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USDA RURAL DEVELOPMENT BUSINESS PROGRAMS

Agency Representative:
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Community and Business Programs Specialist

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Stay Connected with USDA:


Our New Location!

 **First Hawaiian Bank**
Mongmong-Toto-Maite, Guam




1. Head east on Purple Heart Hwy (Route 8)
About 1 min
2. Turn left onto N St
About 2 mins
3. N St turns slightly left and becomes E Sunset Blvd
About 2 mins
4. Turn right into The PACAIR Bldg. for USDA RD
700 E. Sunset Blvd. Ste 280, 2nd Floor








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USDA - RURAL DEVELOPMENT




Vision Statement:
Partners in helping the people of Rural America develop **sustainable** communities.

Mission Statement:
Enhance the ability of rural communities to **develop, to grow** and **to improve** their **quality of life** by targeting financial and technical resources in areas of greatest need through activities of greatest potential.

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USDA - RURAL DEVELOPMENT



Over 40 grant, Direct and Guaranteed loan programs to finance housing, businesses, and infrastructure in rural areas.

Program Areas:

- Rural Housing Programs
- **Rural Utility Programs**
- Rural Business and Cooperative Programs
- Renewable Energy Grants and Guaranteed Loans



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INFRASTRUCTURE PROGRAMS




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Water and Environmental Funding Programs

- **Water & Waste Disposal Loan & Grant**
- **Special Evaluation Assistance for Rural Communities and Households (SEARCH)**
- **Predevelopment Planning Grants (PPG)**
- **Emergency & Imminent Community Water Assistance Grant (ECWAG)**


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FY 2015 Estimates

Direct Loan \$8.6M
Grant \$2.3M
Guaranteed (Nationwide)
PPG (Nationwide) \$1M
SEARCH (Nationwide) \$1M

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Water & Waste Disposal Loan & Grant

Program Overview

What does this program do?
Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

What kinds of funding are available?
Long-term, low-interest loans
If funds are available, grants may be combined with a loan if necessary to keep user costs reasonable

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Water & Waste Disposal Loan & Grant Overview-Continued

Who may apply?

This program assists qualified applicants that are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- Most State and local governmental entities
- Private non-profits
- Federally recognized Tribes

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Water & Waste Disposal Loan & Grant Overview-Continued

How may the funds be used?

Funds may be used to finance the acquisition, construction or improvement of:


- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal
- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal

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Additional/Other Costs That Can Be Funded

- Engineering
- Environmental
- Legal
- Administrative
- Purchase water rights
- Purchase land rights
- Surveys/ROWs
- Construction loan interest
- Refinancing under certain conditions
- Purchase existing systems under certain conditions


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Water/Wastewater Funding Loans/grants- Continued

Ineligible Purposes

- Facilities not modest in size, design, and cost
- Loan or grant finder's fees
- Construction of any new combined storm and sanitary sewer facilities
- Any portion of a facility that does not serve a rural area

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Water/Wastewater Funding Loans/grants- Continued

Loan Terms: 40 years or useful life of system

Interest Rates: (subject to change quarterly)

- **Poverty Rate: 2.25% - MHI LT \$47,482 (2010 Census) & health or sanitary problem**
- **Intermediate Rate: 3.0% - MHI \$47,482 - \$49,793**
- **Market Rate: 3.50% - MHI > \$49,793**


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Water/Wastewater Funding Loans/grants- Continued

Security/Collateral :

- Public Bodies:**
 - General Obligation Bond**
 - Revenue Bond**
- Non-Profits:**
 - Deed of Trust**
 - Promissory Note**
 - UCC filing**


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Water/Wastewater Funding Loans/Grants- Continued

Other Requirements:


- **Public bidding of construction**
- **Water Meters**
- **Other Credit**
- **Refinancing**
- **No free service**
- **Flood plain impact avoidance**
- **Non-discrimination**
- **Drug-Free workplace**
- **Annual financial reporting**

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The Application Packet

- **Application Package Forms and Information**
 - SF 424- Application for Federal Assistance
 - Organizational Documents or Enabling Legislations (Public Bodies)
 - Financial Statements
 - Documentation on Existing Debt
 - Others
- **Preliminary Engineering Report (PER)**
- **Environmental Report**

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Preliminary Engineering Report (PER)

The PER describes the proposed project from an engineering prospective, analyzes alternatives to the proposal, defines project costs and provides information critical to the underwriting process.

The PER format will generally include:

- Project Planning
- Existing Facilities
- Need For the Project
- Alternatives Considered
- Section Of an Alternative
- Proposed Project (Recommended Alternative)
- Conclusions and Recommendation


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Preliminary Engineering Report (PER)

Water and Waste Disposal Program RUS Bulletin 1780-2


http://www.rurdev.usda.gov/RDU_Bulletins_Water_and_Environmental.html

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Environmental Resources to be Evaluated:


- Land Use
 - General
 - Important Farmland
 - Formally Classified Lands
- Floodplains (500 yr. for critical facilities)
- Wetlands
- Historic Properties
- Biological Resources
- Water Quality
- Coastal Resources
- Socio-Economic/ Environmental Justice
- Miscellaneous Issues
 - Air Quality
 - Transportation
 - Noise

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GRANT OPPORTUNITIES

- **Special Evaluation Assistance for Rural Communities and Households (SEARCH)**
- **Predevelopment Planning Grants (PPG)**
- **Emergency & Imminent Community Water Assistance Grant (ECWAG)**

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**Special Evaluation Assistance for Rural Communities and Households
 (SEARCH)**

Purpose: To make predevelopment planning grants for feasibility studies, design assistance, and technical assistance

How may the funds be used?
 To pay predevelopment planning costs, including:

- Feasibility studies to support applications for funding water or waste disposal projects
- Preliminary design and engineering analysis
- Technical assistance for the development of an application for financial assistance

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SEARCH


- 7 CFR 1774 Regulation
- Up to 100% of costs - no more than \$30,000
- Entities – Municipalities, Non-Profits, Tribes
- Location – LT 2,500 in population
- Financially Distressed – MHI LT \$47,482

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SEARCH

- National Office has allocated \$1M nationwide, first come-first serve;
- PER/ER must be completed to RD requirements



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Predevelopment Planning Grants- (PPG)

What does this program do?
It assists low-income communities with initial planning and development of an application for USDA Rural Development Water and Waste Disposal direct loan/grant and loan guarantee programs. Essentially the same as **SEARCH**

How may the funds be used?
Grants may be used to pay part of the costs of developing a complete application for USDA Rural Development Water & Waste Disposal direct loan/grant and loan guarantee programs

Grant up to \$30,000 or 75% of cost

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Emergency Community Water Assistance Grants (ECWAG)

What does this program do?
This program helps eligible communities prepare for, or recover from, an emergency that threatens the availability of safe, reliable drinking water for households and businesses.

Who may apply?

- Most State and local governmental entities
- Nonprofit organizations
- Federally recognized Tribes


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Emergency Community Water Assistance Grants (ECWAG)

What kind of event can qualify as an emergency?

- Drought or flood
- Earthquake
- Tornado or hurricane
- Disease outbreak
- Chemical spill, leak or seepage
- Other disasters

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Emergency Community Water Assistance Grants (ECWAG)

How may the funds be used?

\$500,000 - may be made to alleviate a significant decline in quantity or quality of water available to a rural area that occurred within two years of filing an application with the Agency, or to attempt to avoid a significant decline that is expected to occur during the twelve month period following the filing of an application

\$150,000 - Grants made for repairs, partial replacement, or significant maintenance on an established system to remedy an acute shortage or significant decline in the quality or quantity of potable water, or an anticipated acute shortage or significant decline


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Emergency Community Water Assistance Grants (ECWAG)

Eligible Project Costs –

- Waterline extensions from existing systems.
- Construction of new waterlines.
- Repairs to an existing system.
- Significant maintenance to an existing system.
- Construction of new wells, reservoirs, transmission lines, treatment plants, and other sources of water.
- Equipment replacement.
- Connection and/or tap fees.
- Pay costs that were incurred within six months of the date an application was filed with the Agency to correct an emergency situation that would have been eligible for funding under this part.


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Application Process & Requirements

Two key steps **PRIOR** to applying (required for all federal programs):

- **Obtain a DUNS (Data Universal Numbering System)**; Call D&B using the toll-free number, 1-866-705-5711
- **SAM (System Awards Management)**:
 - <https://www.sam.gov/portal/public/SAM/>

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COMMENTS/QUESTIONS


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THANK YOU !!

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