



EFC NY Funding Hybrid Roundtable
USDA Rural Development – New York
Water & Environmental Programs
November 9th, 2023

Where is USDA Rural Development – in New York?

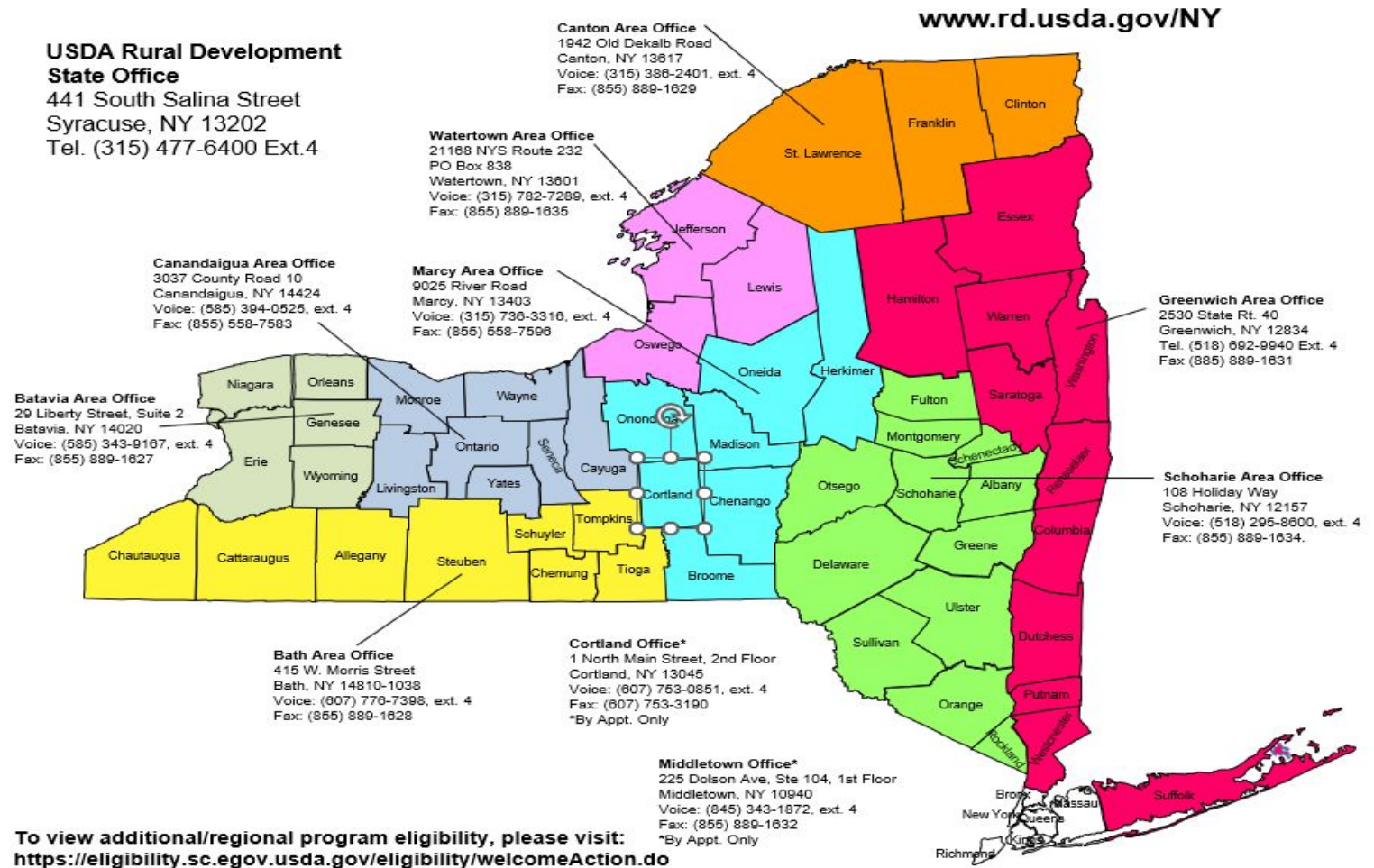
- **State Office**


- Syracuse

- **Area Offices**

- Bath
- Batavia
- Canton
- Canandaigua
- Cortland – By Appt Only
- Greenwich
- Marcy
- Middletown – By Appt Only
- Schoharie
- Watertown

- **Co-Located with FSA / NRCS**





Water and
Environmental
Programs

Clean Water & Sanitation Help for Rural Communities

- Water and Environmental Programs (WEP)
- Projects include the Construction, Repair, Modification, Expansion or Improvement of:
 - 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.

Water & Waste Disposal Loans & Grants

- Funding may be used for:
 - Construction costs
 - Purchasing existing facilities to improve or prevent loss of service
 - Legal fees
 - Engineering fees
 - Land acquisition
 - Water and land rights
 - Permits
 - Equipment

Water & Waste Disposal Loans & Grants

Eligible Applicants:

- An applicant must be:
 - ❖ A public body
 - ❖ A Not-for-profit organization
 - ❖ Native American tribe or Federal or State reservation or other Federally recognized tribes.
- Rural areas with populations of 10,000 or less. Projects must serve a rural area.

WEP Direct Loan Terms

Terms:

- Loan repayment shall not exceed the useful life of the facility or 40 years. Subject to NYS Local Finance Laws.
- In New York, we use 38 years as the terms of the long-term loan as the community will be out on a **Bond Anticipation Note (BAN)** during construction which is typically a 2-year period prior to loan closing.

WEP Interest Rates – as of 10/1/23

- **Poverty Rate** Current - 2.375%
 - To qualify – 2021 MHI must be less than \$58,620 and primary purpose of the loan is to alleviate a documented health or sanitary problem of the facility being financed.
 - **Intermediate Rate** Current - 3.125%
 - To qualify – 2021 MHI of the service area is less than \$73,275 and the project does not alleviate a documented health or sanitary problem.
- Market Rate** Current - 3.875%
- To qualify – 2021 MHI is \$73,275 or above. No grant funding is available for market rate projects.
- **RD switched to 2021 5-year average and 2020 Population as of 10/1/23**

Loan Security

- Loans must be adequately secured.
 - General Obligation – New York requires General Obligation (GO) Bonds for Public Bodies.
 - Revenue Bonds for Authorities.
 - Assignment of Income.

Water & Waste Disposal Grants

- May be provided to reduce user costs to a reasonable level.
- National Office policy has implemented a minimum cost per EDU of 1.5% of the MHI before any grant funding will be provided to a project from our National Office reserve funds.
- Communities should expect to pay between 1.5% - 2.5% of their MHI – the higher the MHI the higher % of user cost. ($\$40,000 \text{ MHI} \times 1.6\% = \640 annually; $\$55,000 \text{ MHI} \times 2\% = \1100 annually) (DS, O&M, SLA). If user cost exceeds 2.5% additional documentation will be required as National Office has determined projects are not sustainable with EDU cost above 2.5%.

WEP Guaranteed Loans

- Applicant eligibility the same as direct **except** the population for this program was just increased under the Farm Bill to 50,000.
- Term is negotiated between the lender and the applicant – but cannot exceed 40 years.
- Loan made by a commercial lender. Guarantee by the U.S. Government (up to 80% for potential loss).
- Lender pays 1.5% Guaranteed Fee of guaranteed amount.

Emergency Community Water Assistance Grants (ECWAG)

- Helps eligible communities (population of 10,000 or less) prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.
- Eligible applicants – same as for direct loan/grant program.
- Grants made for repairs or partial replacement cannot exceed \$150,000
- Grants made for new water source cannot exceed \$1,000,000
- Streamlined application processing for projects that do not need additional Rural Development funding to complete the project.

Planning 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.
- USDA Rural Development has two programs provide pre-planning grants to assist communities with preparing their PER and ER for their RD Application
 - Water & Waste Disposal Predevelopment Planning Grant (PPG)
 - Special Evaluation Assistance for Rural Communities (SEARCH)

PPG & SEARCH Program Details

- **PPG Program**

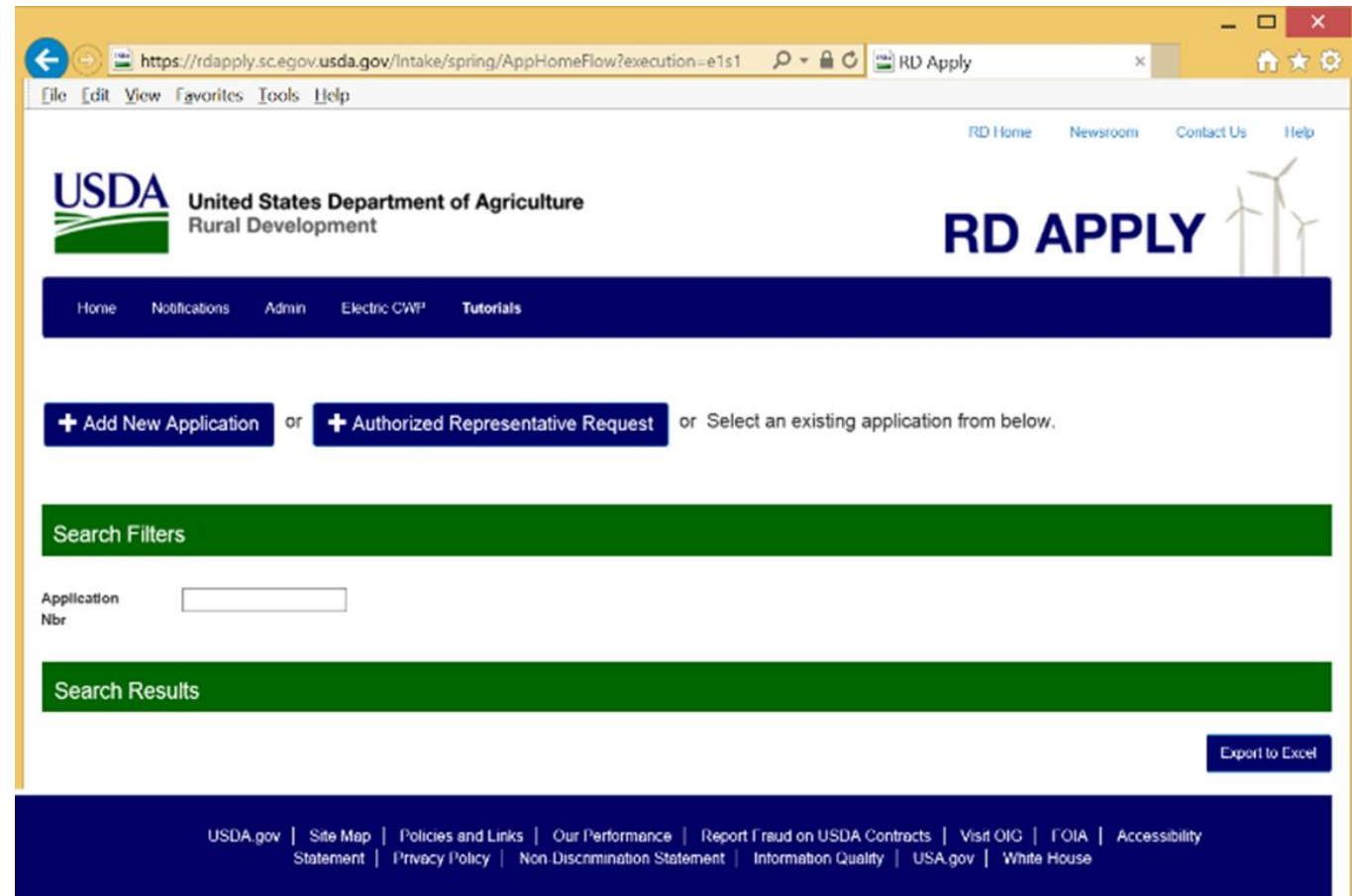
- Eligible areas include rural towns/cities/villages (10,000 or less)
- Eligible Entities: Public Bodies, Not for profit organizations & Federally Recognized Tribes that have a 2021 MHI less than \$58,620
- Maximum grant amount is \$60,000 or 75% of predevelopment planning costs


- **SEARCH Program**

- Eligible areas include rural towns/cities/villages (2,500 or less)
- Eligible Entities: Public Bodies, Not for profit organizations & Federally Recognized Tribes that have a 2021 MHI less than \$58,620
- Maximum grant amount is \$30,000 or 100% of predevelopment planning costs (up to \$30,000)

RD Apply

- Safe and secure
- Convenient and available 24/7
- Faster processing with less paper
- Water & Waste Disposal program applicants apply online with RD Apply.
- RD Apply offers many advantages:
 - Identity Security
 - Reduced Paper Consumption



A smiling firefighter in full gear, including a white t-shirt, yellow pants, and a helmet, stands in front of a fire truck. The background is slightly blurred, showing the side of the fire truck and some buildings.

Community Facilities Program

- Hospitals, health clinics, medical facilities
- Educational – schools/colleges
- Municipal Office Buildings/
Highway maintenance facilities
- Fire houses, first responder vehicles and equipment
- Municipal vehicles – snowplows, street sweepers, police cars
- Transportation – roads, bridges, airports, sidewalks

Build America, Buy America Act (BABAA)

- Part of the Infrastructure Investment & Jobs Act (IIJA)
- All “federally assisted” infrastructure must comply with BABAA
- BABAA required for any projects financed by USDA after **2/3/23**
- RD waivers for de minimis and small projects (<\$250,000 total Federal financing).
- Customer Guide available for applicants and their consultants

WEP Overview of Success – FY2023

	<u>Loans/ Grants</u>	<u>Funding</u>
WEP Direct Loans	20	\$83.6M (244% alloc)
WEP Direct Grants	13	\$37.3M (391% alloc)
Preliminary Planning (PPG)-SEARCH Grants (Technical Assistance)	3	\$81,000
ECWAG-Emergency	0	\$0
REAP Grant – special set aside funds (Tioga/Sullivan County & Town of Wawarsing only)	1	\$4,436,500

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