

Community Facilities Program

USDA



ESSENTIAL COMMUNITY

FACILITIES

- ***Provide an essential service to the community, typically provided by local government.***
- ***Necessary for the development and sustainability of the community.***
- ***Considered a public improvement, with demonstrated public support.***
- ***May not include private, commercial, or business undertakings.***

ELIGIBLE AREAS

- ***Unincorporated rural areas***
- ***Incorporated rural communities with populations up to 20,000.***
- ***Applicant can serve a single community, several communities, a county, or several counties.***

ELIGIBLE APPLICANTS

- ***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.***

USDA RURAL **DEVELOPMENT LOAN** **PROGRAM**

- **Loans**
- **Two types of loans - direct and guaranteed**
- **Direct**
 - **maximum term is 40 years, or the useful life of the security.**
 - **interest rate based upon community median household income (MHI)**
- **Guaranteed**
 - **terms and rates negotiated with lender**
 - **RD can only guarantee taxable issues**



RATES AND TERMS

4/1/2012

Poverty rate **4.50%**
MHI < \$35,376

Intermediate rate **3.875%**
MHI < \$39,798

Market rate **3.375%**
MHI > \$39,798

Terms: 40 year Max
30 years on building
Useful Life on equipment

USE OF FUNDS

- ***Loan funds can be used for***
 - ***construction of new facilities***
 - ***purchase and renovation or expansion of existing facilities.***
 - ***expansion or improvements to facilities already owned by the applicant.***
 - ***purchase of major equipment.***
 - ***costs of acquiring land and rights-of-way.***

SECURITY **REQUIREMENTS**

- ***Non profit organizations***
 - ***pledge of revenue***
 - ***real estate mortgages***
 - ***promissory notes***
 - ***financing statements***
 - ***assignment of title for vehicles***
 - ***security agreements***
- ***Public bodies***
 - ***general obligation bonds***
 - ***assessments***
 - ***bond pledging other taxes***
 - ***revenue bonds that require levy of taxes if revenues are inadequate***

TYPES OF ELIGIBLE **PROJECTS**

- ***Health care services***
- ***Community, social, or cultural services***
- ***Fire, rescue, and public safety services.***
- ***Transportation facilities***



Corna/Kokosing
Construction Company

←.....DELIVERIES

LOGAN ACRES SENIOR COMMUNITY

Logan County Commissioners / Progressive Health Care Systems
17 E. Columbus, Suite 100 Bellefontaine, Ohio

Maddox NBD, Inc.

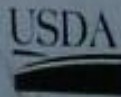
145 Bradenton Ave Dublin, Ohio

Thomas & Marker Construction Co.

2084 US 68 South Bellefontaine, Ohio

Financed by United States Department of Agriculture (USDA) Development

Equal Housing Opportunity provided



Committed to the future of rural communities

George W. Bush, President of the United States
Ann M. Veneman, Secretary of Agriculture

FUTURE HOME OF:

LOGAN ACRES SENIOR COMMUNITY

LOGAN COUNTY
COMMISSIONERS



BELLEFONTAINE, OHIO
937.599.2169
www.thomas-marker.com



MADDOX-NBD
Bellefontaine, Ohio

Jack Reser
Dave Knight
John Bayliss

Progressive Health Care Systems





NO
OUTLET

LAKE OKECHOBEE
Regional
Welcome Center
Visitor Information
PUBLIC
RESTROOMS

OPEN 7 DAYS
A WEEK!!

BANKING - CREDIT - LOANING - INSURANCE
TRAVEL - TOURS - FISH CATCHING - BOAT RENTALS

USDA RURAL
DEVELOPMENT CF GRANT
PROGRAM

- ***Cannot be considered a major part of project funding.***
- ***Extremely limited statewide allocation.***

APPLICATION PROCESS

- ***Applications are accepted anytime, at all area offices.***
- ***Fiscal year begins October 1, following annual funding allocation by the national office.***
- ***Applications are ranked by priority, which is determined by:***
 - existence of health or safety hazard***
 - regional or multi-community effort***
 - amount of leveraged funds***
 - percentage of guaranteed funds***
 - amount of USDA funds needed***
- ***Application packages include:***
 - Preliminary Architectural Report and Plans***
 - Environmental***

Water and Wastewater Program

USDA



Rural Development

WWD Loans and Grants

- Rural Area – Cities and Towns with a population of 10,000 or less
- Unable to finance with own resources, and unable to obtain commercial credit at reasonable rates and terms.

WWD Loan and Grant Purposes

- Drinking Water
- Sanitary Sewer
- Solid Waste Disposal
- Storm Drainage

Typical Drinking Water Projects

- **New Rural Water System**
- **Rural Water Line Extensions**
- **Water Storage Tanks**
- **Water Treatment Plants**

Typical Sanitary Sewer Projects

- **New Sewer Systems**
- **Sewer System Line Extensions**
- **Wastewater Treatment Plant Improvements**

Typical Solid Waste Disposal Projects

- **Landfills**
- **Trash Trucks**

Typical Storm Drainage Projects

- **Storm Drainage Improvements**
- **Separate Storm and Sanitary Sewers**



Huntsville Area Sanitary Sewer

Sponsor: Logan County Commissioners
117 E. Columbus Ave. Suite 100
Bellefontaine, Ohio 43301

Engineer: Puggenmeyer Design Group, Inc.
100 N. Main St. Bowling Green, Ohio 43402

Contractor: Deget Excavating Company, Inc.
1920 Noble Rd. Lima, Ohio 45801



Financed by The United States Department of Agriculture (USDA) Rural Development

This institution is an equal opportunity provider

George W. Bush, President of the United States
Mike Johanns, Secretary of Agriculture

WW Loan and Grant *Eligible Entities*

- Public Bodies – Municipalities, counties, water districts, sewer districts, etc.
- Nonprofit corporations including cooperatives.

Available Financing Options

Public Bodies

- Conventional
- Private issues
- Ohio Department of Development (CDBG)
- Ohio Public Works
- Ohio Water Development Authority
- Rural Development Direct Funds
- Appalachian Regional Commission (ARC)
- Ohio EPA (water and sewer)
- Economic Development Administration

Nonprofit Corporations

- Conventional financing
- Private Bond Issues
- Rural Development Guarantees
- Rural Development Direct Funds
- Appalachian Regional Commission (ARC)
- Ohio EPA (water only)

WWD Direct Loan Interest

Rates

- Poverty 2.0 percent
- Intermediate 2.75 percent
- Market 3.375 percent

(As of 4-1-2012)

- Rates change quarterly
- Borrowers select the rate in effect at loan approval or at loan closing
- All rates are fixed at loan closing

WWD Loan Repayment

Terms

- Repayments are scheduled in accordance with availability of revenue
- Useful life of facilities
- State law limitation
- 40 year maximum term

WWD Loan Security

- Notes, Bonds, Mortgages
- General Obligations
- Revenue
- Special Assessments

WWD Grants

- Necessary to reduce user rates to a reasonable level
- Median household income (MHI) must be below the State non-metropolitan MHI of \$44,220.
- 75 percent statutory maximum
- 25-35 percent more realistic

Rural Development

Guarantee Loan

Requirements

- Can only guarantee taxable issues
- Guarantee normally will not exceed 80 percent
- Rate is negotiated between borrower & lender
- Rate may be fixed or variable
- Maximum term is 40 years or useful life

Internet Addresses

USDA Home Page

www.usda.gov

Rural Development Home Page

www.rurdev.usda.gov

RUS Home Page

www.usda.gov/rus

Small Community Environmental Infrastructure Group

www.sceig.org