



Water and Environmental Programs (WEP) & Community Facility (CF) Programs

January 31, 2023

USDA Rural Development Programs



Rural Housing & Community Facilities	Rural Utilities Service	Rural Business & Cooperative Service
<ul style="list-style-type: none">• Homeownership Loans• Home Repair Loans & Grants• Mutual Self-Help TA Grants• Multi-Family Housing Loans• Housing Preservation Grants• Community Facilities Loans & Grants	<ul style="list-style-type: none">• Electric Program• Water & Environmental Programs• Telecommunications and Broadband Programs	<ul style="list-style-type: none">• Business and Industry Guaranteed Loans• Rural Business Development Grants• Intermediary Relending Program• Rural Energy for America Program• Advanced Biofuel Payment Program• Value Added Producer Grants• Cooperative Development Assistance



RD OBLIGATIONS | Executive Overview

For USDA Internal Use Only

Data through: 9/30/2022

Disclaimer: Dashboards are designed to report program-specific performance and should never be used as a Rural Development financial report of record

Agency UTILITIES	Program Area WATER & ENVIRONME..	Residential vs. Commer.. Commercial	Loan/Grant All	Direct/Guaranteed All	Program/Special Initativ.. All	Type of Assistance All	Fiscal Year Multiple values	NAICS Code Industry Other or Not defined	■ Disbursed ■ Obligated
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OBLIGATION COUNT

62

TOTAL OBLIGATED

\$144,531K

TOTAL DISBURSED

\$80,973K

LOANS

28

GRANTS

52

LOANS

\$93,828K

GRANTS

\$50,703K

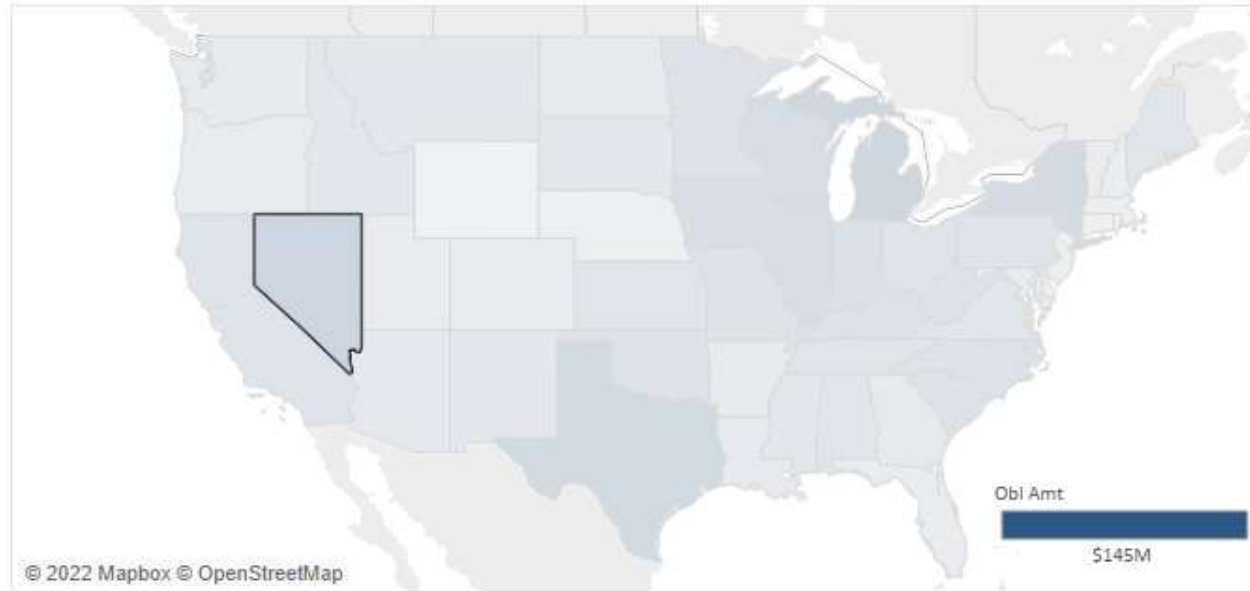
LOANS

\$45,941K

GRANTS

\$35,032K

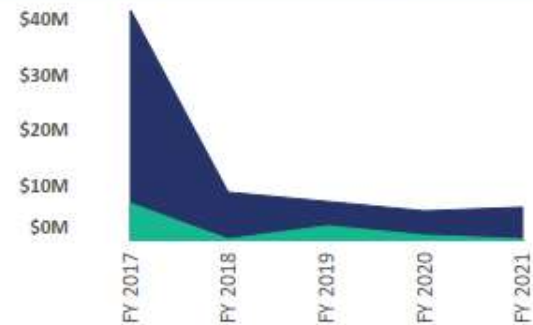
OBLIGATIONS MAP | Click to Filter by State



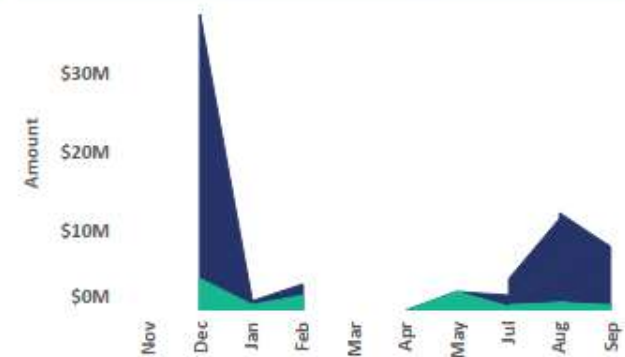
FY 2022, FY 2021, FY 2020 and 7 more OBLIGATED VS DISBURSED | Click to Filter by Program Area



5-YEAR ANNUAL TREND



MONTHLY TRENDS



Water and Waste Disposal Loans and Grants

- 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.
- **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



Water and Waste Disposal Loans and Grants

- Funding also covers activities including soft costs that are related to the construction or improvements including:
 - Engineering, environmental, and legal fees
 - Land acquisition, water and land rights, permits and equipment
 - Other costs determined to be necessary for completion of the project
- Loan funds can also be used for:
 - Interest incurred during construction
 - Start-up operations and maintenance
 - Purchase of facilities to improve service or prevent loss of service
 - Refinancing of non-Agency debt in some situations, when it is a secondary part of the loan.



Water and Waste Disposal Loans and Grants

- Eligible Applicants
 - Public Bodies
 - Not for Profits
 - Indian Tribes of Federal and State reservations and other Federally recognized Tribes
- Eligible Areas
 - Rural for this program is defined as any city, town, or unincorporated area of 10,000 or less based on the last decennial census.
 - No matter where the facility is located, loan and grant funds will only be used to finance the portion serving rural areas.



Loan Rates and Terms

Competitive Interest Rates and Terms

- Direct Loans (Adjusted Quarterly)
 - Interest Rates: Tiered from 2.25% – 3.75% (January 1, 2023 – March 31, 2023)
 - Term: Up to 40 years or maximum of state law
 - **No** fees or any other charges!

Interest Rate Eligibility		
Rates as of Jan. 1, 2023 – Mar. 31, 2023	Project alleviates documented health or sanitary problem	Service Area MHI as a percent of the State Non-Metro Median Household Income (SNMHI)
Poverty Rate 2.250%	Required	Less than the higher of poverty line or 80%
Intermediate Rate 3.00%	Not Required	Less than 100%
Market Rate 3.75%	Not Required	Exceeds SNMHI

WEP Grants

- May be provided to reduce user costs to a reasonable level.
- A reasonable level is determined by comparison to similar systems.
- Grant eligibility does not constitute the amount of grant a project may receive.

Grant Eligibility			
<u>Grant percent of eligible costs not to exceed</u>	<u>0</u>	<u>45%</u>	<u>75%</u>
MHI percent of SNMHI	100% or greater	Exceeds 80% of but less than 100%	Less than 80%
Project alleviates documented health or sanitary problem	Not Required	Not Required	Required

Set-Asides and Other Funding

In addition to the Direct and the Guaranteed Programs, WEP has set-aside grants and special emphasis programs, such as:

- **Capital Infrastructure Set-Asides:**

- **Colonia Grants**
- **Emergency Community Water Assistance Grants (ECWAG)**
- **Native American Grants**
- Rural and Native Alaskan Villages
- Rural Economic Area Partnership Grants (REAP)
- Strategic and Economic Community Development Loans and Grants (SECD)
- Supplemental Funding, such as Disaster Support Funding

- **Technical Assistance Programs:**

- **Predevelopment Planning Grants (PPG)**
- Revolving Funds Program Grants (RFP)
- Rural Decentralized Water System Grants (DWS)
- Solid Waste Management Grants (SWMG)
- **Special Evaluation Assistance for Rural Communities & Households (SEARCH)**
- Technical Assistance and Training Grants (TAT)



Colonia and Native American Grants

- Provides low-income communities, which face significant health risks, access to safe, reliable drinking water and waste disposal facilities and services.
- Residents of the area to be served must face significant health risks due to a lack of access to, or use of adequate, affordable water or waste disposal.
- **What may the funds be used for?**
 - Construction of basic drinking water and waste disposal systems, including storm drainage
- **Are matching funds required?**
 - Partnerships with other federal, state and local entities are encouraged; however, 100% grant may be offered in some circumstances if funds are available.
- Funding Levels - FY 2022- \$40,000,000



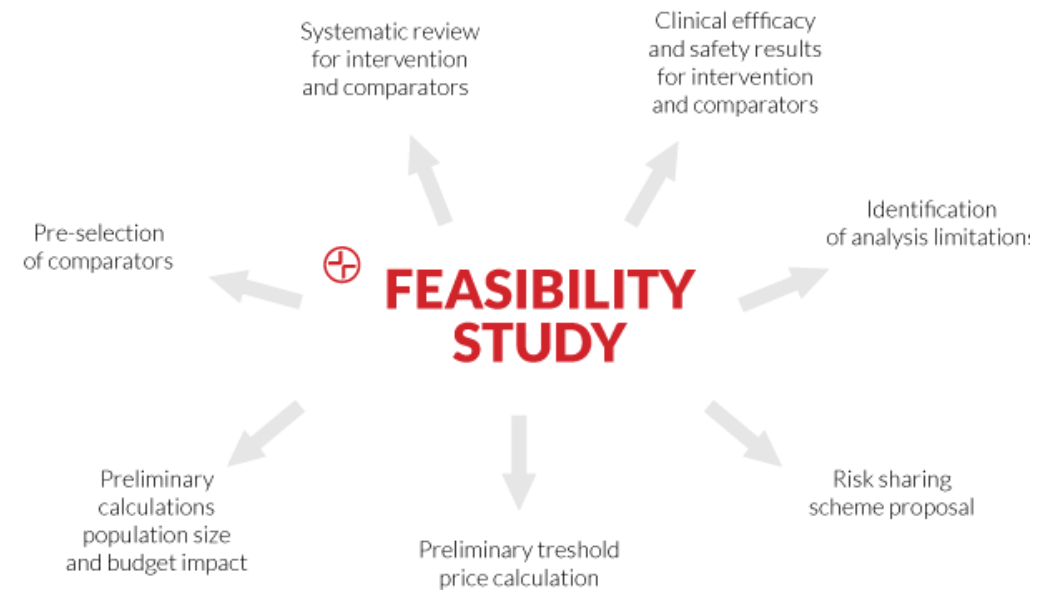
Emergency and Imminent Community Water Assistance Grants (ECWAG)

- Emergencies and events such as drought, flood, earthquake, tornado, hurricane, disease outbreak, chemical spill, leak, seepage, and/or other disasters.
 - Program allows for PFAS/PFOS remediation.
- Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply
- Water source grants up to \$1,000,000 to construct a water source, intake or treatment facility
- Funding Levels
 - Funded through multiple accounts and can add monies based upon need.
 - FY 2022- \$15,000,000



Special Evaluation and Assistance for Communities and Households Grants (SEARCH)

- Assists low income (<80% of SNMHI) financially distressed communities with a population of 2,500 or less with predevelopment feasibility studies, design, and technical assistance on proposed water and waste disposal projects.
- **Funds 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
- Grants may be up to \$30,000 with no matching requirement.



Pre-Development Planning Grants

- Assists rural, low-income (<80% of SNMHI) communities with a population of 10,000 or less with initial planning and development of applications.
- Funds 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.
- Grants may be up to \$30,000 or 75% of the total eligible predevelopment costs.



WEP Online Resources

WEP Programs

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

WEP is administered in partnership with 47 State Offices and hundreds of field offices

<https://www.rd.usda.gov/about-rd/state-offices>

Rural Housing Service
**Community Facilities
Program Overview**



RD OBLIGATIONS | State Detail

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Data through:
9/30/2022



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Agency HOUSING AND COMM..	Program Area COMMUNITY FACILITY	Residential vs. Commerc.. Commercial	Loan / Grant All	Direct / Guaranteed All	Program / Special Initiat.. All	Fiscal Year Multiple values	Investment State NV	Type of Assistance All	NAICS Code Industry All
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OBLIGATION COUNT

128

TOTAL OBLIGATED

\$94,742K

TOTAL DISBURSED

\$67,343K

LOANS

33

GRANTS

95

LOANS

\$89,994K

GRANTS

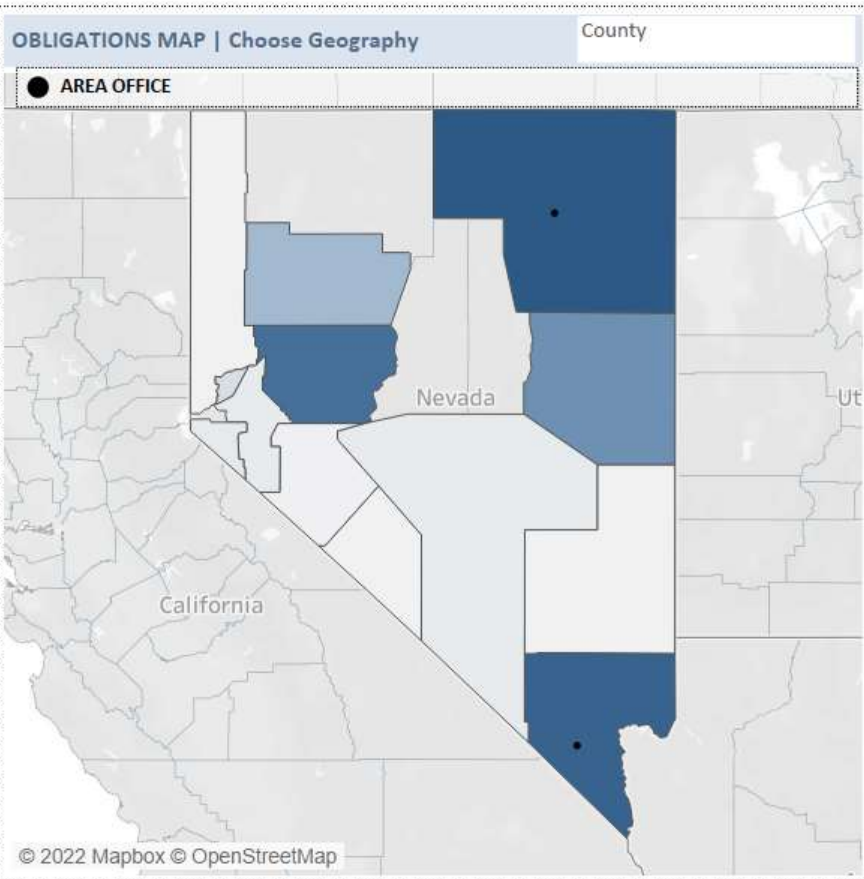
\$4,748K

LOANS

\$65,195K

GRANTS

\$2,147K



OBLIGATED AMOUNT WITH % DISBURSED FUNDS

COMMUNITY FACILITY

\$94,742,420

71%

% OF OBLIGATIONS BY PROGRAM AREA

COMMUNITY FACILITY	DIRECT COMMUNITY FACILITY LOANS	87.90%
	GUARANTEED COMMUNITY FACILIT..	7.09%
	COMMUNITY FACILITY AMERICAN R..	2.37%
	COMMUNITY FACILITY GRANTS	1.86%
	ECONOMIC IMPACT INITIATIVE GRA..	0.57%
	ESSENTIAL COMMUNITY FACILITIES ..	0.21%

Community Facilities Purpose and Eligible Area

- 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 sometimes require matching funds (small grant program, typically used for equipment/vehicles only)



Public Buildings/Facilities

- Fire Stations and equipment, courthouse/justice centers, city halls, community parks, museums and cultural centers



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 library



Rates and Terms

- Fixed Rate through the loan term
- Interest Rate tied to Median Household Income of community/area to be served
 - Market Rate is 3.75%
 - Poverty Rate is 4.5%
 - Intermediate Rate is 4.125%
- 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
- 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 \$5 million+)
 - Prepared by your Design Consultant and Financial Consultant for smaller scale projects (for projects with projected cost under \$3million)
 - Describes service area of facility
 - Describes existing facilities
 - Proposed facility
 - Cost estimate
 - Attach maps, drawings, etc.
 - Conclusions & recommend

Environmental Assessment Process

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

Community Facility Grants

- Technical Assistance and Training (TAT) Grant
 - No match required but it is encouraged and grant is competitive
 - Assists rural communities in identifying and planning for community needs
 - Prepare reports and surveys necessary to request financial assistance to develop community facilities
 - Prepare applications for financial assistance from Rural Development
 - Improve administrative and financial operations management
 - Maximum grant is \$150,000 for technical service providers
 - Maximum grant is \$50,000 for Ultimate Recipients i.e. local governments, non-profits, Federal Tribes
- Economic Impact Initiative Grants (EII)
 - Provided funding for essential community facilities in rural areas with extreme unemployment and severe economic depression
- Rural Community Development Initiative (RCDI) Grants
 - Matching funds required and grant is competitive
 - Designed to provide financial & technical assistance to develop capacity of non-profits, low-income communities, & federal Tribes
- Strategic Economic and Community Development (SECD) Grant
 - Project must be eligible for a participating, covered Rural Development program
 - Competitive Grant

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