



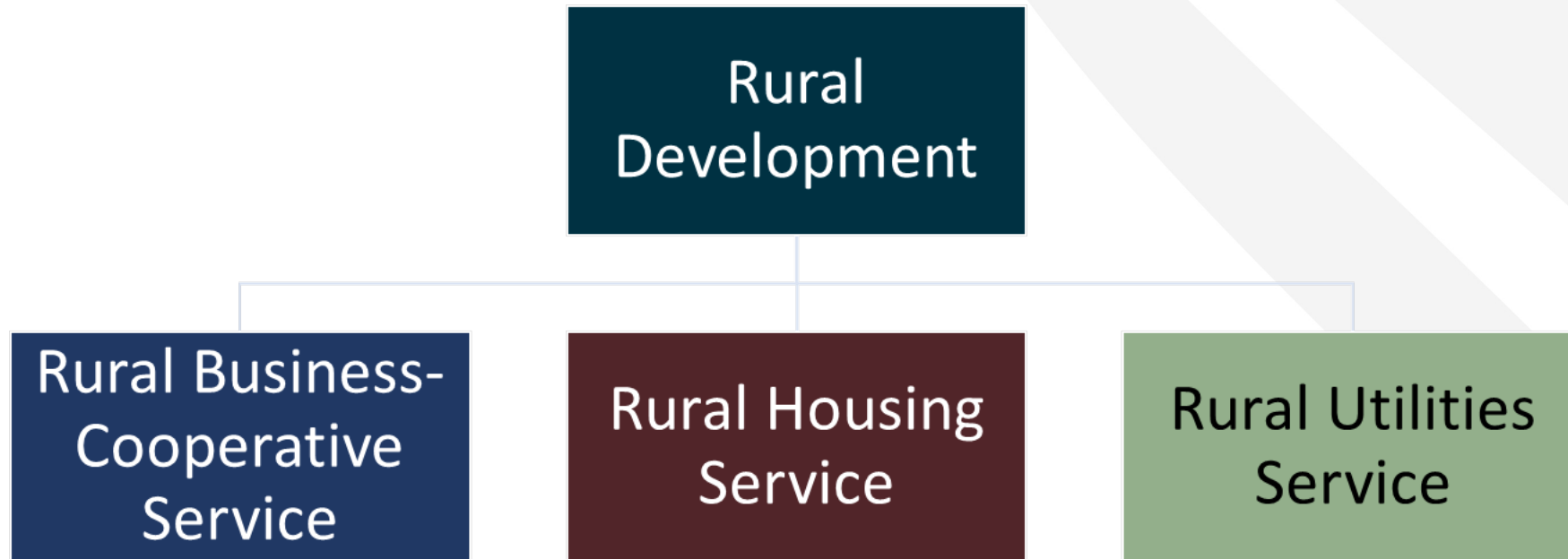
Infrastructure for Rural America

USDA Rural Development – New York



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Agency Overview



Clean Water & Sanitation Help for Rural Communities

- Water and Environmental Programs (WEP)
- Projects include the Construction, Repair, Modification, Expansion or Improvement of:
 - Drinking water sourcing, treatment, storage tanks and distribution/pumping stations
 - Sewer collection, transmission, treatment and disposal
 - Solid waste collection, disposal and closure
 - Storm water collection, transmission and disposal.

Water & Waste Disposal Loans & Grants

- **Eligibility Requirements:**

- An applicant must be:
 - A public body
 - A Not-for-profit organization
 - Native American tribe or Federal or State reservation or other Federally recognized tribes.
- Rural areas with populations of **10,000** or less.
- Other credit – Applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms.

WEP Direct Loan

Loan Term:

- Loan repayment shall not exceed the useful life of the facility or 40 years.
- In New York, loan term is based on 38 years as the project is typically on a **Bond Anticipation Note** (BAN) for 2 years during construction period.
- Applicant is responsible for short term financing/BAN during the construction period. The BAN/interim financing will be for the loan amount, grant funds (if applicable) are not pre-financed with a BAN. SRF short term financing can be used during construction period.

WEP Guaranteed Loans

- Applicant eligibility the same as direct except the population for this program was just increased under the Farm Bill to 50,000.
- Term is negotiated between the lender and the applicant – but cannot exceed 40 years.
- Loan made by a commercial lender. Guarantee by the U.S. Government (up to 90% for potential loss).
- Reduces risk to the commercial lender which may result in lower interest rate from lender with our 90% guarantee.
- Lender pays 1% Guaranteed Fee of guaranteed amount.

WEP Direct Loan Interest Rates

- **Poverty Rate** 1.625%
 - To qualify – 2010 MHI must be less than \$45,506 and primary purpose of the loan is to alleviate a documented health or sanitary problem of the facility being financed.
- **Intermediate Rate** 2.250%
 - To qualify – 2010 MHI of the service area is less than \$56,882 and the project does not alleviate a documented health or sanitary problem.
- **Market Rate** 2.750%
 - To qualify – 2010 MHI is \$56,882 or above. No grant funding is available for market rate projects.
- Rates change quarterly – January, April, July & October

Loan Security

- Loans must be adequately secured.
 - General Obligation – New York requires General Obligation (GO) Bonds for Municipalities.
 - Revenue Bonds for Authorities.
 - Assignment of Income.
- Rural Development must take the best security available when financing a project -- which in New York State is General Obligation Bonds.

Water & Waste Disposal Loans & Grants

- Funding may be used for:
 - Construction costs
 - Purchasing existing facilities to improve or prevent loss of service
 - Legal fees
 - Engineering fees
 - Land acquisition
 - Water and land rights
 - Permits
 - Equipment
- Application preparation is not an eligible project expense.

Water & Waste Direct Grants

- Grants may be provided to reduce user costs to a reasonable level. Reasonable level is determined by comparison to similar systems.
- Communities should expect to pay between 1.5% - 2% of their MHI – the higher the MHI the higher % of user cost.
 - ❖ $\$40,000 \text{ MHI} \times 1.6\% = \$640 \text{ annually (DS, O\&M, SLA)}$
 - ❖ $\$55,000 \text{ MHI} \times 2\% = \$1,100 \text{ annually (DS, O\&M, SLA)}$

Emergency Community Water Assistance Grants (ECWAG)

- Helps eligible communities (population of 10,000 or less) prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.
- Eligible applicants – same as for direct loan/grant program.
- Grants made for repairs or partial replacement cannot exceed \$150,000
- Grants made for new water source cannot exceed \$1,000,000
- Streamlined application processing for projects that do not need additional Rural Development funding to complete the project.

Emergency Community Water Assistance Grants (ECWAG) Continued

- There must be an event that can caused the emergency. These events include but are not limited to:
 - Drought
 - Flood
 - Earthquake
 - Tornado or Hurricane
 - Disease outbreak
 - Chemical spill, leak or seepage
- Federal disaster declaration is not required

Planning Grants

- Assists low-income communities with initial planning and development of applications.
- Predevelopment feasibility studies, design and engineering assistance, and technical assistance for funding applications.
- USDA Rural Development has two programs provide pre-planning grants to assist communities with preparing their PER and ER for their RD Application
 - Water & Waste Disposal Predevelopment Planning Grant (PPG)
 - Special Evaluation Assistance for Rural Communities (SEARCH)

PPG & SEARCH Program Details

- **PPG Program**

- Eligible areas include rural towns/cities/villages (10,000 or less)
- Eligible Entities include: Public Bodies, Not for profit organizations & Federally Recognized Tribes that have a 2010 MHI less than (\$45,506)
- Maximum grant amount is \$30,000 or 75% of predevelopment planning costs

- **SEARCH Program**

- Eligible areas include rural towns/cities/villages (2,500 or less)
- Eligible Entities include: Public Bodies, Not for profit organizations & Federally Recognized Tribes that have a 2010 MHI less than (\$45,506)
- Maximum grant amount is \$30,000 or 100% of predevelopment planning costs (up to \$30,000)

RD Apply

- Safe and secure
- Convenient and available 24/7
- Faster processing with less paper
- Water & Waste Disposal program applicants apply online with RD Apply.
- RD Apply offers many advantages:
 - Identity Security
 - Reduced Paper Consumption

The screenshot shows the RD Apply web application interface. The browser address bar displays the URL: <https://rdapply.sc.egov.usda.gov/Intake/spring/AppHomeFlow?execution=e1s1>. The page header includes the USDA logo and the text "United States Department of Agriculture Rural Development". The main navigation bar contains links for "RD Home", "Newsroom", "Contact Us", and "Help". Below the navigation bar, there are buttons for "+ Add New Application" and "+ Authorized Representative Request", followed by the text "or Select an existing application from below.". A "Search Filters" section is visible, with a label "Application Nbr" and an input field. Below this is a "Search Results" section. At the bottom right, there is a button labeled "Export to Excel". The footer contains various links including "USDA.gov", "Site Map", "Policies and Links", "Our Performance", "Report Fraud on USDA Contracts", "Visit OIG", "FOIA", "Accessibility Statement", "Privacy Policy", "Non Discrimination Statement", "Information Quality", "USA.gov", and "White House".

Community Facilities Programs

- Rural Development supports infrastructure through the Community Facilities (CF) Program.
- Examples:
 - Health care clinics Hospitals Adult & child care centers
 - Assisted living facilities Rehabilitation centers Drug addiction centers
 - Schools Colleges Fire & Rescue stations
 - Town halls Public works buildings Libraries
- Transportation projects that include:
 - Roads
 - Bridges
 - Repairs for rural airports

Community Facilities Programs - Eligibility

- An applicant must be:
 - A public body
 - A Not-for-profit organization
 - Native American tribe on Federal or State Reservations or other Federally recognized tribes
- The facility must be located in a town/city/village with a population under 20,000
- Projects must serve a rural area -- the population served can exceed 20,000 but the physical location of the facility must be located in a rural area with a population under 20,000
- Other credit – applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms

Community Facilities Programs – How can funds be used?

- Purchase of:
 - Real estate
 - Buildings
 - Existing facilities to improve service or prevent loss of service
- Construction, expansion or renovations to essential community facilities
- Purchase of vehicles and major equipment

Community Facilities Programs – Eligible Loan & Grant Purposes

- Construction related costs
- Architectural and/or Engineering fees
- Soft costs - Reasonable necessary fees for:
 - Environmental including Archeological
 - Legal/Bonding expense
 - Establishing or acquiring rights – ROWs
 - Net interest on interim financing
 - Fiscal advisor

Community Facilities Programs – Ineligible Purposes

- Facilities to be used for recreational purposes – unless for educational purposes such as schools
- Commercial enterprises - A project that is typically operated by private enterprise or for the purpose of producing profits
- Electric generation and transmission facilities or telephone systems
- Loan and/or grant finder's fees/ application preparation fees
- Projects that are not modest in size, type and design
- Facilities that want to lease space for an ineligible purpose

Community Facilities Programs – Rates & Terms

- Interest rate – currently 2.75%
- New construction – Typically 30 years for Public Bodies
- Rehabilitation/ Expansion – typically 20 years
- Major Equipment – varies (useful life, ranges from 5 to 15 years)
- New fire trucks, rescue vehicles and police vehicles – up to 15 years or useful life
- Rate changes quarterly – January, April, July and October 1st
- *NYS Local Finance Law determines the term based upon local finance laws – these are typical terms but we will always ask your bond counsel to determine the maximum term before obligating funds.*

Overview of Success – FY2019

	<u>Loans/ Grants</u>	<u>Funding</u>
WEP Direct Loans	30	\$60, 056,000
WEP Direct Grants	26	\$36,991,000
Preliminary Planning Grants (PPG)	4	\$92,000
SEARCH Grants	2	\$33,000

FY20 - we anticipate loan funding will be similar to last fiscal year but grant funds will be reduced for this fiscal year. In FY 2019 we received additional loan and grant funds from national office reserves, typical allocation is \$30M loan and \$10M grant funds.

Overview of Success – FY2019

	<u>Loans/ Grants</u>	<u>Funding</u>
Community Facilities Direct Loans	17	\$11,676,000
Community Facilities Direct Grants	13	\$729,000
Economic Impact Initiative (EEI) Grants	4	\$158,900

FY20 - No funding yet, we anticipate funding will be similar to last Fiscal Year

Area Office Contact Information

Batavia Service Center - Voice: (585) 343-9167, ext. 4

Bath Service Center - Voice: (607) 776-7398, ext. 4

Canandaigua Service Center - Voice: (585) 394 0525 ext. 4

Canton Service Center - Voice: (315) 386-2401, ext. 4

Cortland Service Center – Voice: (607) 753-0851 x4

Watertown Service Center - Voice: (315) 782-7289, ext. 4

Marcy Service Center - Voice: (315) 736-3316, ext. 4

Greenwich Service Center - Voice: (518) 692-9940, ext. 4

Schoharie Service Center - Voice: (518) 295-8600, ext. 4

Middletown Service Center - Voice: (845) 343-1872, ext. 4

Questions & Answers



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