

Infrastructure Funding Update

USDA, Rural Development

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WATER & ENVIRONMENTAL PROGRAM (WEP) and COMMUNITY FACILITIES (CF) PROGRAM



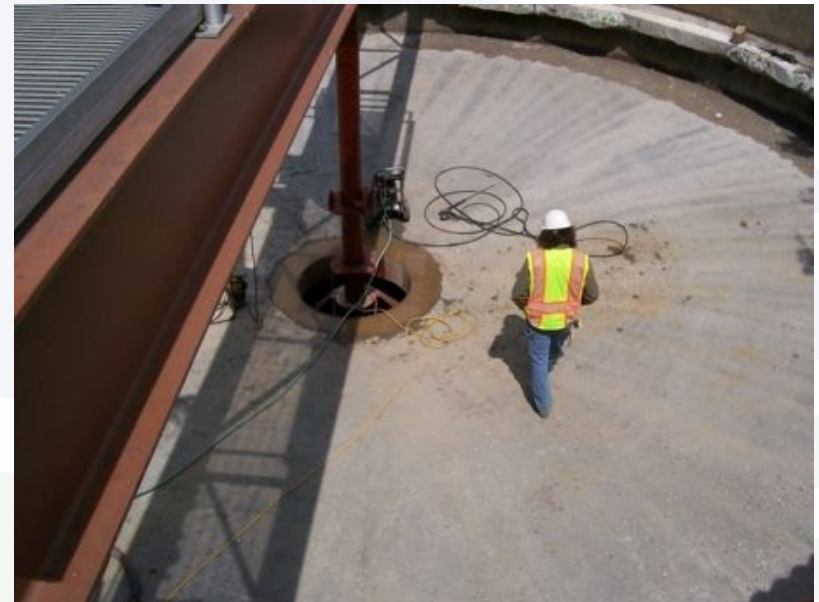
Water and Environmental Program

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



Water and Environmental Program

- Direct Loan and Grant Program
- Guaranteed Loan Program
- Pre-development Planning Grants (PPG)



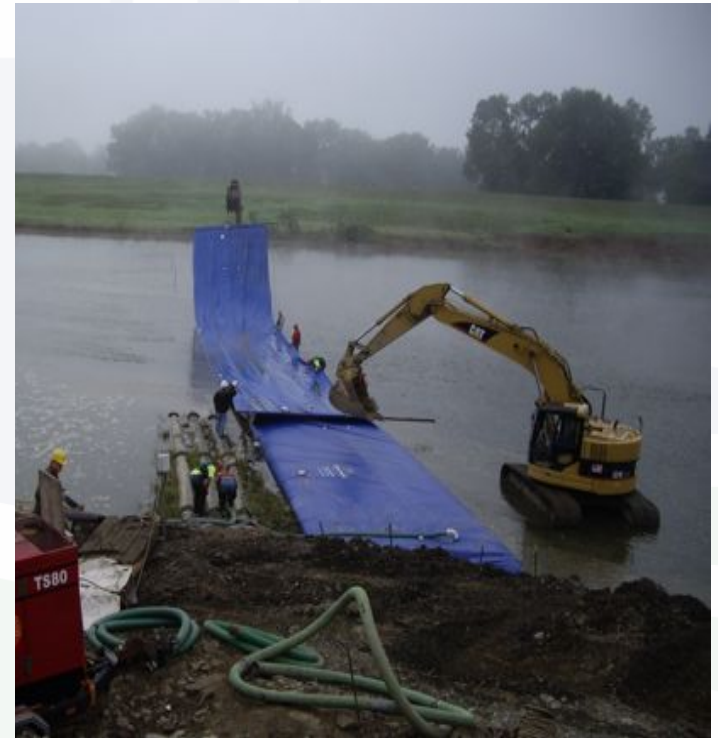
Water and Environmental Program - continued



- Technical Assistance and Training Grant Program (TAT)
- Solid Waste Management Grant Program (SWMG)
- Distance Learning Telemedicine (DLT)

Water and Environmental Program - continued

- Appalachian Regional Commission (ARC)
- Emergency Community Water Assistance Grants Program (ECWAG)
- Native American Tribes and Colonias



Overview of Success – FY 2011

	<u>Loans/Grants</u>	<u>Funding</u>
Water/Wastewater		
Direct Loans	26	\$23,789,000
Direct Grants	15	\$16,683,200
Appalachian Regional Com. Grant (ARC)	1	\$ 150,000
Solid Waste Management Grant (SWMG)	1	\$ 296,000
Tech Assist & Training Grant (TAT)	1	\$ 198,200
Distance Learning Telemedicine (DLT)	6	\$ 1,261,096



Overview of Success – FY 2011

WEP Funding	\$42,377,496
Leveraged Funding	<u>\$27,420,291</u>
Total Project Costs	\$69,797,787

- Top Ten in the Nation
- 50 Loans/Grants Provided
- 64 Construction Contracts Approved
- \$57,000,000 in Contracts Awarded

Funding – FY 2012

New York	FY12	FY11
WEP Loans	\$21,235,000	\$26,179,000
WEP Grants	\$9,135,000	\$9,192,000

- SWMG, TAT, and DLT grants are administered thru National Office and competed for Nationally (no New York allocation).

Funding - FY 2012

- Currently allocated about half of our funds.
- Over 100 applications backlogged.
- Any new applications are being reviewed for next years funding.

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 must have a population under 10,000.
- 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.

Application Process - WEP

- Complete Initial Application Received
 - Preliminary Funding Estimate (PFE)
 - Funding not Available (FNA)
 - Other – Ineligible, Other Credit, etc.

Application Process - WEP

- Preliminary Funding Estimate (PFE)
 - Based on scoring and funding allocation
 - Invites Full Application
 - Typically invite applications for +/- 150% of anticipated allocation.
 - If unable to fund current fiscal year then:
 - Send to National Office for pooling
 - Top of funding list for next fiscal year

Application Process - WEP

- Funding Not Available (FNA)
 - Qualify for program
 - Based on scoring and funding allocation
 - Project does not score competitively compared to other projects
 - We work with applicants to improve score
 - Remains on active list, until funds are available or it is withdrawn
 - Applicant can still submit Full Application

Interest Rates - WEP

- Based on Median Household Income (MHI)
- Currently still using 2000 census data
- Anticipate using 2010 census data next fiscal year (i.e. October 2012)

Interest Rates - WEP

Poverty Rate

- The MHI of the service area is below 80% of the Statewide non-metropolitan MHI (\$50,559).
Less than \$40,447.
- Need letter from Regulatory agency stating “project is necessary to alleviate health or sanitary problem”
- The interest rate is currently **2.25%**

Interest Rates - WEP

- **Intermediate Rate** – For projects that do not meet the requirements for the poverty rate or the MHI is between **\$40,447** and **\$50,559**. The current rate is **3.0%**
- **Market Rate** – For all projects that do not qualify for a different rate. The current rate is **3.75%**
- Rates change every quarter (three months)

Loan Terms - WEP

38 years

The loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond. In New York, we use 38 years as the project is typically on a Bond Anticipation Note (BAN) for 2 years prior to loan closing.

Grants - WEP

- Grants are determined based on similar systems and affordability
- An applicants affordability is determined by their MHI
- Example
 - Town, MHI \$35,000
 - Affordability = 1.8% MHI or \$630 per EDU per year

Maximum Grants - WEP

- 75 percent when MHI of the service area is below \$40,447 *and* the project is necessary to alleviate a health or sanitary problem.
- 45 percent when the MHI of the service area is between \$40,447 and \$50,559
- No grant funds for MHI over \$50,559

Maximum Grants - WEP

- There is a grant cap for this fiscal year:
 - MHI less than \$30,000 - **\$1,000,000**
 - MHI between \$30,000 and \$35,000 - **\$750,000**
 - MHI over \$35,000 - **\$500,000**

Community Facilities (CF)



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Community Facilities (CF)

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



Community Facilities (CF)

- **Facilities (continued) can include:**
 - Police and fire stations, fire trucks, rescue vehicles, jails, communication centers



Community Facilities

- **Facilities (continued) can include:**
 - Health care clinics, hospitals, nursing homes, rehabilitation centers
 - Schools, child care centers, head start centers, classrooms and dormitories



Community Facilities

- Health Information Technology (HIT)
- Congress mandated HIT infrastructure
- Hospitals and clinics must use Electronic Health Records (EHRs) by 2014 or face financial penalties
- Health & Human Services (HHS) will provide incentive payments until 2014
- RD can finance the purchase of the EHR hardware and software. HHS incentive payments can be used to help pay back the RD loan

Community Facility Programs

- Direct Loan and Grant Program
- Guaranteed Loan Program
- Rural Community Development Initiative Grants (RCDI)
- Economic Impact Initiative Grant (EII)

Overview of Success – FY 2011

	<u>Loans/Grants</u>	<u>Funding</u>
Community Facilities (CF)		
Direct Loan	17	\$7,547,850
Direct Grant	14	\$ 399,170
Guaranteed	3	\$5,150,000
Rural Community Development Initiative Grants (RCDI)	3	\$ 400,210
Economic Impact Initiative Grant (EII)	1	\$ 206,900

Overview of Success – FY 2011

CF Funding	\$13,704,130
Leveraged Funding	<u>\$ 5,619,204</u>
Total Project Costs	\$19,323,334

- Top Ten in the Nation
- 38 Loans/Grants Provided

Funding – FY 2012

New York	FY12	FY11
Direct Loans	\$36,795,125	\$7,750,000
Direct Grants	\$260,800	\$360,100
Guaranteed Loans	\$2,411,000	\$3,430,000
EII Grants	\$129,700	\$206,900

- RCDCI grants are administered thru National Office and competed for Nationally (no New York allocation).

Funding - FY 2012

- Currently allocated all grant and most guaranteed.
- Over \$24,000,000 still available for loan.
- Any new applications will be processed for this year.

Application Process - CF

- Preliminary Application Received
- If incomplete, letter sent for additional information
- Letter then sent authorizing Full Application

Eligibility - CF

- 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 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.

Loan Terms / Interest Rates - CF

- Interest Rate 3.75%
- New Construction – 30 years
- Rehabilitation – 20 years
- Vehicle – varies (average of 15 years)

Maximum Grant - CF

- Grants based on MHI and financials
- Range from \$5,000 to \$15,000

QUESTIONS???

Website:

www.rurdev.usda.gov/NYHome.html

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