

RURAL DEVELOPMENT

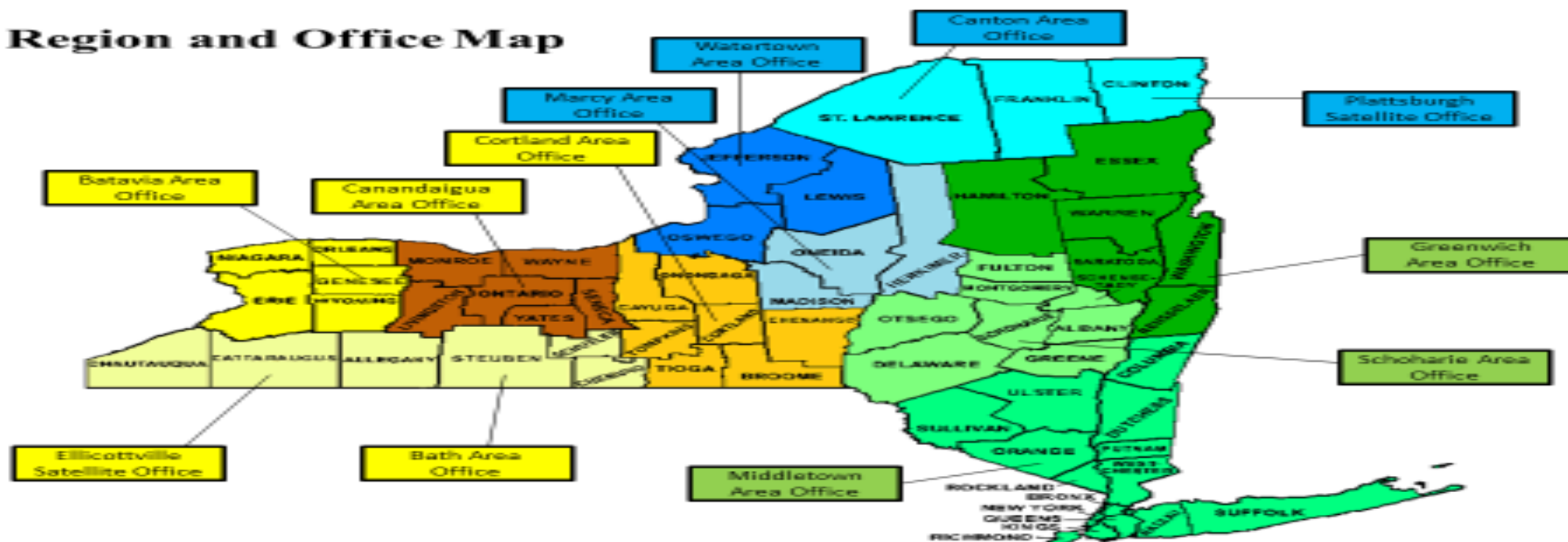
Rural Utilities Service (RUS)

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

Rural Housing Service (RHS)

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

Region and Office Map



WATER & ENVIRONMENTAL PROGRAM (WEP)



WATER AND ENVIRONMENTAL PROGRAM (WEP)

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 2.000%

INTEREST RATES – WEP

Intermediate Rate

Does not qualify for Poverty Rate

Between \$45,506 and \$56,882.

Intermediate Rate this quarter is 2.750%

Market Rate

Does not qualify for other rates

Over \$56,882.

Market Rate this quarter is 3.375%

No grant funds for Market Rate (MHI above \$56,882).

Rates change every quarter (three months)

WEP Loan Terms

- Loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond in accordance with local finance laws. In New York, we use 38 years as the project is typically on a BAN for 2 years prior to loan closing.
- Applicant responsible for short term financing, typically a Bond Anticipation Note (BAN) during the construction period for the loan portion/funds. RD comes in after the project is complete and closes on long term financing which allows the municipality to retire the interim financing (BAN). RD only funds long term financing.

Grants – WEP

Grants are determined based on affordability, which is determined by Similar Systems costs. Grant funds are limited and each project will be reviewed on a case by case basis to determine eligibility for grant assistance.

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

WEP Application Process

Applicant/Engineer/Fiscal Advisor submits application via RD Apply – the new online application process for Rural Development WEP Applications. <https://rdapply.usda.gov>

Area Specialist in local office reviews application for completeness within 15 days of submitting online application. Area Office either **accepts** the online application or **returns** the application for further documentation/corrections.

Once the application is accepted by the Area Specialist and pushed to our underwriting program Rural Development has 45 days to issue an eligibility determination to the municipality.

RD Apply:

RD Apply is an easy-to-use, intuitive online application system for the Water and Waste Loan and Grant Program.

RD Apply is very convenient for its users with 24/7 access through any internet ready device. Through assigned roles each organization has the ability to control who can view and modify their application.

All information is safe and secure with identity security.

Faster processing cuts down on questions and ensures a complete application; it also better positions your organization for funding.

Need Level 2 eAuthentication (EAuth) Registration

WEP Application Process

If the municipality has applied to Rural Development and other Agencies/Partners for funds for the same project (i.e. OCR, SRF, NYS Grants) we will review the application for an eligibility determination however, we will not issue a Preliminary Funding Estimate (PFE) until we know all funding sources that will be involved in the project. The PFE is not a funding commitment, it gives the applicant the potential funding scenario.

Once we know all sources of funding for a project we will determine our loan and/or grant funding that we can put into a project. The Area Specialist will review our funding package with the municipality and if accepted we will move towards a Letter of Conditions (LOC) and obligation of the funding.

WATER & ENVIRONMENTAL PROGRAM

OTHER PROGRAMS

Pre-Development Planning Grants (PPG)

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Emergency Community Water Assistance Grants (ECWAG)

PRE-DEVELOPMENT PLANNING GRANTS (PPG)

Eligibility – The applicant must be:

- (1) A public body, such as a municipality, county, district, authority, or other political subdivision or a State, territory or commonwealth, or
- (2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community, or
- (3) Indian Tribes on Federal and State reservations and other Federally recognized Indian Tribes

PRE-DEVELOPMENT PLANNING GRANTS (PPG)

Median Household Income (MHI) – must be below \$45,506

Pre-development project costs – funds can be used to pay for costs associated with completion of the Rural Development Application. This includes the cost of the Preliminary Engineering Report (PER) and Environmental Report (ER).

Grants – 75% of project costs up to \$30,000 maximum

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Eligibility – The applicant must be:

- (1) A public body, such as a municipality, county, district, authority, or other political subdivision or a State, territory or commonwealth, or
- (2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community, or
- (3) Indian Tribes on Federal and State reservations and other Federally recognized Indian Tribes

Median Household Income (MHI) – must be below \$45,506

Population – rural city or town with a population of 2,500 or fewer

Grants – 100% of project costs up to \$30,000 maximum

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Eligible predevelopment planning costs are feasibility studies, preliminary design assistance, and technical assistance as each is defined in §1774.2. The predevelopment planning costs must be related to a proposed project that meets the following requirements:

- (1) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.
- (2) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a)(1) of this section.
- (3) To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities authorized in paragraph (a)(1) of this section.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS (ECWAG)

Eligibility – Same as Direct Program

Experienced significant decline in quantity or quality of water as a result of an emergency

Grants

- \$500,000 – Source projects
- \$150,000 – Repairs, replacement, maintenance of system

OVERVIEW OF WEP SUCCESS – FY2016

	<u>Loans/Grants</u>	<u>Funding</u>
WEP Direct Loans	18	\$23,311,000
WEP Direct Grants	17	\$9,679,000
Preliminary Planning Grants (PPG)	5	\$68,000
Emergency Community Water Assistance Grant (ECWAG)	1	\$147,000

Community Facilities (CF)

- We will do a quick overview of the Community Facilities Program eligibility guidance and procedures.

Community Facilities (CF)

- Facilities can include:
 - City/town/village halls, public vehicles, community centers, museums, food banks, libraries, snow plows, street sweepers, 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

Colleges, Schools, child care centers, head start centers, classrooms and dormitories



Community Facilities (CF) Eligibility:

- 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 where the facility is located 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.

Community Facilities (CF) Direct Loan and Grant Program:

Interest Rate – 3.375% (changes quarterly) – will change April 1, 2017

Terms:

- New Construction – 30 years, some may be done for up to 40 years.
- Rehabilitation – 20 years –
- Vehicle – varies (depends on useful life, up to 15 years)

Municipal borrowers are subject to local finance laws and bond counsel will determine the term.

Community Facilities (CF) Direct Loan and Grant Program:

Grants based on:

- MHI (must be below \$51,193)
- Total Project Cost
- Financial need
- Typical grants range from \$20,000 to \$50,000 depending on size of project and need for grant funds.

Community Facilities (CF) Application Processing:

Real Estate projects – two (2) step process:

- Submit Pre-Application to Area Specialist for their review and processing.
- Full Application Invite Letter Issued
- Complete Application received and processed by the Area Specialist
- Letter of Conditions – obligation of funds

Vehicles and/or Equipment projects - process is a one (1) step process as we have combined the pre-application and full application into one review process.

OVERVIEW OF CF SUCCESS – FY2016

	<u>Loans/Grants</u>	<u>Funding</u>
CF Direct Loans	23	\$44,617,100
CF Direct Grants	15	\$670,000



United States
Department of
Agriculture

Rural Development

A photograph of a rural landscape under a clear blue sky. In the foreground, a vast field of golden corn stretches across the frame. In the middle ground, there is a large, weathered wooden barn with a brown roof. To the left of the barn is a white house with a red roof. Further back, a tall white water tower with a red top stands out against the sky. The background is filled with lush green trees.

QUESTIONS?

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USDA Rural Development is committed to the future of rural communities.