



*Helping to improve the economy and quality of life in rural communities.*

**Brian S. Murray – Area Director**

**NYS CED Coordinator**

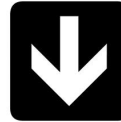
**New York State Program Overview**

**USDA | Rural Development**



**WHO/ WHAT MAKES UP THE USDA?**





Grain Inspection, Packers &  
Stockyards Admin



# RURAL DEVELOPMENT

## Rural Utilities Service (RUS)

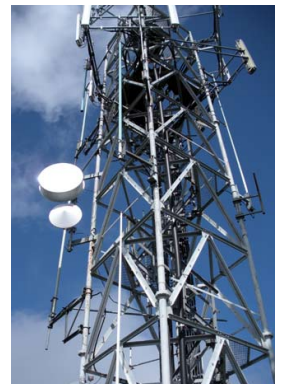
- Water & Environmental Programs (WEP)
- Broadband
- Electrical

## Rural Business Service (RBS)

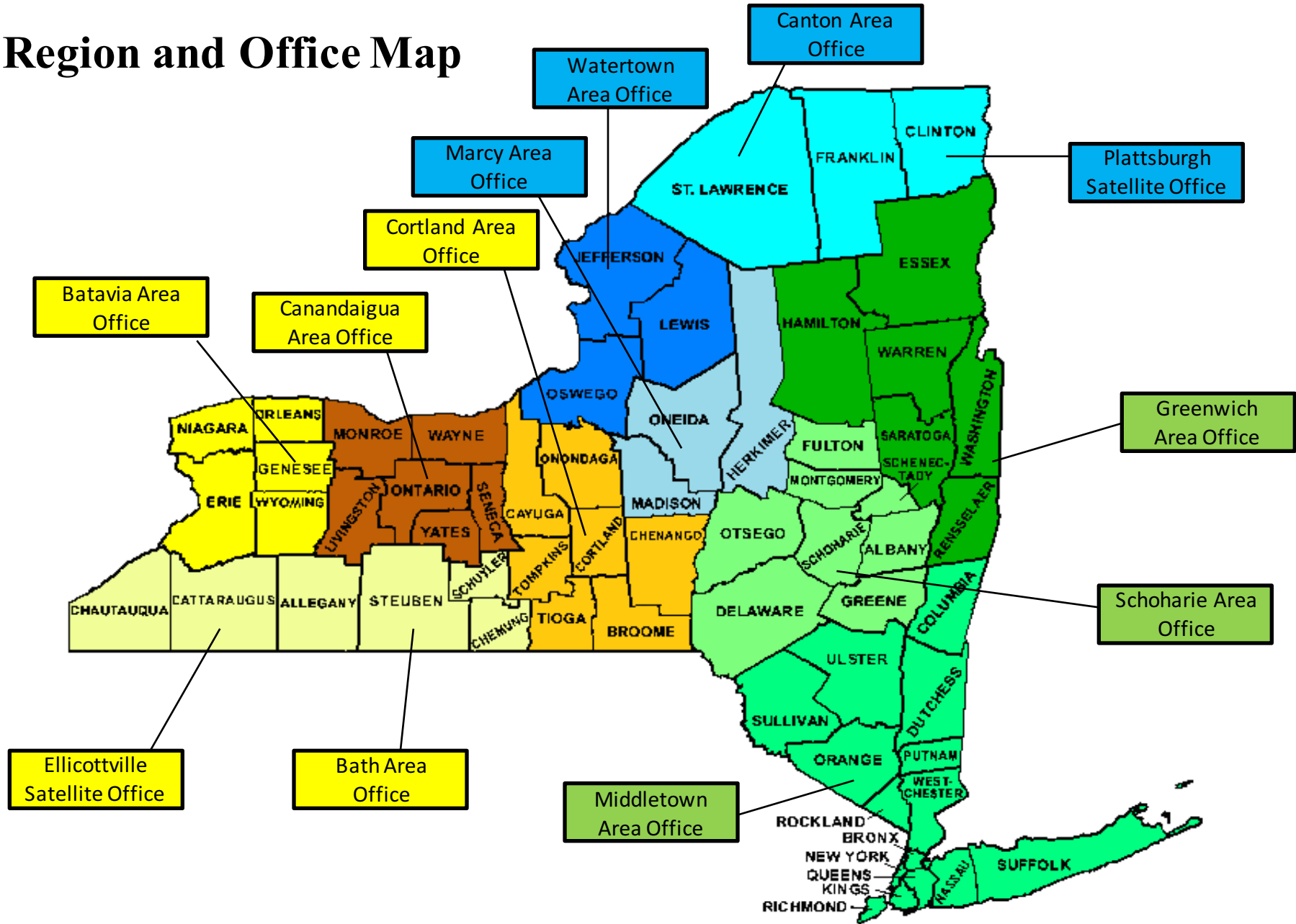
- Business Programs
- Energy Programs

## Rural Housing Service (RHS)

- Single Family Housing (SFH)
- Multi Family Housing (MFH)
- Community Facilities (CF)



# Region and Office Map



# WATER & ENVIRONMENTAL PROGRAM (WEP)



# WEP - LOAN AND GRANT PROGRAM

- **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 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.



# INTEREST RATES - WEP

- Based on Median Household Income (MHI)
- American Community Survey (ACS)
- 5 year estimate for period 2006-2010
- Three Levels
  - Poverty
  - Intermediate
  - Market

# INTEREST RATES - WEP

## Poverty Rate

- The MHI of the service area is below 80% of the Statewide non-metropolitan MHI (\$56,882).

**Less than \$45,506**

- Project must be necessary to alleviate a health and sanitary problem
- Poverty Rate this quarter **1.75%**



# INTEREST RATES - WEP

- **Intermediate Rate**
  - Does not qualify for Poverty Rate
  - Between \$45,506 and \$56,882.
  - Intermediate Rate this quarter is 2.25%
- **Market Rate**
  - Does not qualify for other rates
  - Over \$56,882.
  - Market Rate this quarter is 2.875%
- Rates change every quarter (three months)



# LOAN TERMS - WEP

- Loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond.
- RD only funds long term financing.
- Applicant responsible for short term financing, typically a Bond Anticipation Note (BAN).
- In New York, we use 38 years as the project is typically on a BAN for 2 years prior to loan closing.



## Grants - WEP

- Grants are determined based on affordability, which is determined by Similar Systems costs.
- 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

## Maximum Grants - WEP

- 75 percent, up to a maximum of **\$750,000**
  - Qualify for Poverty Rate and the project is necessary to alleviate a health or sanitary problem.
- 45 percent, up to a maximum of **\$500,000**
  - Qualify for Poverty Rate but the project is not necessary to alleviate a health or sanitary problem.
  - Qualify for Intermediate Rate
- No grant funds for Market Rate (MHI over \$56,882)



# Maximum Grants - Updates

- If total RD funding (loan / grant) is over \$4M, applicant could qualify for a maximum grant of \$1M.
- If total RD funding (loan / grant) is over \$5M, applicant could qualify for a maximum grant of \$1.25M.
- If total RD funding (loan / grant) is over \$6M, applicant could qualify for a maximum grant of \$1.5M.
- Grant only – Maximum of \$500,000.



# **WATER & ENVIRONMENTAL PROGRAM**

## **OTHER PROGRAMS**

### **NON - CONSTRUCTION**

- **Preliminary Planning Grants (PPG)**

\*To assist in developing RD applications (environmental reports, Preliminary Engineering Report, etc.)

\*MHI of service area has to be below the poverty line or 80% of the State's MHI (\$45,506)

\*Community can not have the resources to pay expenses on their own.

\*This is up to a 75% grant with maximum grant award of \$30,000



# **WATER & ENVIRONMENTAL PROGRAM**

## **OTHER PROGRAMS**

### **CONSTRUCTION**

- Emergency Community Water Assistance Grants (ECWAG)
- Technical Assistance & Training Grant (TAT)
- Rural Economic Area Partnership Grants (REAP)
- Appalachian Regional Commission (ARC)
- Native American Tribes and Colonias
- Guaranteed Loan Program



# OVERVIEW OF SUCCESS – FY2015

|   | <u>Loans/Grants</u> | <u>Funding</u> |
|---|---------------------|----------------|
| WEP Direct Loans                                      | 18                  | \$27,166,000   |
| WEP Direct Grants                                     | 22                  | \$10,268,000   |
| Preliminary Planning Grants<br>(PPG)                  | 4                   | \$49,000       |
| Emergency Community Water<br>Assistance Grant (ECWAG) | 1                   | \$150,000      |
| Rural Economic Area Partnership<br>(REAP)             | 1                   | \$1,250,000    |
| Tech Assist & Training Grant<br>(TAT)                 | 1                   | \$100,000      |

# OVERVIEW OF SUCCESS – FY2015

|                            |                     |
|----------------------------|---------------------|
| WEP Funding                | \$39,000,000        |
| Leveraged Funding          | <u>\$18,000,000</u> |
| <b>Total Project Costs</b> | <b>\$57,000,000</b> |

- No. 1 in Nation in # of Grants
- No. 6 in Nation in # of Loans
- Almost 50 Loans/Grants Provided
- Awarded over 40 Construction Contracts for over \$51M in construction.

# Community Facilities (CF)



# 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 (CF)

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



# 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.



# DIRECT LOAN AND GRANT (CF)

- Interest Rate – 2.875% (changes quarterly)
- Terms
  - New Construction – 30 Years
  - Rehabilitation – 20 years
  - Vehicle – varies (depends on useful life, up to 15 years)



# DIRECT LOAN AND GRANT (CF)

- Grants based on
  - MHI (must be below \$51,193)
  - Total Project Cost
  - Financials
- Current grant caps:
  - Project cost less than \$100,000 - **\$20,000** max
  - Project cost between \$100,000 to \$300,000 - **\$30,000** max
  - Project cost more than \$300,000 - **\$40,000** max



# **COMMUNITY FACILITIES OTHER PROGRAMS**

- Economic Impact Initiative Grants (EII)
- Rural Economic Area Partnership Grants (REAP)
- Rural Community Development Initiative Grants (RCDI)
- Guaranteed Loans

# OVERVIEW OF SUCCESS – FY 2015

|   | <u>Loans/Grants</u> | <u>Funding</u>     |
|---|---------------------|--------------------|
| CF Direct Loan                            | 16                  | \$6,601,000        |
| CF Direct Grant                           | 10                  | \$349,000          |
| Economic Impact Initiative Grant<br>(EII) | 3                   | \$127,800          |
| Rural Economic Area Partnership<br>(REAP) | <u>2</u>            | <u>\$152,000</u>   |
| <b>Total for FY2015</b>                   | <b>31</b>           | <b>\$7,200,000</b> |





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