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?
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)
Region and Office Map

- Batavia Area Office
- Canandaigua Area Office
- Bath Area Office
- Ellicottville Satellite Office
- Watertown Area Office
- Marcy Area Office
- Cortland Area Office
- Greenwich Area Office
- Schoharie Area Office
- Canton Area Office
- Plattsburgh Satellite Office
- Middletown Area Office
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)
  o Tracy Sigouin – Canton, Marcy, Watertown
  o Brenda McKeown – Batavia, Bath, Canandaigua
  o Brenda Smith – Cortland, Greenwich, Middletown, Schoharie
  o 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

<table>
<thead>
<tr>
<th>Loans/Grants</th>
<th>Funding</th>
</tr>
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<tbody>
<tr>
<td>Water/Wastewater</td>
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<tr>
<td>Direct Loans</td>
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<td>Direct Grants</td>
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<tr>
<td>Solid Waste Management Grant (SWM)</td>
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<td>Tech Assist &amp; Training Grant (TAT)</td>
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<tr>
<td>Emergency Comm Water Assist Grant Program (ECWAG)</td>
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<tr>
<td>Distance Learning Telemedicine (DLT)</td>
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</table>
OVERVIEW OF SUCCESS – FY2013

- WEP Funding: $45,000,000
- Leveraged Funding: $28,000,000
- Total Project Costs: $73,000,000
- Top 10 in the Nation
- Over 50 Loans/Grants Provided
- 68 Construction Contracts Approved
- $63,000,000 in Contracts Awarded
COMPARISON TO PREVIOUS YEARS

<table>
<thead>
<tr>
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<th>Allocation</th>
<th>Obligated</th>
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<tbody>
<tr>
<td>FY13</td>
<td>$36,085,000</td>
<td>$44,580,600</td>
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<td>FY12</td>
<td>$30,370,000</td>
<td>$36,207,000</td>
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<tr>
<td>FY11</td>
<td>$35,371,000</td>
<td>$40,427,200</td>
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</table>

- 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)
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<tr>
<td>Direct Loan</td>
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<tr>
<td>Direct Grant</td>
<td>11</td>
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<tr>
<td>Economic Impact Initiative Grant (EII)</td>
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<tr>
<td>Rural Economic Area Partnership (REAP)</td>
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OVERVIEW OF SUCCESS – FY 2013

CF Funding $11,815,000
Leveraged Funding $18,100,000
Total Project Costs $29,915,000

• 24 Loans/Grants Provided
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<td>FY13</td>
<td>$53,324,000</td>
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<tr>
<td>FY12</td>
<td>$39,596,000</td>
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<tr>
<td>FY11</td>
<td>$11,747,000</td>
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</table>

- 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