

USDA Rural Development



Committed to the future of rural communities.

<http://www.rurdev.usda.gov/pa>

USDA Rural Development Mission Statement Pennsylvania

**To increase economic opportunity
and improve the quality of life for all
rural Americans**



Rural Development Improves the Quality of Life for Rural Americans

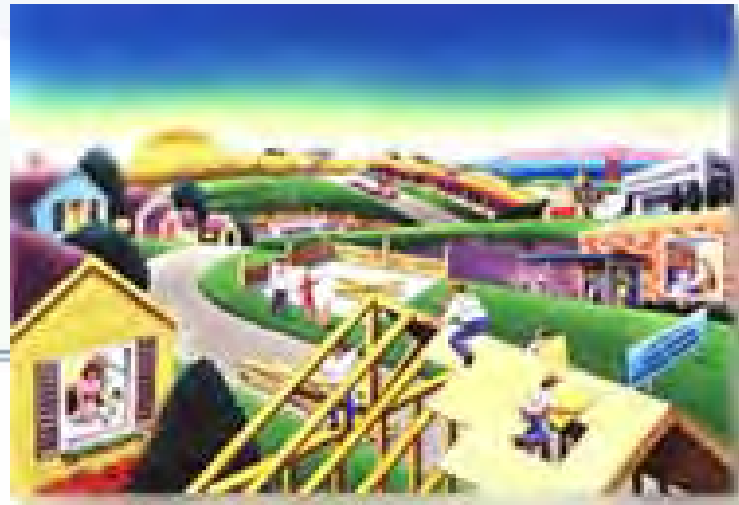
Housing and Community Facilities Programs finances decent, affordable housing as well as rural community loan programs

Business and Cooperative Programs includes cooperative development and technical assistance, plus business development financial programs

Utilities Programs offers water and sewer programs along with telephone and electric programs



Community Facilities



Committed to the future of rural communities.

COMMUNITY FACILITIES LOAN PROGRAM

Purpose:



To provide loans to construct or improve essential community facilities for public use in rural areas and towns.



WHO IS ELIGIBLE FOR COMMUNITY FACILITIES ASSISTANCE?



Public bodies



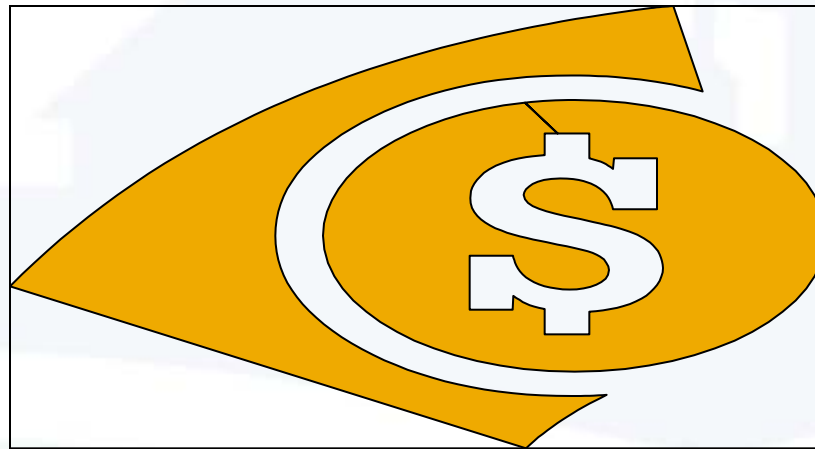
Nonprofit organizations

ELIGIBLE APPLICANTS

- **Primarily serve rural areas – city or town with population of 20,000 or less**
- **Provide certification they are unable to obtain other credit**
- **Have legal authority to own, construct, operate, and maintain the facility, issue security for and repayment of the debt**



GUARANTEED LOANS



COMMUNITY FACILITIES GUARANTEED LOANS

- **All loans eligible for up to 90% guarantee against loss**
- **Interest rates and terms are negotiated between lender and borrower.**
- **No maximum loan limits; amount is based on project feasibility, reasonable project costs and cash-flow**



COMMUNITY FACILITIES GUARANTEED LOANS

- **Lender uses own promissory notes, loan agreements and security instruments**
- **Flexible terms allow lenders to extend long term loans to their customers**
- **Only a one time 1% guarantee fee charged and may be included in the loan**



COMMUNITY FACILITIES GUARANTEED LOANS

ELIGIBLE LENDERS

- **Any Federal or State chartered Bank or Savings and Loan Association**
- **Any Mortgage Company – part of Bank holding company**
- **Credit Unions**
- **Banks for Cooperatives, State Bond Banks**



COMMUNITY FACILITIES DIRECT LOANS



COMMUNITY FACILITIES DIRECT LOANS

➔ **Loans made directly to borrowers**

➔ **Borrower must certify they are
unable to obtain credit elsewhere**

➔ **No maximum loan amount-based
projects costs/financial feasibility**

COMMUNITY FACILITIES DIRECT LOANS

INTEREST RATES-----

- Fixed for life of loan
- Based on median household income of area being served
- Range Between 3.5% - 4.5%

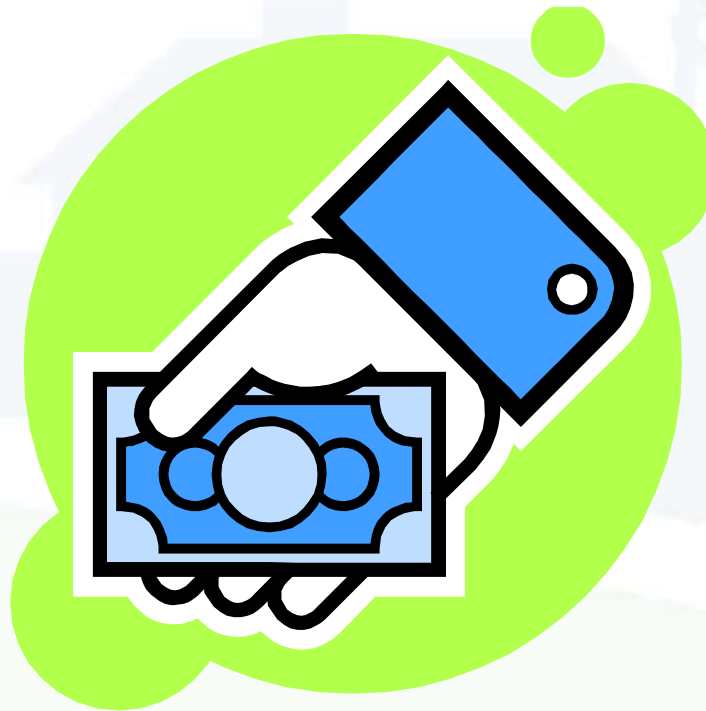


COMMUNITY FACILITIES DIRECT LOANS

- **MAXIMUM TERMS**
 - 40 years/fully amortized
 - Lifetime of facility
 - State/Local Laws



COMMUNITY FACILITIES GRANTS



COMMUNITY FACILITIES GRANTS

- **Small program**
- **Grant eligibility determined by median household income and population**
- **Grant amount based on total project costs and financial feasibility**



EXAMPLES OF ESSENTIAL COMMUNITY FACILITIES



TRANSPORTATION

-  AIRPORT HANGAR
-  BRIDGES
-  OFFSTREET PARKING
-  SIDEWALKS
-  STREET IMPROVEMENTS
-  SPECIAL TRANSPORTATION EQUIPMENT



CULTURAL AND EDUCATIONAL

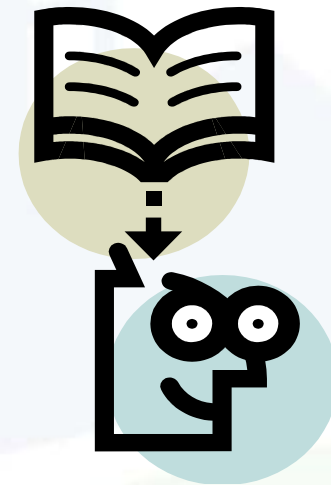
 **LIBRARY**

 **MUSEUM**





 **PUBLIC SCHOOL**

 **CHARTER SCHOOL**

 **STUDENT HOUSING**



COMMUNITY HEALTH CARE

-  **ASSISTED LIVING CENTERS**
-  **NURSING HOME**
-  **DENTAL CLINIC**
-  **REHABILITATION CENTERS**
-  **HOSPITALS**





Committed to the future of rural communities.

St. Johns, Mars PA

FIRE, RESCUE AND PUBLIC SAFETY



COMMUNICATION CENTER



FIRE DEPARTMENT FACILITY



CIVIL DEFENSE BUILDING



FIRE TRUCKS



POLICE STATION



MULTI-SERVICE FIRE/RESCUE BLDG.



JAIL



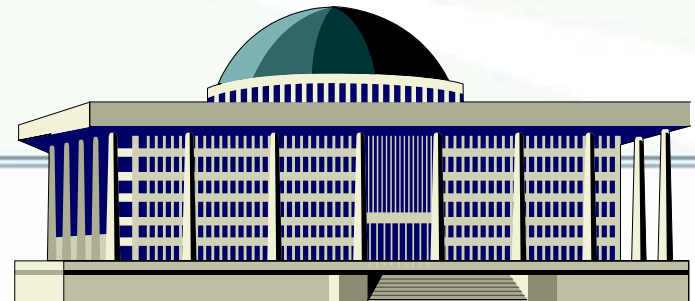


Committed to the future of rural communities.

Slippery Rock Borough PD

PUBLIC BUILDINGS

- ADULT DAY CARE CENTER
- CHILD DAY CARE CENTER
- COURTHOUSE
- MUNICIPAL BUILDINGS
- PUBLIC MAINTENANCE BUILDING
- COMMUNITY CENTER





Committed to the future of rural communities.

Deemston Borough Building

Utilities Programs



Utilities Programs



- ★ **Water & Waste Disposal Loans & Grants**
- ★ **Water & Waste Disposal Guarantees**
- ★ **Solid Waste Management Grants**
- ★ **Electric & Telecommunications (REA)**
- ★ **Distance Learning & Telemedicine (DLT)**

<http://www.rurdev.usda.gov/rus>

Eligibility Criteria



- ★ **Public Entities - Townships, Boroughs, Authorities**
- ★ **Non-profit corporations/associations with community-based membership**
- ★ **Rural areas - any area not in a city or town with a population in excess of 10,000 inhabitants.**

Predevelopment Planning Grants

- ★ **Medium Household Income must be less than 80% of Pennsylvania's MHI**
- ★ **Maximum Amount - \$15,000**
- ★ **RD must fund the project**



Authorized Loan/Grant Purposes

★ **Construct, repair, improve, expand, or otherwise modify rural WATER supply**



and distribution lines including distribution lines, hydrants, pumping stations, & water tanks

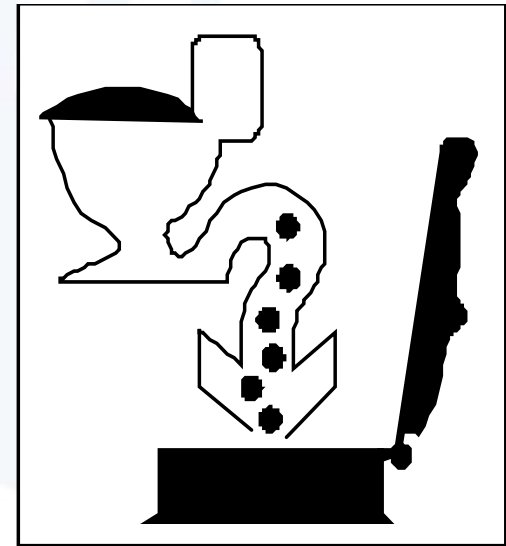
Authorized Loan/Grant Purposes

- ★ Acquire water supply or water rights (i.e.: wells, reservoirs)



Authorized Loan/Grant Purposes

★ **Construct, repair, expand, improve or otherwise modify WASTE collection, pumping, treatment, or other disposal facilities**



Authorized Loan/Grant Purposes

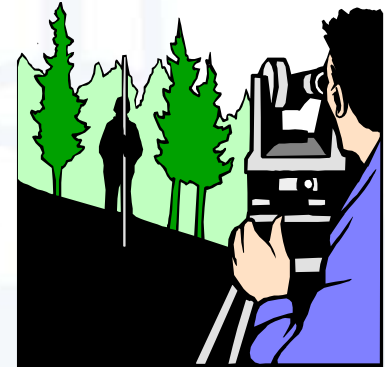
★ Construct, repair, improve, expand, or otherwise modify **STORM WATER** systems



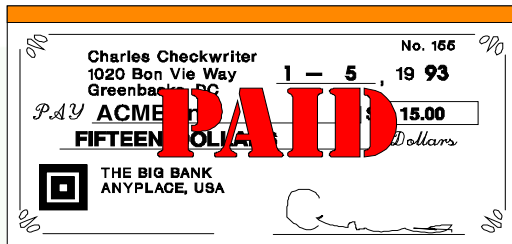
including storm sewer collection lines, retention ponds, culverts, wetlands

Authorized Loan/Grant Purposes

- ★ Related soft costs
(e.g.: engineering, legal,
ROWs, land acquisition,
interest, O&M
expenses)



Refinancing, if financially
feasible and as a small
portion (<50%) of a
project.





Committed to the future of rural communities.



Committed to the future of rural communities.

Lower Ten Mile Phase I Pump Station



Committed to the future of rural communities.

Center West Joint Sewage Authority.



Visit Our Website:

www.rurdev.usda.gov/pa