

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) (Pending NO Review)	6	\$ 2,322,761



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Overview of Success – FY 2010

WEP Funding	\$43,394,161
Leveraged Funding	<u>\$27,420,291</u>
Total Project Costs	\$70,814,452

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



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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.



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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%**



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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.



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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



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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**



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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 Facility Programs

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



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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



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Overview of Success – FY 2010

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



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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.

Interest Rates - CF

- Poverty Rate – MHI below \$40,447. The interest rate currently is **4.25%**
- Intermediate Rate – MHI between \$40,447 and \$50,559. The interest rate currently is **4.375%**
- Market Rate – MHI above \$50,559. The interest rate currently is **4.5%**

Loan Terms - CF

- New Construction – 30 years
- Rehabilitation – 20 years
- Vehicle – varies (average of 15 years)



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Maximum Grant - CF

- Grants based on MHI and financials
- Range from \$5,000 to \$25,000



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Community Programs Funding WEP / CF – FY2011

- Funding and Leveraging provided an investment of over **\$90,000,000** in New York State
- Over 80 Loans / Grants Provided



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Expected for FY 2012

- Limited funds available until Federal Budget passed.
- Anticipate funding cuts
- Last Year's Funding
 - WEP FY11
 - \$26,179,000 Loan
 - \$9,192,000 Grant
 - CF FY11
 - \$7,750,000 Loan
 - \$3,430,000 Guaranteed Loans
 - \$360,100 Grant



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Funding Update FY2012

- Backlog of about 120 WEP and 30 CF applications
- Still accepting applications
- Future determinations are based on scoring criteria and other factors



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QUESTIONS???

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