Presentation Overview

- Introductions
- USDA Rural Development – History, Purpose, Community Economic Development (CED)
- Funding/Section 6025
- Water & Environmental Programs
- Community Facilities Programs
- Business & Cooperative Programs
- Housing Programs
- Questions
USDA Rural Development?

• “Committed to the future of rural communities”
• One of 17 Agencies and 18 offices
Our Mission Area began as the Resettlement Administration & was transferred to the Dept. of Agriculture in 1937, where it became the Farm Security Administration.
USDA RD 2015 Investments in Massachusetts
“by the numbers”

✓ Over $170 Million
✓ Over 50 Housing, Business and Community oriented programs
✓ 4 offices; State office Amherst and Area Offices in Hadley, Holden and West Wareham
✓ 3 primary delivery mechanisms - direct loans, guaranteed loans and grants
✓ 1 major impact! more than $491 Million in FY15 across MA, CT and RI.
USDA RD 2015 Investments in MA 1st Congressional

Rural Development Loans

- Over $46 Million
- 86 municipalities
- 4 counties

Rural Development Grants
USDA RD 2015 Investments in MA 1st Congressional

✓ Over $62 Million
✓ 63 municipalities
✓ 5 counties

Rural Development Loans

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Rural Development Grants

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FY 16 FUNDING

- Operating under a “CR”
- Available at FY15 levels
- Expected increase in some programs
- Budget for full FY remains underdevelopment
Section 6025
(Strategic Economic and Community Development – SECD)

FY 2016 Farm Bill set aside 10% of appropriated funds for B&I Guarantees, CF loans and Grants, RBDG and Water & Waste Loans and Grants
Section 6025
(Strategic Economic and Community Development – SECD)

Will Prioritize projects that support multi-jurisdictional plans

Encourage community to think holistically and encourages outcomes based on a region
Water & Waste Loans & Grants

Eligible Entities:
○ Public bodies, tribal entities, and non-profit organizations
  Including towns & special purpose municipal districts
○ Projects must pertain to a public, regulated system

Eligible Rural Areas:
○ Project must serve a town or village with a population of less than 10,000 (as determined by the 2010 census)
Water & Waste Loans & Grants

Financial Assistance:

○ Grants are available for up to 75% if community MHI is 80% or less of SNMHI, 45% if between 100% and 80% SNMHI

Grant funding is subject to available appropriated funds
Grants are meant to subsidize the users’ monthly expenses

○ Loans are available with interest rates determined according to service area MHI for terms of up to 40 years, depending upon the useful life of the security

Based upon repayment ability, outstanding indebtedness & the cost of similar systems
Water & Waste Loans & Grants

Eligible Projects and Expenditures:

- Water Systems
- Sewer Systems
- Solid Waste Disposal
- Storm Drainage

- Construction
- Expansion
- Rehabilitation
- Land acquisition
- Legal fees
- Engineering fees
- Equipment
- Initial operation
- Maintenance costs
- Project contingencies
- Utility hook-up fees
Water & Waste Loans & Grant

Pre Development Planning Grant (PPG):

Max Assistance $25,000 or 75% of project cost, whichever is less

- Public Body/Non-Profit
- MHI of Below $65,702
- Financial Need
- limited to projects agency will fund

- Preliminary Eng. Report
- Environmental Report
Water & Waste Loans & Grant

Special Evaluation Assistance For Rural Communities and Households (SEARCH):

Max Assistance $30,000 or 100% of project cost, whichever is less

- Public Body/Non-Profit
- MHI of Below $65,702
- Financial Need
- Populations of 2500 or less

- Feasibility Study
- Design & Technical Assistance
Water & Waste Loans & Grant Projects

Town of Monroe, MA

☑ Provided Water & Waste Loan and Grant
☑ $1,070,000 loan assistance
☑ $2,385,400 grant assistance
☑ sewer upgrades per a MADEP consent order. Includes PPG assistance.

Town of Montague, MA

☑ Provided Water & Waste Loan and Grant
☑ two phases
☑ Phase I was for combined sewer overflow reduction
☑ Phase II was for upgrades to the water pollution control facility
☑ $1,982,000 loan assistance
☑ $864,064 in Grant assistance. and.
☑ required to be corrected per a MADEP consent order.
☑ State Revolving loan funds were also used in partnership. Included PPG assistance.
Water & Waste Loans & Grant Projects

Town of Gill, MA
✓ $25,350 SEARCH Grant
✓ Engineering report to study the school district’s water system.

Brookside Mobile Home Park Tenant’s Association, Orange, MA
✓ $22,800 PPG
✓ Preliminary engineering & environmental reports
✓ Evaluation of the water supply infrastructure at the mobile home park.
✓ Applicant contributed $7,500 to the total project cost.
✓ It is anticipated that a USDA application will be submitted to move forward with the project.
Community Facilities Direct Loans & Grants

Eligible Entities:
- Public bodies, tribal entities, and non-profit organizations
  Including towns & special purpose municipal districts
- Applicant must be unable to obtain commercial or guaranteed credit at rates & terms sufficient to finance the project successfully

Eligible Rural Areas:
- Project must serve a town or village with a population of less than 20,000 (as determined by the 2010 census)
Community Facilities Direct Loans & Grants

Financial Assistance:

○ Grants are available for up to 75%, 55%, 35%, 15% or 0%, depending upon the MHI of the servicing area and location of the facility as compared with the SNMHI. Grant funding is subject to available appropriated funds.

○ Loans are available with interest rates determined according to service area MHI for terms of up to 40 years, depending upon the useful life of the security. Based upon repayment ability & outstanding indebtedness.
Community Facilities Loan Guarantees

Eligible Entities:
- Public bodies, tribal entities, and non-profit organizations
  Including towns & special purpose municipal districts
- Applicant must be unable to obtain commercial credit at rates & terms sufficient to finance the project successfully without a guarantee

Eligible Rural Areas:
- Project must serve a town or village with a population of less than 20,000 (as determined by the 2010 census)
Community Facilities Loan Guarantees

Financial Assistance:

○ Guarantee of up to 90% of the loan made by a qualifying lender

○ Qualifying lenders include any bank, thrift union chartered by a state or federal as “non-traditional” lenders with sufficient experience to make and service the proposed loan

○ One-time, 1% Guarantee fee at closing

○ Rate may be fixed, variable or mixed

○ Term may be as long as 40 years, or the useful life of the financed security
Community Facilities

Eligible Projects and Expenditures:

○ Health Care: hospitals, clinics, etc.
○ Public Safety: police/fire stations, vehicles, communications, etc.
○ Education: schools, charter schools, etc.
○ Public Services
○ Transportation
○ Energy Improvements: solar, wind, efficiency improvements

○ Construction
○ Expansion
○ Rehabilitation
○ Land acquisition
○ Legal fees
○ Engineering/Architectural fees
○ Capitalized interest (NP Only)
○ Equipment
○ Initial operation
○ Maintenance costs
○ Project contingencies
○ Equipment leases or rentals
○ Refinance existing debt (Guar)
Community Facilities Direct Loan Projects

Town of Whately, MA

- $810,000 Community Facility loan
- Existing building to be used for town offices.
- 40 year term loan
- $5,000 town contribution to project cost.
- Town now has a fully accessible facility in which to conduct business.

Food Bank of Western MA

- $46,000 Community Facility grant
- Equipment to store and process food related to their local food distribution program
Community Facilities Direct Loan and Grant Projects

Franklin County Agricultural Society
Greenfield, MA

- $57,250 Community Facility grant
- Building Restoration
- Historic roundhouse building at the Franklin County Fairgrounds, which is used as an exhibit hall.

Note: Partnerships!
The project also partners with a lender, the state of Massachusetts and a contribution from the grantee.
Community Facilities Direct Loan and Grant Projects

Tully Fire Station, Orange, MA

- $1,335,000 Community Facility loan
- $100,000 Community Facility grant
- Construct a new fire station in the northern section of town.

Town of Wendell, MA

- $1,242,474 Community Facility loan
- Construct a new 4,800 square foot town office building and rehabilitation of existing town building for a new library.
- State funds and the town also contributed to the project cost.
Community Facilities Guaranteed Loan Projects

Community Health of Franklin County

✓ $250,000 Community Facility Guaranteed loan
✓ Through Greenfield Cooperative Bank.
✓ Guarantee is for 90% of the loan amount
✓ Used for leasehold improvements at 489 Bernardston Road, Greenfield, MA.
✓ Rehabilitation included interior upgrades as the health organization moved to this new location due to the demand of services in Greenfield, MA.

Greenfield Center School

✓ $700,000 Community Facility Guaranteed loan
✓ Through Greenfield Savings Bank.
✓ Guarantee is for 90% of the loan amount
✓ Used to purchase and rehabilitate the building the school was leasing at 71 Montague Road, Greenfield, MA.
✓ Rehabilitation included upgrades to the HVAC system and the addition of new partitions to increase classroom space.
Business & Industry Loan Guarantees (B&I)

Eligible Entities:
- Individuals, corporations, cooperatives, partnerships, public bodies, tribal entities, and non-profit organizations
  Individuals must be citizens of the United States or legal permanent residents

Eligible Rural Areas:
- Project must be located in an area that is not in a city or town with a population of 50,000 or more, or its adjacent and contiguous urbanizing areas

Business & Industry Loan Guarantees

Financial Assistance:

○ Guarantee of up to 80% for loans of $5MM or less, 70% for loans between $5MM and $10MM, 60% for loans between $10MM and $25MM of the loan made by a qualifying lender

Qualifying lenders include any bank, thrift or credit union chartered by a state or federal agency as well as “non-traditional” lenders with sufficient experience to make and service the proposed loan

○ One-time, 3% guarantee fee at closing

○ Annual servicing fee of .5% of outstanding principal balance

○ Rate may be fixed, variable or mixed

○ Term may be as long as 30 years for real estate, 15 years for equipment & 7 years for working capital

○ Tangible equity requirements

○ Must be fully amortizing
Business & Industry Loan Guarantees

Eligible Projects and Expenditures:

○ Nearly all purposes are eligible except:
  ○ Golf courses
  ○ Gambling establishments
  ○ Race tracks
  ○ Revolving credit
  ○ Agricultural production eligible for FSA loan
  ○ Projects resulting in the transfer of more than 50 employees from one area to another
  ○ Loans or dividends to owners

○ Construction/rehabilitation
  ○ Expansion
  ○ Working capital
  ○ Land acquisition
  ○ Legal fees
  ○ Engineering/Architectural fees
  ○ Capitalized interest
  ○ Equipment
  ○ Initial operation
  ○ Maintenance costs
  ○ Project contingencies
  ○ Equipment leases or rentals
  ○ Refinance existing debt
Business & Industry Loan Guarantee Project

Pioneer Valley Solar, LLC

✓ $3,000,000 Business & Industry Guaranteed loan
✓ Through Berkshire Bank
✓ Guarantee for 80% of the loan
✓ Construction of a 2,496 Mwh solar array.
✓ Project located in Greenfield MA on an old landfill on Wisdom Way.
✓ Greenfield has entered into a 0 year contractual agreement to purchase power
✓ Will provide approximately 45% of the energy used by the town.
Renewable Energy for America Program (REAP)

Eligible Entities:
- Individuals, corporations, cooperatives, partnerships, & other for-profit entities
  Individuals must be citizens of the United States or legal permanent residents
  Includes farmers & ranchers who retain ownership of the equipment & site, but use qualified third-party operators to manage & maintain the project

Eligible Rural Areas:
- Project must be located in an area that is not in a city or town with a population of 50,000 or more, or its adjacent and contiguous urbanizing areas
Renewable Energy for America Program

Financial Assistance:

○ Guarantee of up to 85% of eligible project costs and/or grants of up to 25% of eligible project costs

  Qualifying lenders include any bank, thrift or credit union chartered by a state or federal agency as well as “non-traditional” lenders with sufficient experience to make and service the proposed loan

○ Rate may be fixed, variable or mixed

○ Term may be as long as 30 years for real estate, 15 years for equipment & 7 years for working capital

○ Must be commercial technology

○ Must be technically feasible, as demonstrated by a feasibility study or energy audit

○ Advertised annually through a Notice of Funds Availability, which must be responded to for an application
Renewable Energy for America Program

Eligible Projects and Expenditures:

- Energy efficiency
- Passive solar
- Photovoltaic
- Hydrogen
- Small hydro-electric
- Wind power
- Geothermal
- Bio-energy

- Post-application purchase & installation of equipment, except agricultural tillage equipment, used equipment & vehicles
- Post-application construction, except residential
- Energy audits
- Permit & license fees
- Professional services
- Feasibility studies
- Business plans
- Retrofitting
Renewable Energy for America Program Projects

Berkshire East Ski Resort, LLC
Charlemont, MA

- $1,588,613 Renewable Energy for America Program (REAP) guaranteed loan
- Through Greenfield Savings Bank
- Guarantee for 80% of the loan
- Construction of a 900 Kw Wind Turbine
- Will provide a renewable energy source for the energy needs of the ski resort.
Renewable Energy for America Program Projects

Mt. Toby Farm, Sunderland, MA

- $46,049 Renewable Energy for America Program (REAP) grant
- Install a 55kW roof mounted solar PV system
- Will replace 100% of the farm’s energy usage.
- Total project cost is $184,150 of which the grantee will provide $138,150

William Coli dba Blue Heron Farm, Charlemont, MA

- $10,787 Renewable Energy For America Program (REAP) grant
- Install a 10kW ground mount solar PV system
- Will assist in meeting the energy needs of the farm.
- Total project cost is $43,151 of which the grantee will provide $32,151
Rural Business Development Grant

Eligible Entities:

○ Public bodies, tribal entities, and non-profit organizations
  Including towns & special purpose municipal districts

○ Projects must assist private, for-profit business development – funds do not go directly to the businesses as a pass through, neither do they solely fund the recipient

Eligible Rural Areas:

○ Project must be located in an area that is not in a city or town with a population of 50,000 or more, or its adjacent and contiguous urbanizing areas

Mapping tool available at:
http://eligibility.sc.egov.usda.gov
Rural Business Development Grant

Financial Assistance:
- Grants typically range between $10,000 and $500,000
- No official maximum or minimum grant
- Decisions made by priority scoring
- Subject to tight funding constrictions and availability of appropriated funds
- Programmatic activities are separated into enterprise grants to benefit small and emerging businesses or opportunity type grant activities for projects in rural areas.
Rural Business Development Grants

Eligible Enterprise Projects:

- Training & Technical assistance such as planning, business counseling, market research, feasibility studies, etc.
- Acquisition or land development
- Establishing revolving loan funds for start-ups and working capital
- Distance Adult Learning
- Rural transportation Improvement
- Pollution Control Abatement
- Community Economic Development
Rural Business Development Grants

Eligible Opportunity Projects:

- Community Economic Development
- Technology Based Development
- Feasibility Studies and Business Plans.
- Leadership and Entrepreneur Training
- Rural Business Incubators
- Long-term Business Strategic Planning
Rural Business Development Grant Project

Community Involved in Sustaining Agriculture

- $34,000 Rural Development funds
- To identify farmers and institutional customers and will assist in helping facilitate food value chain development.
- In-depth technical assistance to farmers will include developing business and marketing plans.
- The total project cost is $72,723
Multifamily Housing Programs

Eligible Entities:
- Farm Labor Housing (offsite): public bodies, tribal entities, and non-profit organizations
- Farm Labor Housing (onsite): agricultural producers
- Elderly & Family: individuals, corporations, partnerships, trusts, public bodies, consumer cooperatives & tribal entities

Eligible Rural Areas:
- For Elderly & Family complexes: must be located within a town with a population of less than 20,000 (as determined by the 2010 census) and which is on the annual designated places list (available at any Rural Development office)
Multifamily Housing Programs

Financial Assistance:

○ Loans & loan guarantees (Section 538) are available to purchase, construct or rehabilitate complexes
○ Loan guarantees must have a fully-amortized 40-year term
○ Some grant funding and debt deferrals possible for existing, current Rural Development borrowers for the purposes of extending restrictive use covenants
○ Applications are responsive to Notices of Funding Availability as published in the Federal Register
Multifamily Housing Programs

Multifamily Housing Complexes in Franklin County

Elm Circle, South Deerfield MA
Family Housing
413-863-9346 Phone

Park Villa, Turners Falls, MA
Elderly Housing
413-863-9346 Phone

Redbrook Village, Orange, MA
Elderly Housing
978-544-2377 Phone
Single Family Home Purchase

Eligible Entities:
- Guaranteed: Individuals in households earning up to 115% of area median household income as compared to similarly sized households
- Direct: Individuals in households earning up to 80% of area median household income as compared to similarly sized households
- Good credit
- Adequate repayment ability
- US citizen or permanent resident

Eligible Rural Areas:
- Property & dwelling must be in a town with a population of 10,000 or less (if within a Census-designated MSA), or in a town with a population of 20,000 or less if not in a MSA unless eligible in 1989 and has maintained a population of under 35,000 (Greenfield)
Single Family Home Purchase

Financial Assistance:

- Loan guarantees for up to 102.75% of the market value of the purchased security
- .5 annual fee based on unpaid principal balance
- Direct loans available for up to 100% of the market value of the purchased security
- Properties must not have in-ground pools
- Properties must not have incoming-producing land or structures
- Dwellings must be in good condition
- No existing manufactured homes
Single Family Home Repair

**Eligible Entities:**
- Grants: Elderly & disabled home owners
- Loans: Individuals in households earning less than 50% of the median household income as compared to similarly sized households
- Good credit, for loan
- Adequate repayment ability, for loan
- US citizen or permanent resident
- Liquid assets limitations ($15,000 nonretirement for nonelderly; $20,000 nonretirement for elderly)
- Income generated by retirement assets may be considered as income

**Eligible Rural Areas:**
- Property & dwelling must be in a town with a population of 10,000 or less (if within a Census-designated MSA), or in a town with a population of 20,000 or less if not in a MSA
Single Family Home Repair

Financial Assistance

- Loan of up to $20,000 with a 1% interest rate and a term of up to 20 years
- Repayment ability determined by applicant-submitted budget
- Credit history must demonstrate ability & willingness to repay the loan
- Grants of up to $7,500 per applicant
- Must be for health & safety or accessibility reasons
- Repayable if property ownership transfers within three years
- Properties must not have in-ground pools
- Assistance cannot repair incoming-producing land or structures
- Dwellings must be in good condition after repairs are made
- Dwelling & property must be owned by the applicant leased for a term at least 5 years longer than the assistance provided (grant: 8 years, loan: 25 years)
QUESTIONS?
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Thank You!