

# Community Programs Overview

Nevada State Office

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# **USDA Rural Development**

# Rural Utilities Service – Water & Environmental Programs

https://www.rd.usda.gov/programs-services/all-programs/water-environmental-programs

# Rural Housing Service – Community Facilities Loan & Grant

**Programs** 

https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs

### Who is Eligible? Rural Areas?

- Eligible Applicants are units of local government (county, city or town board, special district, etc.)
- Not-for-profit organizations (HOA's that own and operate a water/wastewater system, Cooperatives, etc.)
- Federally Recognized Indian Tribes

Rural Development funding can be used for the construction and acquisition of water/wastewater/solid waste and storm water projects in communities and rural areas of Nevada that are under 10,000 in population based on American Community Survey data. May be owned/operated by a metropolitan system, but must serve a rural area.

## **How Funds May Be Used**

- 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
- Energy Efficiencies

# **Eligible Project Costs**

- Legal, administrative, and fiscal advisory costs
- Engineering: design, construction management, and inspection
- Environmental documents preparation
- Establishing or acquiring rights land and water
- Labor and material costs for construction, including meters
- Interest on interim construction loans
- Purchase of existing facilities to improve service or prevent the loss of service

#### Limitations

- No "combined" storm water and sanitary sewer projects
- Facilities which are not modest in size, design, or costs
- Developer driven projects
- Industrial user (wastewater pre-treatment)
- Portions of projects which serve an urban area

### Rates, Terms & Security

- Fixed Rate Loan usually for 40 years, additional payments/pre-payments are allowed
- Tiered Rate Structure based on Median Household Income
- Direct Loans are generally secured with a water or sewer revenue bond, GO Bond. Non-profit organizations use promissory note and Deed of Trust
- Guaranteed Loan Rate and Term is negotiated between bank and applicant

#### **Grants**

- Grants may be combined with loans (if funding is available) to help keep water/sewer rates at a reasonable level.
- Grant funding cannot be used to subsidize user rates and systems must demonstrate financial need to obtain grant funding.
- Grant eligibility is tied to Median Household Income of the Community.
  Water and/or Sewer rates should generally be ≤ to 1.5% of the community's MHI

### From Assessment to Funding

- Evaluate the system to determine needs Preliminary
  Engineering Report use ePER system to complete PER
- Identify most critical area(s) in need of financial assistance
- Evaluate eligibility (contact agency, use Technical Assistance providers, etc.)
- Determine level of Environmental Review
- Complete Application in RD Apply

## **How Can You Apply?**

 RD Apply is a new, online application system accessed here: <a href="http://www.rd.usda.gov/programs-services/rd-apply">http://www.rd.usda.gov/programs-services/rd-apply</a>

 You can register, obtain a user ID, and begin the application process. You, as the applicant can assign access to your consulting engineer to upload maps, reports, etc. You can allow others within your organization access as well.

## Other Ways to Apply

 You may submit applications the traditional way – a paper or pdf application, Preliminary Engineering and Environmental Report, financial documents, etc.

USDA RD staff will assist and guide you through the application process

## When Can You Apply For Funding?

USDA RD accepts applications continuously, and funding is generally provided on a "first come, first served basis". Communities with the lowest population and lowest median household income receive priority for funding.

USDA RD funding is based on the Federal fiscal year which begins October 1<sup>st</sup>, however, our state allocation of funding may be received later in the fiscal year.

## **Preliminary Engineering Report**

RUS Bulletin 1780-2 Preliminary Engineering Report for the Water and Waste Disposal Program – serves as a guide for preparing preliminary engineering reports for water, wastewater, storm water and solid waste facilities

http://www.rd.usda.gov/publications/regulations-guidelines/bulletins/water-and-environmental

#### ePER – Electronic Preliminary Engineering Reports



USDA is an equal opportunity provider, employer, and lender.

https://www.rd.usda.gov/files/WEP-ePER.pdf

https://www.rd.usda.gov/programsservices/services/water-environmental-engineers

#### **Environmental Assessment Process**

- NEPA process must be completed before funds can be obligated for a project
- USDA RD Environmental Regulation is 7 CFR 1970 information on Categorical Exclusions, Environmental Reports and Environmental Assessments
- 7 CFR Part 1970 is available here https://tinyurl.com/7-CFR-Part-1970

#### Other Available Funds

**PPG & SEARCH Grants** - available for pre-development costs – preliminary engineering report, environmental report, etc. Maximum of \$30,000 for communities with population of 2,500 or less, and Median Household Income (MHI) less than \$50,766

**Emergency & Imminent Community Water Assistance Grants (ECWAG)** - available to communities that have experienced a disaster (fire, flood, drought, etc.) or are experiencing a decline in the quantity or quality of water. Eligible communities must have a MHI at or below the state non-metro MHI, and priority is given to communities with a population of 3,000 or less.

## Funding Partnerships

- NDEP State Revolving Fund Drinking Water and Clean Water, Capital Improvement Grants
- Community Development Block Grant Program
- Indian Health Service
- US Army Corps of Engineers
- Applicant, State, Local or Foundation

# Rural Housing Service

Community Facilities Program

https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs

# Community Facilities Purpose and Eligible Areas

- The goal of the CF program is to improve the quality of life for rural residents through the provision of essential community facilities such as food distribution, health care, education and public safety
- Eligible applicants are faith and community-based organizations operated on a non-profit basis, local units of government, and Federally recognized Indian tribes
- Direct and guaranteed loans, and grants are available to develop essential community facilities in rural areas and towns of up to 20,000 in population.
- Facilities financed through this program must primarily serve rural residents

#### **How Funds Can Be Used**

- Purchase real estate/buildings
- New construction, expansion or renovations, ADA requirement
- Purchase of vehicles and major equipment (backhoes, road graders, sewer vac truck/jetter, garbage trucks, etc.)
- Construction/improvements to streets, roads, & bridges, dams, irrigation districts
- Grants are available on a prorated basis for projects in communities with smaller populations and lower median household incomes. Grants range from 15 to 75 percent of eligible project costs and require matching funds (small grant program, typically used for equipment/vehicles only)

#### **Health Care**

Hospitals, ambulatory care centers, clinics, rehabilitation centers, group homes, assisted living & nursing homes, federally funded rural health clinics, and critical access hospitals

#### Education

Schools –public and charter, school buses, head start centers, pre-schools, childcare centers, and college classrooms or dormitories, and libraries

#### **Rates and Terms**

Fixed Rate through the loan term

- Interest Rate tied to Median Household Income of community/area to be served
- Term based on useful life of facility or equipment and repayment ability –buildings/real estate typically 30 years, can be up to 40 years, equipment is typically 3-15 years

## **Security Requirements**

Varies according to type of project, and should provide the best security position available to protect the Government during the life of the loan – examples:

- GO Bond, Revenue Bond, Certificate of Participation
- Promissory Note
- Deed of Trust
- UCC lien, Motor Vehicle Title
- Assignment of Income and Revenues

## **Preliminary Reports**

- Preliminary Architectural Report Community Facility Projects w/ Construction
  - Describes service area of facility
  - Describes existing facilities
  - Proposed facility
  - Cost estimate
  - Attach maps, drawings, etc.
  - Conclusions & recommendations
- Financial Feasibility Report
  - Examined Financial Forecast prepared by CPA/Firm with expertise in the area (health care/education, etc. for projects with projected cost of \$3 million+)
  - Prepared by your Design Consultant and Financial Consultant for smaller scale projects (for projects with projected cost under \$3million)

#### **Environmental Assessment Process**

- Tiered process
- Start Early
- Identify Important Resources
- Public Notices
- No Funding Until Completed

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