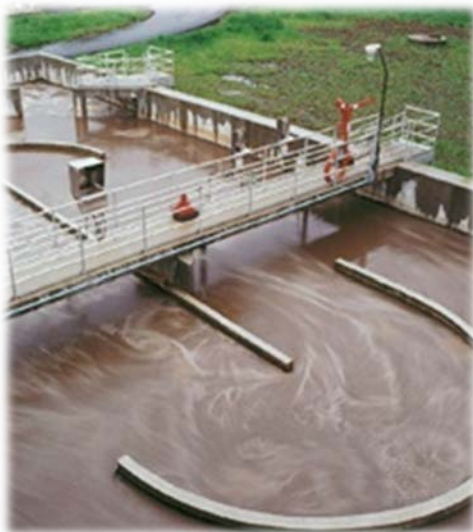


Rural Development

Silverton, OR



Garibaldi, OR



Rockaway Beach Civic Center



Community Programs

USDA is an equal opportunity provider, employer and lender.



United States Department of Agriculture

Rural Development

Our Mission Statement

To Increase Economic Opportunity And
Improve The Quality Of Life For All Rural
Americans



Rural Development

Rural Development is a Mission Area within USDA

Rural Development includes:

Rural Housing Service (RHS)

Rural Utility Service (RUS)

Rural Business and Cooperative Service (RBS)

~

Community Programs manages

**The Water and Environmental Program (WEP) of RUS and
the Community Facility Program (CF) of RHS**



Rural Development

Eligible Projects – WEP/RUS

Capital Improvement Projects

Costs associated with construction, enlargement, extension or improvement to:

Water Systems

Sewer Systems

Solid Waste Disposal Facilities

Storm Wastewater Facilities

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Eligible Project - CF

Facility Construction/Remodel and Equipment Acquisition for:

- Libraries** • Hospitals • **Clinics** • Police Stations
- Fire Stations • **Schools** • Child Care • **City Halls**
- Civic Centers • **EMT equipment** • Food Banks
- Fire Equipment & Vehicles • **Early Education**
- Police Equipment & Vehicles** • Shelters
- & all other **Essential Community Facilities**

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Eligible Entities

- Public Bodies
- Nonprofits
- Federally Recognized Indian Tribes and those on Federal and State Reservations

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Eligible Community Size

- Water, Wastewater, Solid Waste and Stormwater projects:
 - Rural areas and incorporated areas with populations less than 10,000
- Community Facilities
 - Rural areas and incorporated areas with populations less than 20,000



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Loan Terms Available

- Municipalities, Non-profits, Tribes: 40 Years
- Water and Sewer Districts: 30 years
- Terms are also limited by:
 - Statutory Limitation on Organization
 - Useful Life of the Facility

There are no prepayment penalties



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Security for Loan

- Public Borrowers:
 - General Obligation Bonds
 - Revenue Bonds
 - Pledge of Taxes or Assessments
- Non Profit Borrowers:
 - Promissory Note & DOT/Mortgage
 - Assignment of Revenues



Rural Development

WEP Interest Rates

Quarter Ending March 31, 2016

- Market Rate: **3.125%**
Median Household Income (MHI) is over State Non-Metropolitan MHI (SNMHI) of \$52,855
- Intermediate Rate: **2.50%**
80% to 100 % of SNMHI
- Poverty Line Rate: **1.875%**
Less than 80% of SNMHI and document Health or Primary Sanitary Standards presently not being met that will be corrected as a result of the project.

Applicants may choose the lower of the market rate at obligation or the rate applicable to them at the time of closing their loan



Rural Development

CF Interest Rates Quarter Ending March 31, 2015

- Market Rate: **3.125%**
Median Household Income (MHI) is over State Non-Metropolitan MHI (SNMHI) of \$52,855
- Intermediate Rate: **INVERTED 3.125%**
MHI between SNMHI and Poverty Line MHI (or 80% of SNMHI, which ever is higher)
- Poverty Line Rate: **INVERTED 3.125%**
- Less than Poverty Line MHI (or 80% of SNMHI, whichever is greater) and health or safety standards presently not being met must be corrected by the project being funded

Applicants may choose the lower of the market rate at obligation or the rate applicable to them at the time of closing their loan



Rural Development

WEP Grant Funds

- ELIGIBILITY:
 - 75% Grant
 - MHI is below the higher of the poverty line or 80% of the SNMHI of \$52,855 AND a health violation exists
 - 45% Grant:
 - MHI exceeds the 80% of SNMHI but not more than 100%
 - Availability of Funds



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CF Grant Funds

- **ELIGIBILITY:**

- 75% Grant
 - MHI is below 60% of the SNMHI , AND population of 5,000 or less
- 55% Grant:
 - MHI is below 70% of the SNMHI, AND population of 12,000 or less
- 35% Grant:
 - MHI is below 80% of the SNMHI, AND population of 20,000 or less
- 15% Grant:
 - MHI is below 90% of the SNMHI, AND population of 20,000 or less
 - STATE NON-METROPOLITAN MEDIAN HOUSEHOLD INCOME
Oregon SNMHI \$52,855
- Subject to Availability of Funds

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Other Credit Analysis

- Applicant contributes available resources to the project.
- Applicant seeks financing through commercial sources.
- If credit is not available on reasonable terms, RD can consider funding.



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WEP Similar System EDU Costs

A similar system is one that is similar in:

- Design
 - Size
 - Technology
 - Number of service connections
 - Functional age of system
 - MHI of the Project Service Area
 - Other factors
-
- RD uses historical information and reliable surveys to obtain similar systems data.



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Native American Section 306C Water and Wastewater Grants

- Per capita income \$15,110
- Unemployment rate is not less than 12.125%
- Federally Recognized Tribe or
 - a community with more than 50% Native American population from a Federally recognized Tribe.
- Funds cannot be used for projects eligible under any other set aside
- Maximum amount for any project \$1,000,000
- Must face significant health risks



Rural Development

Emergency Community Water Assistance Grant (ECWAG)

- To alleviate a significant decline in source of potable water, or
- To remedy an acute shortage or decline in potable water caused by a break or needed critical repair to a distribution system
- Funds Available per project:
 - Water Source – not to exceed \$500,000
 - Water Distribution – Not to exceed \$150,000
- Other considerations apply, such as debt repayment ability, population, and similar systems cost



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Predevelopment Planning Grants (PPG – WEP/RUS)

- Maximum grant is \$30,000 or 75% of the project cost, whichever is less
- Applicant must have MHI below \$42,284 (<80% MHI \$52,855)
- Must be used for a project that RD will fund within the next 12-18 months
- Priority given to smallest systems with limited resources & Population served <1,000



Rural Development

Search Grant (New 2012)

Grant Eligible Communities

- Maximum grant is \$30,000 or 100% of the project cost, whichever is less
- Applicant must have MHI below \$42,884
($<80\%$ MHI \$52,855)
- Must be used for a project that RD is likely to fund within the next 12-18 months
- Limited to the systems with very limited resources & population $<2,500$

Rural Development

Environmental Policy

- Environmental Review in compliance with NEPA. Prepared by applicants consultant and approved by RD
- Requires Close coordination with RD staff
- May require consultation with:
 - SHPO/THPO
 - US F&W
 - Others depending on resources and impacts
- May require public notification
- May require mitigation measures during construction



Rural Development

Additional Information and Services

- RD staff assists with application process and supervises construction.
- RD provides permanent funding, interim funding is usually necessary.
- RD requires the use of Standardize Engineering and Architects Agreements and Contract Documents (EJCDC/AIA)
- Standardized Facility Plans guidance for projects that have multiple agency funding (DEQ/RD/CDBG)

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Additional Services

- RD contracts with Technical Assistance providers:
Rural Community Assistance Corporation (RCAC)
& Oregon Association of Water Utilities (OAWU)
to provide a wide range of services including, but not limited to:
 - Community Planning and Development
 - Strategic Planning / Management Assistance
 - Financial Analysis
 - Rate Structure and Studies
 - Board Training
 - O&M advise/assistance



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When to Make Application

TO ASSURE MAXIMUM POTENTIAL PROJECT FUNDING & REIMBURSEMENT OF ALLOWABLE COSTS

- Contact with USDA RD **EARLY** in the project planning
- Coordinate Engineering/Architecture and Environmental planning with RD State Engineer/state Architect (SE/SA) & State Environmental Coordinator
- NEVER start bid solicitations, construction, purchase of property, etc. without RD WRITTEN approval.



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The Process

- ONE STEP PROCESS:
 - APPLICATION
 - PRELIMINARY ENGINEERING REPORT (PER)
 - ENVIRONMENTAL REPORT (ER)
- SITE VISIT EARLY ON TO COORDINATE PER AND ER REQUIREMENTS
- GET OFF ON THE RIGHT FOOT:
 - PUBLISH A RFP AND INTERVIEW POTENTIAL ENGINEERS FOR YOUR PROJECT
 - TALK WITH OTHER COMMUNITIES/DISTRICTS TO SEE HOW THEY RATE THEIR EXPERIENCE WITH AN ENGINEER YOU MAY BE HIRING

Rural Development

A Complete Application - Eligibility

- Application Form – SF 424
- PER for WEP or /PAR for CF and ER (2 copies)
- Certification that other credit is not available
- Financial statements, audits (3 years), organizational documents, existing debt instruments and rate schedules (current & most recent fy)
- Must be sufficient to enable RD to determine eligibility of the applicant and the project
- Determination made within 45 days of receipt of this material



Rural Development

Fund Obligations

	2010 (w/ARRA)	2013	2014	2015
Water and Waste	\$43,685,090	\$14,397,778	\$27,487,178	\$37,483,378
Community Facility	\$2,090,000	\$9,514,769	\$463,681	\$21,123,237
Total	\$45,775,090	\$23,912,547	\$27,950,859	\$58,606,615



Rural Development

Field Representatives	Counties Served
<p>Drew Davis Drew.davis@or.usda.gov (503) 414-3336</p>	<p>Benton, Lane, Lincoln, Linn, Polk, Clackamas, Clatsop, Columbia, Hood River, Marion, Multnomah, Tillamook, Washington and Yamhill</p>
<p>LaDonn McElligott Ladonn.mcelligott@or.usda.gov (541) 278-8049 x 132</p>	<p>Baker, Gilliam, Grant, Malheur, Morrow, Sherman, Union, Wallowa, Umatilla, Wasco and Wheeler</p>
<p>Kimberley Young Kimberley.Young@or.usda.gov (541)-923-4358 x 137</p>	<p>Crook, Deschutes, Harney, Jefferson, Klamath and Lake</p>
<p>Deanna Quimby Deanna.quimby@or.usda.gov Jennifer.bacigalupo@or.usda.gov (541) 673-0136 x 120</p>	<p>Coos, Curry, Douglas, Jackson and Josephine</p>
<p>Sam Goldstein Community Programs Director Sam.goldstein@or.usda.gov (503)414-3362</p>	<p>All</p>



United States Department of Agriculture

Rural Development

Rural Development State Office

1201 NE Lloyd Blvd., Suite 801
Portland, OR 97232-1274

(503) 414-3360



Rural Development

QUESTIONS?

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