

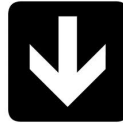


Helping to improve the economy and quality of life in rural communities.

Tracy L. Sigouin, CPS
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)

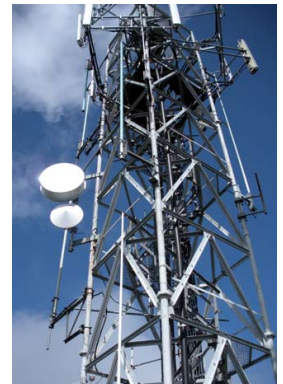
- Water & Environmental Programs (WEP)
- Broadband
- Electrical

Rural Business Service (RBS)

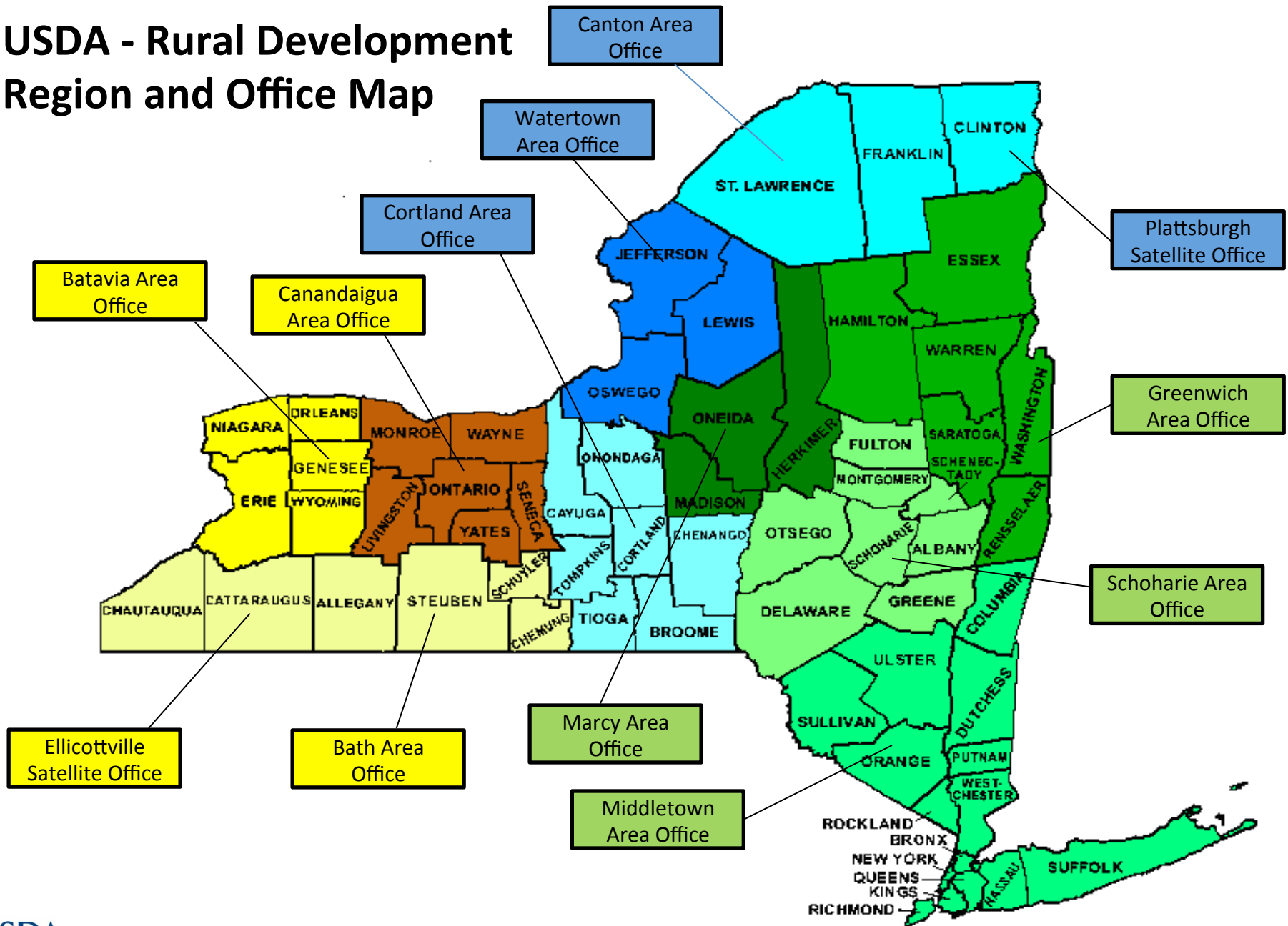
- Business Programs
- Energy Programs

Rural Housing Service (RHS)

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



USDA - Rural Development Region and Office Map



WATER & ENVIRONMENTAL PROGRAM (WEP)



WATER & ENVIRONMENTAL PROGRAM (WEP)

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



WATER & ENVIRONMENTAL PROGRAM (WEP)

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



WATER & ENVIRONMENTAL PROGRAM (WEP)



- Technical Assistance and Training Grant Program (TAT)
- Solid Waste Management Grant Program (SWMG)

WATER & ENVIRONMENTAL PROGRAM (WEP)

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



OVERVIEW OF SUCCESS – FY2013

	<u>Loans/Grants</u>	<u>Funding</u>
Water/Wastewater		
Direct Loans	25	\$30,196,000
Direct Grants	24	\$13,884,600
Solid Waste Management Grant (SWM)	1	\$185,000
Tech Assist & Training Grant (TAT)	1	\$197,700
Emergency Comm Water Assist Grant Program (ECWAG)	1	\$500,000
Distance Learning Telemedicine (DLT)	5	\$1,888,330



OVERVIEW OF SUCCESS – FY2013

• WEP Funding	\$46,800,000
• Leveraged Funding	<u>\$28,300,000</u>
• Total Project Costs	\$75,100,000

- Top 10 in the Nation
- Over 50 Loans/Grants Provided
- 68 Construction Contracts Approved
- \$63,000,000 in Contracts Awarded



COMPARISON TO PREVIOUS YEARS

	Allocation	Obligated
• FY13	\$36,085,000	\$44,580,600
• FY12	\$30,370,000	\$36,207,000
• FY11	\$35,371,000	\$40,427,200

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



FUNDING – FY 2014

- Farm Bill – Recently received funding for 7 projects
- Over 60 applications backlogged.
- New applications are being accepted, reviewed, and scored.



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 Package
- Need Preliminary Engineering Report
- Need Environmental Report
- RD then issues
 - Preliminary Funding Estimate (PFE)
 - Other – Ineligible, Other Credit, etc.



APPLICATION PROCESS - WEP

- Preliminary Funding Estimate (PFE)
 - Not a funding commitment
 - Gives Applicant a potential funding scenario
 - Invites Full Application
- Letter of Condition (LOC)
 - Commitment Letter
 - Details loan/grant requirements
 - If unable to fund current fiscal year then:
 - Send to National Office for pooling
 - Compete the following fiscal year

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.
- Need letter from Regulatory agency stating “project is necessary to alleviate health or sanitary problem”
- The interest rate is currently **2.5%**



INTEREST RATES - WEP

- **Intermediate Rate** – For projects that do not meet the requirements for the poverty rate or the MHI is between **\$45,506** and **\$56,882**. The current rate is **3.25%**
- **Market Rate** – For all projects that do not qualify for a different rate. The current rate is **4.125%**
- Rates change every quarter (three months)



LOAN TERMS - WEP

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 affordability, which is determined by Similar Systems costs.
- Similar Systems are other communities that have similar MHI, population, treatment systems, etc.
- Example
 - Town, MHI \$50,000
 - Affordability = 1.6% MHI or \$800 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)



Village of Sackets Harbor WWTF







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



COMMUNITY FACILITIES (CF)

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



OVERVIEW OF SUCCESS – FY 2013

	<u>Loans/Grants</u>	<u>Funding</u>
Community Facilities (CF)		
Direct Loan	11	\$11,297,900
Direct Grant	11	\$305,570
Economic Impact Initiative Grant (EII)	1	\$179,280
Rural Economic Area Partnership (REAP)	1	\$33,000



OVERVIEW OF SUCCESS – FY 2013

CF Funding	\$11,815,000
Leveraged Funding	<u>\$18,100,000</u>
Total Project Costs	\$29,915,000

- 24 Loans/Grants Provided



COMPARISON TO PREVIOUS YEARS

	Allocation	Obligated
• FY13	\$53,324,000	\$11,815,350
• FY12	\$39,596,000	\$11,773,000
• FY11	\$11,747,000	\$13,704,000

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



FUNDING – FY 2014

- Farm Bill – Recently Signed
- Very few applications backlogged.
- New applications are being accepted, reviewed, and scored.



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 - 4.125%
- New Construction – 30 years
- Rehabilitation – 20 years
- Vehicle – varies (average of 15 years)



MAXIMUM GRANT - CF

- Grants based on MHI, project cost and financials
- There is a grant cap for this fiscal year:
 - Project cost less than \$100,000 - **\$10,000**
 - Project cost between \$100,000 to \$500,000 - **\$20,000**
 - Project cost more than \$500,000 - **\$30,000**



St. Regis Mohawk Tribe Diabetes Center for Excellence





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