Community Programs

- Community Facilities (town halls, fire halls, DPW buildings, fire trucks, police cars, libraries, etc.)

- Water & Waste (water & sewer projects)

USDA Water & Sewer website -

USDA Community Facilities website -
http://www.rurdev.usda.gov/HCF_CF.html
• **Community Facilities**: eligible applicants include:
  – Public bodies, non-profits, & tribes located in communities or a service area less than 20,000 population.

• **Water & Waste**: eligible applicants include:
  – Public bodies, tribes, non-profits located in communities or a service area less than 10,000 population.
Community Programs

- Community Facilities Programs:
  - Direct loan program

  20,000 population limit

  3.750% fixed interest rate, updated quarterly

  Loan terms up to 40 years, dependent upon useful life of facility

  No prepayment penalties

  Loan amounts dictated by repayment ability
Community Programs

- **Community Facilities Programs:**
  - Direct grant program

Typically used for equipment purchases

Sliding grant based on MHI and population

<table>
<thead>
<tr>
<th>MHI</th>
<th>Population</th>
<th>Legal</th>
<th>% Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than HHS Poverty Level</td>
<td>$23,050</td>
<td>5000</td>
<td>75%</td>
</tr>
<tr>
<td>60% of state MHI</td>
<td>$31,258</td>
<td>5000</td>
<td>75%</td>
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<tr>
<td>70% of state MHI</td>
<td>$36,468</td>
<td>12000</td>
<td>55%</td>
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<tr>
<td>80% of state MHI</td>
<td>$41,678</td>
<td>20000</td>
<td>35%</td>
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<tr>
<td>90% of state MHI</td>
<td>$46,887</td>
<td>20000</td>
<td>15%</td>
</tr>
<tr>
<td>State MHI</td>
<td>$52,097</td>
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<td></td>
</tr>
</tbody>
</table>
Community Programs

- **Community Facilities Programs:**
  - Economic Impact Initiative Grant program

  Project must be located in an area where the not-employed rate is at least 19.5%.

  Same grant parameters as the direct grant program.
Community Programs

- Community Facilities Programs:
  - Tribal College Grants, Cap of $250,000

This program provides grant funds to Tribal Colleges and Universities to develop essential community facilities such as classrooms, libraries, cultural centers, childcare centers, laboratories, and healthcare facilities.

Must be one of the Native American Tribal colleges or Universities recognized under the Equity in Educational Land Grant Status Act of 1994.

5% tribal match
Community Programs

- Community Facilities Programs:
  - Rural Community Development Initiative

  Minimum grant of $50,000 to $250,000 maximum

  Population limit of 50,000

  To develop the capacity and ability of qualified private, non-profit community based housing and community development organizations, low-income rural communities and federally recognized Native American Tribes to undertake projects related to housing, community facilities or community and economic development in rural areas.

  50% match
Community Programs

- **Community Facilities Programs:**
  - **Guarantee Loans**

  Same eligibility parameters as the direct loan and grant program

  90% guarantee

  1% commitment fee

  Can leverage with lender’s direct loan or the CF direct loan program
FY 2014 Community Facility Obligations

67 Projects:

Direct Loan - $65,016,000
Direct Grant - $677,000
Economic Impact Initiative Grant - $144,100
Tribal College Grant Initiative - $435,906

TOTAL - $66,273,006
Community Programs

- **Water/Sewer Programs (WEP):**
  - **Direct Loans and Grants**

  Funds may be used for new systems, rehabilitation of existing systems, and storm sewer separation.

  10,000 population limit

  Grant funds are used to keep user rates at an affordable level based upon 1.5% of the MHI of the service area.

  3 tiers of interest rates, which change on a quarterly basis

  No prepayment penalties or call periods

  Up to 40 year term
WEP Interest Rates

Updated on a quarterly basis

Current interest rates – 1/1/2015 – 3/31/2015

- Poverty Interest Rate
  - MHI of less than $41,678 with a third-party documented violation of a health or sanitary standard 2.250%

- Intermediate
  - MHI between $41,678 - $52,097 3.000%

- Market
  - MHI over $52,097 3.750%

You get the best interest rate at the time of loan closing!
Community Programs

• Water/Sewer Programs:
  – Guaranteed Loans

  Same eligibility parameters as the direct loan and grant program

  90% guarantee

  1% commitment fee

  Can leverage with lender’s direct loan or the WEP direct loan program
Community Programs

- **Water/Sewer Programs:**
  - Predevelopment Planning Grants (PPG)

  Funding Limit - $25,000 or 75% of the project cost, whichever is less.

  Available to communities under population of 10,000

  Restricted to communities with MHI below 80% of SNMHI or $41,678

  Grant pays for the costs associated with developing a complete application

  Applicants must prove that they are unable to pay these development costs on their own.

  PPG funds cannot be used to pay for work already completed.

  Costs incurred prior to grant approval will not be considered eligible.
Community Programs

- **Water/Sewer Programs:**
  - Special Evaluation Assistance for Rural Communities and Households (SEARCH)

  Same grant eligibility parameters as PPG

  Funding Limit - $30,000 or 100% of the project cost, whichever is less.

  Available to communities under population of 2,500
Community Programs

- **Water/Sewer Programs:**
  - Emergency Community Water Assistance Grants (ECWAG)

To assist rural communities that have experienced a significant decline in quantity or quality of drinking water due to an emergency, or in which such decline is considered imminent, to obtain or maintain adequate quantities of water that meets the standards set by the Safe Drinking Water Act. This emergency is considered an occurrence of an incident such as, but not limited to, a drought; earthquake; flood; tornado; hurricane; disease outbreak; or chemical spill, leakage, or seepage.

Two levels of funding limits
- $150,000 limit for distribution waterline work
- $500,000 limit for water source and treatment plant

MHI of service area must be below the SNMHI of $52,097

Population of service area must be below 10,000
Community Programs

• **Water/Sewer Programs:**
  - **Section 306C Water and Waste Disposal Grants**

These funds have been set aside for eligible projects that benefit members of Federally Recognized Native American Tribes. Residents of the rural area to be served must face significant health risks due to the fact that a significant proportion of the community residents do not have access to, or are not served by, adequate, affordable, water and/or waste disposal systems. Documentation to support the poor sanitary waste disposal and health risks should be provided to USDA. Water and waste disposal systems can obtain up to 100 percent grants to construct basic drinking water, sanitary sewer, solid waste disposal and storm drainage. Also, under this program, the systems can obtain funds to provide grant assistance directly to individuals to install necessary indoor plumbing like bathrooms and pay other costs of connecting to the system.

Funding Limit - $1,000,000 per project
Community Programs

- **Water/Sewer Programs:**
  - **Section 306E Household Water Well Systems Grants**

  The Household Water Well System (HWWS) Grant Program provides grants to qualified private non-profit organizations to establish lending programs for household water wells in rural areas. Homeowners or eligible individuals may borrow money from an organization receiving a HWWS grant so they may construct or upgrade their private well systems.

  Rural areas are defined as locations other than cities or towns of more than 50,000 people and the contiguous and adjacent urbanized area of such towns and cities.

  An individual cannot receive a HWWS grant. An individual may receive a loan from an organization receiving a grant award. An individual must apply for loans through non-profit organizations that USDA Rural Development has approved to receive grant funds. The loan limit is $11,000 at 1 percent for 20 years.
Community Programs

- **Water/Sewer Programs:**
  - Section 306E Household Water Well Systems Grants (continued)

Funds may be used to create a revolving loan fund to provide low-interest loans to eligible individuals to construct, refurbish, and service individually-owned household water well systems. Loans may not be provided for home sewer or septic system projects. Eligible individuals must occupy and own or will own an existing home whose well system will be improved with the proceeds of the HWWS loan.

The non-profit organizations applying for the grant funds must contribute at least 10 percent of the HWWS grant to capitalize the revolving loan fund. The cost-sharing funds may be contributed from an applicant own resources or third-party resources sources other than the proceeds of the HWWS grants. In-kind contributions will not be considered.
Community Programs

• **Water/Sewer Programs:**
  - Solid Waste Management Program (SWM)

To evaluate current landfill conditions to determine threats to water resources. Provide technical assistance and/or training to enhance operator skills in the operation and maintenance of active landfills. Provide technical assistance and/or training to help communities reduce the solid waste stream. Provide technical assistance and/or training for operators of landfills which are closed or will be closed in the near future with the development and implementation of closure plans, future land use plans, safety and maintenance planning, and closure scheduling within permit requirements.

Eligible applicants include non-profit organizations, public bodies, tribes, and academic institutions.

Grant awards have averaged $100,000 or less.
FY 2014 Water/Sewer Obligations

38 Projects:

Direct Loan - $49,466,000
Direct Grant - $19,120,000
306C Tribal - $300,000
PPG/SEARCH Grants - $104,000
Solid Waste Management - $95,500

TOTAL - $69,085,500
## 2015 Estimated Levels of Funding:

Around the same as last year..............

### Water & Sewer Allocation

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
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<tbody>
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<td>$32,510,000</td>
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<tr>
<td>Direct Grant</td>
<td>$10,935,000</td>
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### Community Facilities Allocation

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<tr>
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<td>Guarantee</td>
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<tr>
<td>Direct Grant</td>
<td>$214,000</td>
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### Economic Impact

<table>
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<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiative Grant</td>
<td>-0-</td>
</tr>
</tbody>
</table>

Continuing Resolution until December 11, 2014.
Public-Private Partnership

• LEVERAGING – Funds from other sources including, but not limited to:
  
  CDBG
  SRF/DWRF
  MDOT
  DDA/TIFA
  Applicant’s general and/or enterprise funds

• The percentage of leveraging may give your project priority over another project by assigning additional priority points!
Miscellaneous Items

• Rural Development accepts applications year round and can fund projects any time, subject to funding availability and approval of funding allocations.

• If project is not selected for funding, the project remains on our application list until withdrawn by the applicant.

• For those pending applications, it is strongly suggested that either the applicant or the engineer keep us informed on any changes of project scope and amount of funds needed.

• Rural Development projects funded with our regular allocation are not required to comply with Davis Bacon.
St Clair County – Village of Avoca/Kenockee Twp

Sewer Project

$2,200,000

Wetland drain field
Leveraged with Clean Michigan Initiative Grant funds
• City of Potterville
• Sewer - $3,515,000
• Water - $2,067,000
• Streets (CF) - $1,434,000
Lakeland Immediate Care Center – New Clinic in Cassopolis
$1,500,000 Direct Loan
$4,400,000 HHS HRSA Grant
$954,544 Applicant contribution
Lake Odessa Community Library - New library

$625,000 Direct Loan
$868,000 Applicant contribution
Sault Ste Marie Tribe of Chippewa

$2,480,000 Direct Loan

Renovation of old school building in Munising, to be used for elder gatherings and other tribal community activities.
Village of Bangor Police Vehicle

$11,000 CF Grant

$17,000 Applicant contribution
City of Boyne EMS Rescue Vehicle
$10,000 CF Grant
$19,350 Applicant Contribution
Contact

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**Updated June 25, 2014**

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**USDA – RURAL DEVELOPMENT COMMUNITY PROGRAMS**

**Community Facilities (CF) and Water/Sewer (WEP)**

WEP - Water/Wastewater Disposal Loans/Grants – Predevelopment Planning/SEARCH Grants

Native American Section 306C Grants - Emergency Community Water Assistance Grants

Solid Waste Management Grants

CF - Community Facilities Loans & Grants

RUS* - Distance Learning/Telemedicine Loan and Grant - Broadband Loans and Grants

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ronald.mellon@wdc.usda.gov

**Native American Section 306C Grants - Emergency Community Water Assistance Grants**

**Solid Waste Management Grants**

**CF - Community Facilities Loans & Grants**

**RUS* - Distance Learning/Telemedicine Loan and Grant - Broadband Loans and Grants**

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