



*Helping to improve the economy and quality of life in rural communities.*

**Titus J. Falkenburg, P.E.**

**New York State Program Overview  
USDA | Rural Development**

# WHO/ WHAT MAKES UP THE USDA?





Grain Inspection, Packers & Stockyards Admin



# RURAL DEVELOPMENT

## Rural Utilities Service (RUS)

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

## Rural Business Service (RBS)

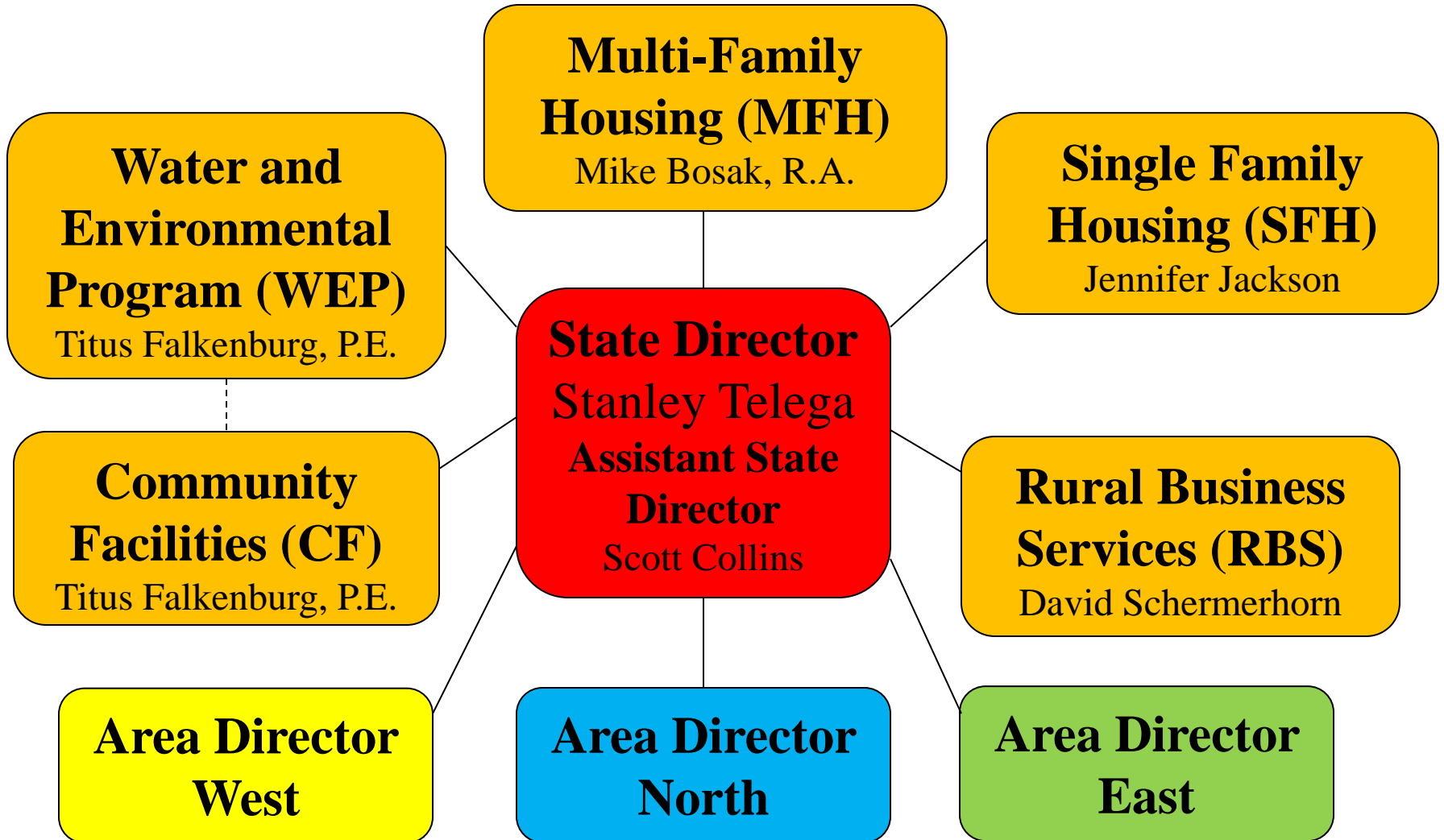
- Business Programs
- Energy Programs

## Rural Housing Service (RHS)

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

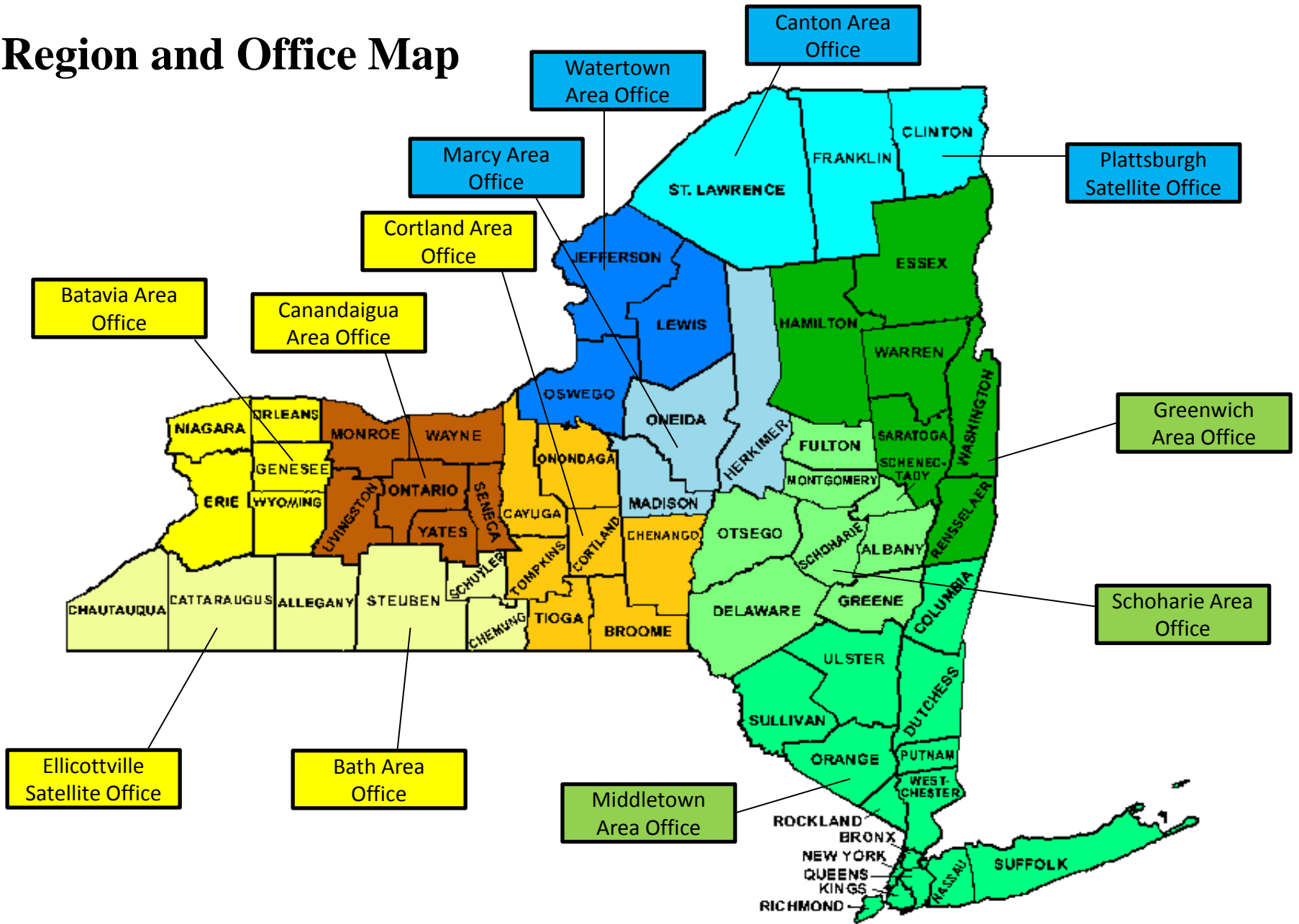


# State Office Programs





# Region and Office Map



# Area Office Staff

**Area Director West**  
James Walfrand

**Batavia**

Dawn Kuras

**Bath**

Tom Becker

**Canandaigua**

Cindy Newcomb

**Cortland**

Christina Cerio

**Area Director North**  
Brian Murray

**Canton**

Renee Hotte

**Marcy**

*Vacant*

**Watertown**

Mike Mannigan

**Area Director East**  
Ronda Falkena

**Greenwich**

Gretchen Pinkel

**Middletown**

George Popp

**Schoharie**

Jeff Archer



# State Office – WEP/CF Staff

- Community Programs Director (CPD) – **Titus Falkenburg, P.E.**
- Community Programs Specialists (CPS)
  - **Tracy Sigouin** – Canton, Marcy, Watertown
  - **Brenda McKeown** – Batavia, Bath, Canandaigua
  - **Brenda Smith** – Cortland, Greenwich, Middletown, Schoharie
  - **Gail Giannotta** – CF and all smaller programs
- Community Programs Technician – **Linda Hayes**





# State Office – WEP/CF Staff

- State Engineers (SE) and State Architect (SA)
  - **Marcy Newman, P.E.** – North / East
  - **John Helgren, P.E.** – South / West
  - **Kimberly Peden, R.A.** – Entire State
- Construction Control Inspectors (CCI)
  - **Martin Clarke** – East
  - **Steven Davis** – West
- Environmental
  - **John Helgren, P.E.** – State Environmental Coordinator (SEC)
  - **Madeline Crowe** – Assistant State Environmental Coordinator (ASEC)



# WATER & ENVIRONMENTAL PROGRAM (WEP)



# WATER & ENVIRONMENTAL PROGRAM (WEP)

- **Facilities include:**
  - Water / Wastewater Treatment Facilities
  - Water / Sewer Pipeline
  - Pumping Stations
  - Water Storage Tanks
  - Solid Waste Disposal
  - Storm Water Facilities



# WATER & ENVIRONMENTAL PROGRAM (WEP)

- Direct Loan and Grant Program
- Guaranteed Loan Program
- Pre-development Planning Grants (PPG)



# WATER & ENVIRONMENTAL PROGRAM (WEP)

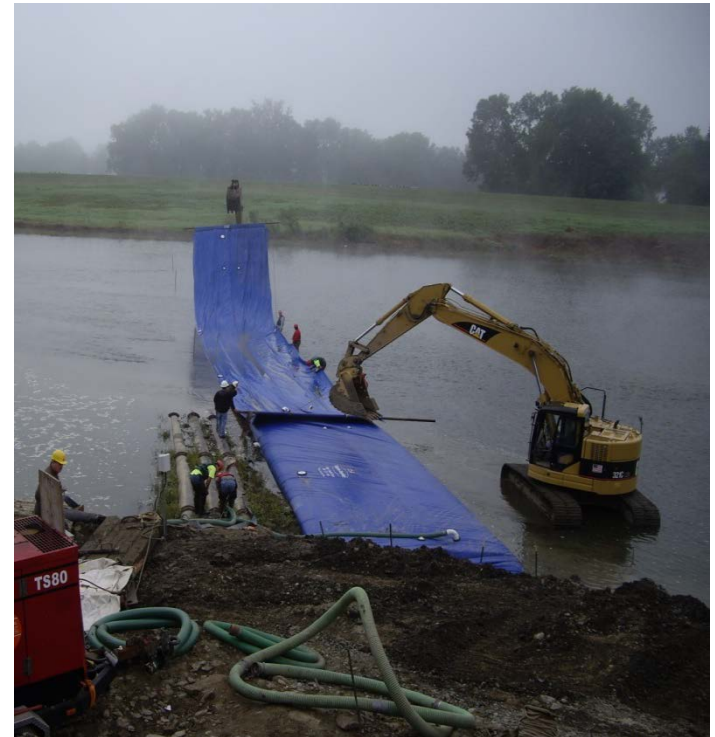


- Technical Assistance and Training Grant Program (TAT)
- Solid Waste Management Grant Program (SWMG)



# WATER & ENVIRONMENTAL PROGRAM (WEP)

- Appalachian Regional Commission (ARC)
- Emergency Community Water Assistance Grants Program (ECWAG)
- Native American Tribes and Colonias





# OVERVIEW OF SUCCESS – FY2013

	<u>Loans/Grants</u>	<u>Funding</u>
Water/Wastewater		
Direct Loans	25	\$30,196,000
Direct Grants	24	\$13,884,600
Solid Waste Management Grant (SWM)	1	\$185,000
Tech Assist & Training Grant (TAT)	1	\$197,700
Emergency Comm Water Assist Grant Program (ECWAG)	1	\$500,000
Distance Learning Telemedicine (DLT)	6	\$2,351,583



# OVERVIEW OF SUCCESS – FY2013

• WEP Funding	\$45,000,000
• Leveraged Funding	<u>\$28,000,000</u>
• <b>Total Project Costs</b>	<b>\$73,000,000</b>

- Top 10 in the Nation
- Over 50 Loans/Grants Provided
- 68 Construction Contracts Approved
- \$63,000,000 in Contracts Awarded



# COMPARISON TO PREVIOUS YEARS

	<b>Allocation</b>	<b>Obligated</b>
• FY13	\$36,085,000	\$44,580,600
• FY12	\$30,370,000	\$36,207,000
• FY11	\$35,371,000	\$40,427,200

- SWMG, TAT, and DLT grants are administered thru National Office and competed for Nationally (no New York allocation).



# FUNDING – FY 2014

- Farm Bill – Funded 7 projects
- Regular Allocation Received
  - \$36,027,000 Loan
  - \$9,967,000 Grant
- Over 60 applications backlogged.
- New applications are being accepted, reviewed, scored, and funded.
- Funding available until August 1, 2014 or until our funds run out.



# 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.



# APPLICATION PROCESS - WEP

- Complete Initial Application Package
- Need Preliminary Engineering Report
- Need Environmental Report
- RD then issues
  - Preliminary Funding Estimate (PFE)
  - Other – Ineligible, Other Credit, etc.



# APPLICATION PROCESS - WEP

- Preliminary Funding Estimate (PFE)
  - Not a funding commitment
  - Gives Applicant a potential funding scenario
  - Invites Full Application
- Letter of Condition (LOC)
  - Commitment Letter
  - Details loan/grant requirements
  - If unable to fund current fiscal year then:
    - Send to National Office for pooling
    - Compete the following fiscal year

# 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**

- Need letter from Regulatory agency stating “project is necessary to alleviate health or sanitary problem”
- Poverty Rate this quarter **2.5%**



# INTEREST RATES - WEP

- **Intermediate Rate**
  - Does not qualify for Poverty Rate
  - Between \$45,506 and \$56,882.
  - Intermediate Rate this quarter is 3.25%
- **Market Rate**
  - Does not qualify for other rates
  - Over \$56,882.
  - Intermediate Rate this quarter is 4.125%
- Rates change every quarter (three months)



# LOAN TERMS - WEP

The loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond. In New York, we use **38 years** as the project is typically on a Bond Anticipation Note (BAN) for 2 years prior to loan closing.



# Grants - WEP

- Grants are determined based on affordability, which is determined by Similar Systems costs.
- Similar Systems are other communities that have similar MHI, population, treatment systems, etc.
- Example
  - Town, MHI \$50,000
  - Affordability = 1.6% MHI or \$800 per EDU per year



# Maximum Grants - WEP

- 75 percent, up to a maximum of **\$750,000**
  - Qualify for Poverty Rate and the project is necessary to alleviate a health or sanitary problem.
- 45 percent, up to a maximum of **\$500,000**
  - Qualify for Poverty Rate but the project is not necessary to alleviate a health or sanitary problem.
  - Qualify for Intermediate Rate
- No grant funds for Market Rate (MHI over \$56,882)



# Community Facilities (CF)



# COMMUNITY FACILITIES (CF)

- **Facilities can include:**
  - City/town/village halls, public vehicles, community centers, museums, food banks, libraries, 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
  - Schools, child care centers, head start centers, classrooms and dormitories



# COMMUNITY FACILITIES (CF)

- Direct Loan and Grant Program
- Guaranteed Loan Program
- Rural Community Development Initiative Grants (RCDI)
- Economic Impact Initiative Grant (EII)
- Rural Economic Area Partnership Grant (REAP)





# OVERVIEW OF SUCCESS – FY 2013

	<u>Loans/Grants</u>	<u>Funding</u>
Community Facilities (CF)		
Direct Loan	11	\$11,297,900
Direct Grant	11	\$305,570
Economic Impact Initiative Grant (EII)	1	\$179,280
Rural Economic Area Partnership (REAP)	1	\$33,000



# OVERVIEW OF SUCCESS – FY 2013

CF Funding	\$11,815,000
Leveraged Funding	<u>\$18,100,000</u>
<b>Total Project Costs</b>	<b>\$29,915,000</b>

- 24 Loans/Grants Provided



# COMPARISON TO PREVIOUS YEARS

	<b>Allocation</b>	<b>Obligated</b>
• FY13	\$53,324,000	\$11,815,350
• FY12	\$39,596,000	\$11,773,000
• FY11	\$11,747,000	\$13,704,000

- RCDI grants are administered thru National Office and competed for Nationally (no New York allocation).



# FUNDING – FY 2014

- Farm Bill – Recently Signed
- Regular Allocation Received
  - \$45,430,750 Loan
  - \$359,000 Grant
  - \$107,900 EII Grant
- 22 Applications backlogged.
- New applications are being accepted, reviewed, scored, and funded.
- Funding available until August 1, 2014 or until our funds run out.



# APPLICATION PROCESS - CF

- Preliminary Application Received
- If incomplete, letter sent for additional information
- Letter then sent authorizing Full Application



# ELIGIBILITY - CF

- 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 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.



# LOAN TERMS / INTEREST RATES - CF

- Interest Rate - 4.125%
- New Construction – 30 years
- Rehabilitation – 20 years
- Vehicle – varies (average of 15 years)



# MAXIMUM GRANT - CF

- Grants based on MHI, project cost and financials
- There is a grant cap for this fiscal year:
  - Project cost less than \$100,000 - **\$10,000**
  - Project cost between \$100,000 to \$500,000 - **\$20,000**
  - Project cost more than \$500,000 - **\$30,000**





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