gov>

Area Specialist in local office reviews application for completeness within 15 days of submitting online application. Area Office either **accepts** the online application or **returns** the application for further documentation/corrections.

Once the application is accepted by the Area Specialist and pushed to our underwriting program Rural Development has 45 days to issue an eligibility determination to the municipality.

RD Apply:

RD Apply is an easy-to-use, intuitive online application system for the Water and Waste Loan and Grant Program.

RD Apply is very convenient for its users with 24/7 access through any internet ready device. Through assigned roles each organization has the ability to control who can view and modify their application.

All information is safe and secure with identity security.

Faster processing cuts down on questions and ensures a complete application; it also better positions your organization for funding.

Need Level 2 eAuthentication (EAuth) Registration

RD Apply:

RD Apply Process

- ❖ Applicant obtains their Level 2 eAuth ID
- ❖ Applicant requests an Authorized Role (ARR)
- ❖ RD Employee reviews and acts on the Authorized Role Request (ARR) with 48 hours
- ❖ Applicant completes application in RD Apply and Submits
- ❖ RD Employee reviews the application for completeness
- ❖ If application is not complete, returns to applicant for corrections/updates
- ❖ RD accepts application when complete
- ❖ RD pushes the application into CPAP

PRE-DEVELOPMENT PLANNING GRANTS (PPG)

Eligibility – MHI less than \$45,506

Pre-development project costs – funds can be used to pay for costs associated with completion of the Rural Development Application. This includes the cost of the Preliminary Engineering Report (PER) and Environmental Report (ER).

Grants – 75% of project costs up to \$30,000 maximum

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS (ECWAG)

Eligibility – Same as Direct Program

Experienced significant decline in quantity or quality of water as a result of an emergency

Grants

- \$500,000 – Source projects
- \$150,000 – Repairs, replacement, maintenance of system

SOLID WASTE MANAGEMENT (SWM) GRANTS

Eligible Entity:

- Non-profit organizations
- Most State and Local Government Entities
- Federally Recognized Tribes
- Academic Institutions

Eligible Areas - rural areas and towns with 10,000 or fewer people.

What may the funds be used for:

Evaluate current landfill conditions to identify threats to water resources. Provide technical assistance or training: to enhance the operation and maintenance of active landfills, to help communities reduce the amount of solid waste coming into a landfill, prepare for closure and future use of a landfill site.

TECHNICAL ASSISTANCE AND TRAINING (TAT) GRANTS

Eligible Entity - Non-profits that have the proven ability, background, experience and capacity to provide technical assistance or training on a national, regional or state basis.

Eligible Areas - rural areas and towns with 10,000 or fewer people.

Use of Funds - Identify and evaluate solutions to water problems related to source, storage, treatment, and distribution, collection, treatment, and disposal. Provide technical assistance and training to improve management, operations and maintenance of existing water and waste disposal systems.

OVERVIEW OF WEP SUCCESS – FY2016

	<u>Loans/Grants</u>	<u>Funding</u>
WEP Direct Loans	18	\$23,311,000
WEP Direct Grants	17	\$9,679,000
Preliminary Planning Grants (PPG)	5	\$68,000
Emergency Community Water Assistance Grant (ECWAG)	1	\$147,000
Solid Waste Management (SWM)	2	\$287,000
Tech Assist & Training Grant (TAT)	1	\$100,000

Community Facilities (CF) 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 community where the facility is located must have a population under 20,000.

-Projects must serve a rural area

-Other Credit – Applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms.

Community Facilities (CF)

An essential community facility is one that provides an essential service to the local community, is needed for the orderly development of the community, serves a primarily rural area, and does not include private, commercial or business undertakings.

- Facilities can include:
 - City/town/village halls, public vehicles, community centers, museums, food banks, libraries, snow plows, street sweepers, courthouses, street improvements



Community Facilities (CF)

Facilities (continued) can include:

Police and fire stations, fire trucks, rescue vehicles, jails, communication centers



Community Facilities (CF)

Facilities (continued) can include:

Health care clinics, hospitals, nursing homes, rehabilitation centers

Colleges, Schools, child care centers, head start centers, classrooms and dormitories



Community Facilities (CF) Direct Loan and Grant Program:

Interest Rate – 2.375% - fixed rate (rate changes quarterly) – will change January 1, 2017

Terms:

- New Construction – 30 years, some may be done for up to 40 years.
- Rehabilitation – 20 years –
- Vehicle – varies (depends on useful life, up to 15 years)

Municipal borrowers are subject to local finance laws and bond counsel will determine the term

Community Facilities (CF) Grant Program:

Grants based on:

- MHI (must be below \$51,193)
- Total Project Cost
- Financials
- Typical grants range from \$20,000 to \$50,000 depending on size of project and need for grant funds.

Rural Economic Area Partnership Grants (REAP) are only for the following areas:

- Sullivan County
- Tioga County
- Town of Wawarsing

Compete Nationally (only 3 states have program)

Community Facilities (CF) Application Processing:

Real Estate projects – two (2) step process:

- Submit Pre-Application to Area Specialist for their review and processing.
- Full Application Invite Letter Issued
- Complete Application received and processed by the Area Specialist
- Letter of Conditions – obligation of funds

Vehicles and/or Equipment projects - process is a one (1) step process as we have combined the pre-application and full application into one application letter.

Economic Impact Initiative Grants:

This program provides funding to assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression.

Applicants include: Public bodies, Non-profits, Federally-recognized Tribes

Rural areas including; cities, villages, townships, towns and federally-recognized Tribal Lands, with no more than 20,000 residents that have a “Not Employed Rate” greater than 19.5%. The Not Employed Rate is determined by the Department of Labor.

To construct, enlarge or improve community facilities for health care, public safety and public service.

OVERVIEW OF CF SUCCESS – FY2016

	<u>Loans/Grants</u>	<u>Funding</u>
CF Direct Loans	23	\$44,617,100
CF Direct Grants	15	\$670,000
Rural Economic Area Partnership Grants	2	\$59,000
EII Grants	4	\$126,700



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Questions??

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