

# Environmental Finance Center

## USDA, Rural Development

<http://www.rurdev.usda.gov/ny/>



Committed to the future of rural communities.



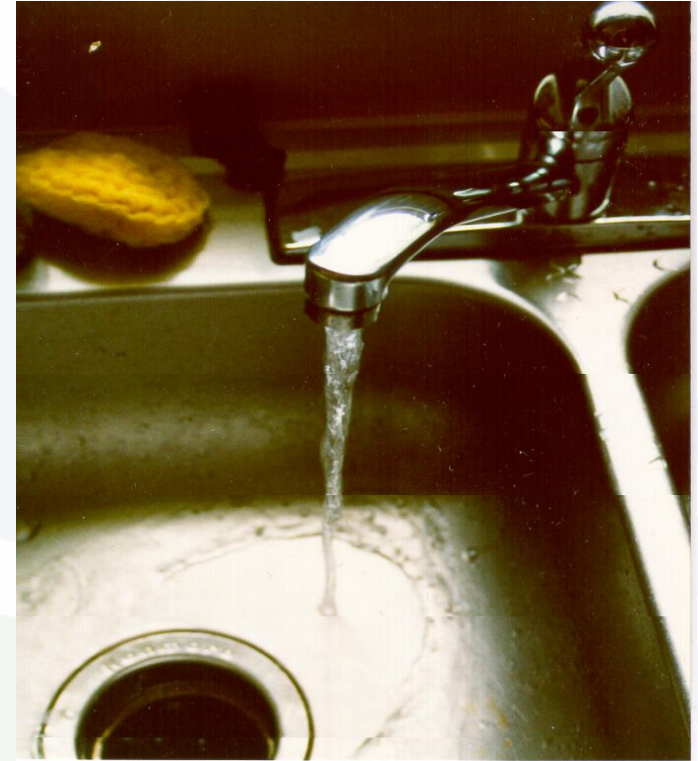
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# WATER & ENVIRONMENTAL PROGRAMS (WEP) and COMMUNITY FACILITIES (CF) PROGRAM



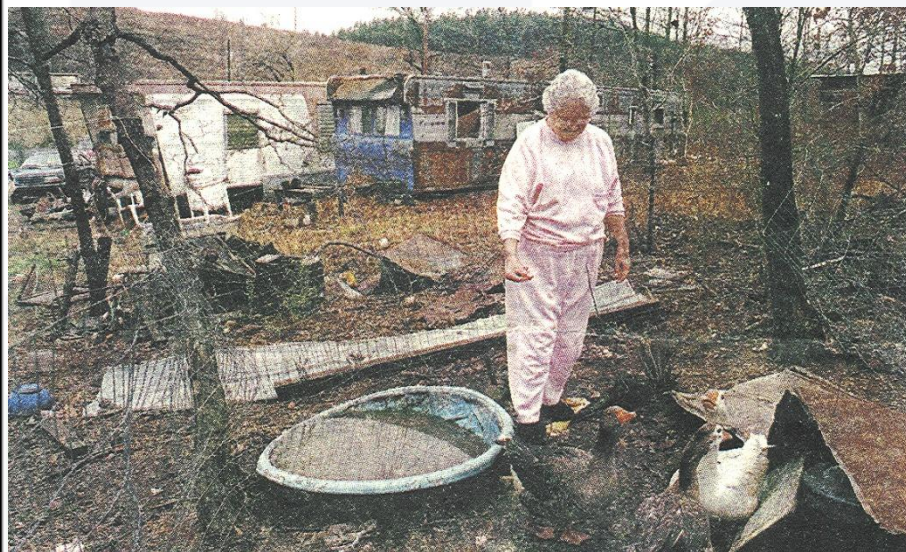
# New York Water and Waste Disposal Programs

- Direct Loan and Grant Program
- Guaranteed Loan Program
- Technical Assistance and Training Grant Program



# Water and Waste Disposal Programs - continued

- ARC
- Pre-development Planning Grants (PPG)
- Distance Learning Telemedicine



# Water and Waste Disposal Programs - continued

- Solid Waste Management Grant Program
- Emergency Community Water Assistance Grants Program (ECWAG)
- Water and Waste Facility Loans and Grants to Alleviate Health Risks (Section 306C)-- colonias and Native American Indians

# Overview of Success – FY 2010

	<u>Projects</u>	<u>Funding</u>
Water/Wastewater		
Direct Loans	14	\$20,812,000
Direct Grants	10	\$11,099,000
Predevelopment Planning Grants (PPG)	6	\$47,250
Appalachian Regional Comm. Grant (ARC)	1	\$150,000
Solid Waste Management Grant (SWMG)	2	\$216,082
Distance Learning Telemedicine (DLT)	6	\$2,322,761



# Overview of Success – FY 2010

## American Recovery & Reinvestment Act of 2009 (ARRA)

	<u>Projects</u>	<u>Funding</u>
ARRA Direct Loans	24	\$36,445,000
ARRA Direct Grants	18	\$18,286,925
<b>TOTAL FY2010 and ARRA PROJECTS:</b>	<b>81</b>	<b>\$89,378,788</b>

# Overview of Success – FY 2010

- Leveraging \$37,786,728
- 98 Construction Contracts Approved
- \$115,917,000 in Contracts Awarded



# Overview of Success – FY 2010

- Highest amount funded
- Rank in the Nation
  - FY2010 – Top Ten in the Nation
  - ARRA – 3<sup>rd</sup> in the Nation

# Current Funding FY2011

- No ARRA funds remain (all ARRA funds must be spent by September 30, 2015)
- Currently have about 40% of our projected FY2011 funding
- Waiting for Congress to pass budget for the remaining funds

# Current Funding FY2011

- No more grant available for FY2011
- Loan still available
- Backlog of about 150 projects
- Future determinations are based on Scoring Criteria and other factors

# INTEREST RATES

- Poverty Rate
  - Upgrade existing facilities or construct new facilities to meet applicable health or sanitary standards
  - The MHI of the service area is below 80% of the Statewide non-metropolitan MHI (\$40,447)
  - Need letter from Regulatory agency stating “project is necessary to alleviate health or sanitary problem”
  - The interest rate is currently 2.875%

# INTEREST RATES

- Intermediate Rate – For projects that do not meet the requirements for the poverty rate and the MHI is not more than the Non-metropolitan MHI (\$50,559). The current rate is 3.75%
- Market Rate – For all projects that do not qualify for a different rate. The current rate is 4.75%

# TERMS

**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 for 2 years prior to loan closing.

# Maximum Grant Percentages

- Grants may not be made in excess of the following percentages of our eligible development costs:
  - 75 percent when the median household income (MHI) of the service area is below 80% of the state NM MHI (\$40,447) **and** the project is necessary to alleviate a health or sanitary problem.
  - 45 percent when the MHI of the service area exceeds 80% (\$40,447) of the state NM MHI, but is not more than 100% (\$50,559) of the statewide NM MHI.



# Maximum Grant Percentages

- The percentages of grant funds that the applicant may be eligible for are maximum amounts and may be limited due to the availability of funds or the grant determination and underwriting procedures
- There will be a grant cap next year – to be determined.

# Community Facilities (CF)

- **Facilities can include:**
  - Health care clinics, hospitals, nursing homes, rehabilitation centers
  - Schools, child care centers, head start centers, classrooms and dormitories
  - Police and fire stations, fire trucks, rescue vehicles, jails, communication centers
  - City/town/village halls, community centers, homeless shelters, food banks, sidewalks, libraries, museums, courthouses, street improvements

# Overview of CF Success – FY 2010

	<u>Projects</u>	<u>Funding</u>
FY2010 Direct Loans	12	\$20,408,500
FY2010 Direct Grants	10	\$502,280
FY2010 Guarantee	1	\$11,500,000
ARRA Direct Loans	14	\$10,385,480
ARRA Direct Grants	15	\$1,399,300

**TOTAL FY2010 and ARRA**

**PROJECTS:**

**52**

**\$44,267,560**



# Overview of CF Success – FY 2010

- Leveraged Funds - \$9,791,059
- Highest amount funded
- Rank in the Nation
  - FY2010 – Top 20
  - ARRA – Top 10

# Current CF Funding FY2011

- No ARRA funds remain (all ARRA funds must be spent by September 30, 2015)
- Currently spent all of our funds for the year

# INTEREST RATES

- Poverty Rate – MHI below \$40,447. The interest rate currently is 4.5%.
- Intermediate Rate – MHI between \$40,447 and \$50,559. The interest rate currently is 4.625%
- Market Rate – MHI above \$50,559. The interest rate currently is 4.75%

# TERMS

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



# Maximum Grant

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

# QUESTIONS???

