

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:

- o **Poverty** **1.750%**
- o **Intermediate** **2.375%**
- o **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

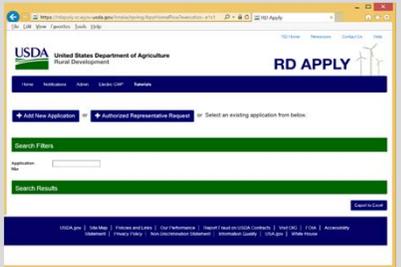
Infrastructure for Rural America

<p>PPG Program</p> <ul style="list-style-type: none"> • 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 	<p>SEARCH Program</p> <ul style="list-style-type: none"> • 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
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Infrastructure for Rural America

RD Apply

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



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) REAP – Sullivan, Town of Wawarsing & Tioga County only	1	\$1,492,250

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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