

USDA



Rural Development

Committed to the future of rural communities.

Community Facilities Program



Who is eligible?

Rural communities with populations up to 20,000.

Governmental entities – towns, cities, counties, townships, or special purpose districts such as hospitals, schools, or fire districts.

Non-profit organizations with significant ties to the local rural community.



What kinds of projects?

- Health care services
- Community, social, or cultural services
- Fire, rescue, and public safety services
 - Transportation facilities
- Supporting structures for rural electrification or telephone systems
- Telecommunication and networking systems
 - Hydroelectric generating facilities
 - Industrial park sites
 - “Identity of Interest” projects



Mount

Newcomerstown Public Library

Energy Transmission & Distribution

- Electric Equipment Maintenance Building
- Electrical Service
- Low Head Hydroelectric Plants
- Natural Gas Distribution



Village of New London
Fire Truck

Ohio Eastern Star Dementia Unit

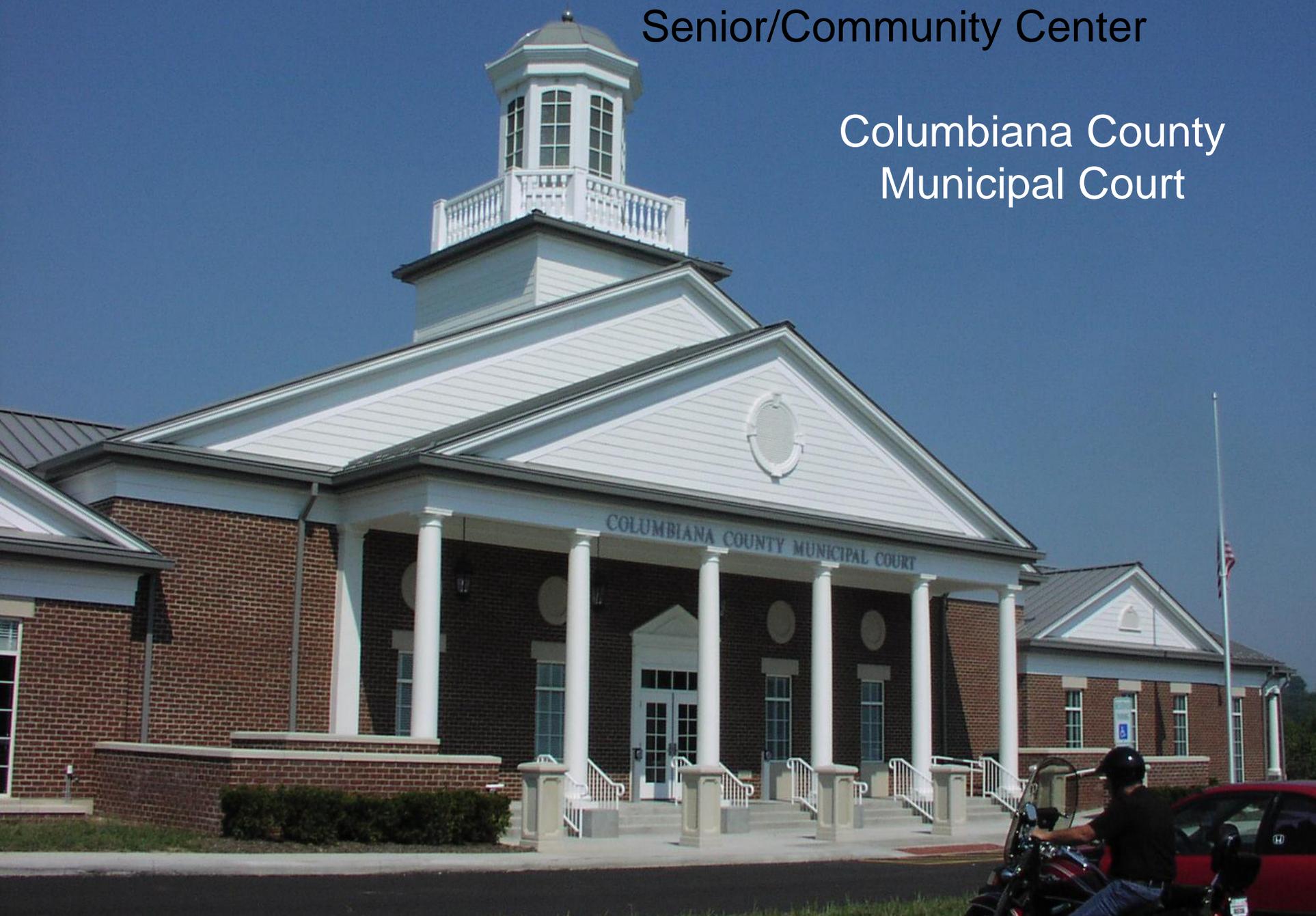


Other Facilities

- Agricultural Fairgrounds
- Dikes
- Oceanfront Protection
- Social Services Buildings
- Sprinkler Systems
- Animal Care Facilities

Village of Fairport Harbor
Senior/Community Center

Columbiana County
Municipal Court



Ashtabula County Airport



Loan Types

- Two types of loans – Direct and Guaranteed
 - Maximum term is 40 years, or the useful life of the security
 - Interest rate for direct loans is based upon community median household income (MHI)



Lodge and Conference Center at
Geneva-On-the-Lake State Park

Tuscarawas County Convention
& Visitors' Bureau

Uses of Loan Funds (cont.)

- Legal, engineering, architectural services, fiscal advisory, recording, archaeological surveys, and planning
- Interest on loans until facility is self supporting
- Initial operating expenses

USDA Rural Development Grant Program

- Cannot be considered as a major part of the project cost
- Grants are made in conjunction with loans
- Extremely limited statewide allocation

Grant assistance will be provided on a graduated scale with smaller communities with the lowest median household incomes being eligible for projects with a higher proportion of grant funds. Projects that do not qualify for certain eligibility criteria must drop to the next appropriate level.



Applicants must:

- Hold public meetings to discuss the project
- Provide certification that they are unable to obtain other credit at reasonable rates and terms
- Possess the legal authority to undertake the project, issue security, and repay the debt

Applicants must:

- Keep accurate and acceptable financial and statistical records, including required audits
- Adhere to all federal laws, (i.e. fair housing, equal opportunity, civil rights, etc.)

Security Requirements

- Non-profit organizations
 - Pledge of revenue
 - Real estate mortgages
 - Promissory notes
 - Financing statements
 - Assignment of title for vehicles
 - Security agreements

Security Requirements (cont)

- Public bodies
 - General obligation bonds
 - Assessments
 - Bond pledging other taxes
 - Revenue bonds that require levy of taxes if revenues are inadequate

What goes into an application?

- **Standard Form SF-424, “Application for Federal Assistance” and Attachment to SF-424.**
- **A current “Balance Sheet”, Form FmHA 442-3.**
- **Copies of the past five years’ financial records and the most recent audit.**
- **“Certification of Compliance with Federal Requirements/Laws”**
- **For Non-Profits - Certified copies of Articles of Incorporation and Bylaws, Certificate of Incorporation, Certification of Good Standing, or other evidence of organization and authority.**
- **Form FmHA 1940-20, “Request for Environmental Information”. (for new construction only)**
- **Two copies of a Preliminary Architectural Report or cost estimate.**



Application continued...

- **Letter from a local lender that states the rates and terms available if this assistance were obtained through commercial financing.**
- **Legal opinion that the “applicant is legally formed, in continued existence and has the legal authority to undertake the proposed project”.**
- **It is the applicant’s responsibility to submit project information to the local planning commission for clearance. Evidence of planning commission concurrence or documentation that the project has been submitted for review is required in your application to Rural Development.**
- **Data Universal Numbering System number**



When can you apply?

- Applications are accepted anytime, at all area offices
- Fiscal year begins October 1, funding follows annual funding allocation by the National Office



Our priority projects

- Applications are ranked by priority, which is determined by:
 - Facility provides direct health care or corrects a health or safety hazard to meet regulatory law
 - Regional or multi-community effort
 - Amount of leveraged funds
 - Percentage of guaranteed funds
 - Amount of USDA funds needed



Rates and Terms

Market Rate 3.50%

for communities with median household income over \$44,220

Intermediate Rate 4.00%

*for communities with median household income between
\$35,376 and \$44,220*

Poverty Rate 4.50%*

for communities with median household income under \$35,376

*** FACILITY MUST PROVIDE DIRECT HEALTH CARE TO THE PUBLIC, OR REMOVE A HEALTH/SANITARY CONDITION REQUIRED BY A REGULATORY AGENCY. EXAMPLES: CLINICS, HOSPITALS, AND AMBULANCES.**



Points of Contact

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