

USDA



Rural Development

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Brownsfields 101 Funding Resources

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Area Specialist**

USDA Rural Development



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USDA Rural Development

Agency Goals

- 1. Increase economic opportunity in rural America**
- 2. Improve the quality of life for all rural Americans**

Lead Federal Agency Serving Rural America



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USDA Rural Development

Over 40 Programs Delivered

- ❖ **Utilities / Infrastructure**
- ❖ **Business**
- ❖ **Housing (Single-family & Multi-family)**



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USDA Rural Development Community Development Programs Community Development

- **What are your community's needs?**
- **What capital projects is your community contemplating?**
- **What capital projects should they be contemplating?**



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USDA Rural Development Community Development Programs Community Development

- **How might the projects be developed?**
- **Have we prioritized our needs?**



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USDA Rural Development Community Development Programs

Community Development What does the list include?

Health Care

Child Care

Water Quality

Fire and Rescue

Storm Shelter / Siren

Community Transportation

Business Park



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USDA Rural Development Community Development Programs

- **Where might we find financial help?**
 - **Community Contributions**
 - **USDA Rural Development**
 - **Other financial partners**



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USDA Rural Development Community Development Programs

- **USDA Rural Development has numerous programs to help address community projects:**
 - **Water & Environmental Programs (WEP)**
 - **Essential Community Facilities (CF)**
 - **Housing development**
 - **Business development**



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Community Development Programs

- **Water & Environmental Program**
- **Distance Learning & Telemedicine**
- **Rural Electric Loan**
- **Community Facility**



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Water & Environmental Program (WEP)



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Water & Waste Disposal Program

Purpose:

- Develop and upgrade rural water distribution and waste water facilities**

Eligible Areas:

- Rural Communities with a population of less than 10,000**



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Community Facility Program (CF)



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Community Facility Program

- Program Purpose:
 - Enhance / improve essential community services and/or facilities
 - Public Service
 - Public Safety
 - Health Care
- Eligible Areas:
 - Rural areas with a population of less than 20,000



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Community Facility Program

Eligible Categories

- Fire Trucks and Equipment.
- Rescue and Ambulance Vehicles & Equipment.
- Police Vehicles.



Rural fire truck, north central Kansas

Fire department truck and equipment, southeast Kansas



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Community Facility Program

Eligible Categories

- Hospitals/Admin. Buildings
- Physicians Clinics
- Out-Patient Care
- Migrant Health Centers
- County Health Department Facilities

Local Hospital



Trego County



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Community Facility Program

Eligible Categories

- **Ambulance,
Fire, Police,
Rescue
Building**



Rural fire station,
north central
Kansas

Rural fire
station,
northeast
Kansas



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Community Facility Program

“Before & After”



Former Library



Former City Hall



New City Hall / Library



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Guaranteed Rural Housing (GRH) Program



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Home Buyer Benefits

- 103.5% LTV
- No Mortgage Insurance
- 30 Year Fixed Rate
- Partner with Approved Lenders
- No Loan Limit
- Fees & Repairs may be Financed
- Unlimited Gifts or Seller Contributions



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GRH Loan Purposes

- Purchase New
 - Stick, Modular or Manufactured
- Purchase Existing
 - Stick, Modular
- Repairs (initial loan only)
- Typical Loan Closing Costs to 100% of appraisal
- 3.5% GRH Fee can be financed above appraised value
- Limited Refinance: RD Direct or GRH ONLY
- Rural areas with a population up to 50,000



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Prohibited Purposes

- Furniture & Personal Property
- Existing Manufactured Home
- Income Producing Property
- In-Ground Swimming Pool



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502 DIRECT RURAL HOUSING LOANS



Direct Housing Loans – loans made by USDA Rural Development to low and very low income applicants to buy, build or repair homes—payments may be subsidized.



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Direct Guidelines

Loan Terms

- Up to 100% of the Appraised Value
- Maximum repayment period is 33 years & under certain conditions, 38 years
- Interest rate currently 4.675% - Interest rate can be subsidized to as low as 1%. Borrowers will always pay at least 24% of adjusted gross income.
- Rural areas with a population up to 50,000



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Business Programs

- **Business and Industry Guaranteed Loan**
- **Rural Economic Development Loan & Grant**
- **Rural Business Enterprise Grant**
- **Renewable Energy / Energy Efficiency**



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Business & Industry Guaranteed Loan Program (B&I)



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B&I Guaranteed Loan Program

- **Program Purpose:**
 - Create and maintain employment & improve the economic climate in rural communities.
 - Assist in creating and saving jobs
- **Eligible Area:**
 - Rural areas with a population up to 50,000



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B&I Guaranteed Loan Program

- **Eligible Entities:**
 - Any legal entity, including individuals, corporations, public and private organizations and federally recognized Indian tribal groups



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B&I Guaranteed Loan Program

- **Eligible Purposes – eligibility includes, but not limited to:**
 - **Business acquisitions**
 - **Construction / Expansion**
 - **Repair / Modernization**
 - **Development Costs**
 - **Equipment purchase**
 - **Start-up working capital**
 - **Refinancing under certain conditions**



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Manufacturing facility



central Kansas

Grain handling facility



southeast Kansas



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Cotton Gin



southwest Kansas



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Rural Economic Development Loan and Grant Program (REDLG)



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Rural Economic Development Loan & Grant Program

- **Program Purpose:**
 - Loans to eligible utilities to make a pass-thru loan to a rural business
 - Grants to eligible utilities to establish revolving loan funds to initially make loans to eligible rural projects
- **Eligible Areas:**
 - Rural areas with population up to 50,000



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Rural Economic Development Loan & Grant Program

- **Eligible Entities:**
 - Electric and Telephone Rural Utility Cooperatives
- **Eligible Ultimate Loan/Grant Recipients:**
 - Any legal entity, including individuals, public bodies, and federally recognized Indian Tribes



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Rural Economic Development Loan & Grant Program

- **Term (Loan):**
 - Maximum of 10 years
- **Interest Rate (Loan):**
 - 0% (Loan)



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Rural Economic Development Loan & Grant Program

Eligible Types of Projects

- Grocery Store
- Community College Improvements
- Livestock Handling Equipment
- Feed Mill
- Seed Company
- Industrial Building
- Repair Shops
- Hospital Improvement
- Library
- Furniture Business
- Supply Store
- Implement Dealer
- Fire / Emergency Vehicles
- Hotels



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Rural Economic Development Loan & Grant Program



**Grocery store
southeast Kansas**



**Electrical repair company
northeast Kansas**



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Rural Energy for America Program (REAP or 9007)



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What size of grant is available?

- Not exceed 25% of total eligible project costs
- Minimum grant request
 - Renewable energy system - **\$2,500**
 - Energy efficiency improvements - **\$1,500**
- Maximum grant request
 - Renewable energy system - **\$500,000**
 - Energy efficiency improvements - **\$250,000**



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*Maximum grants per applicant per fiscal year is
\$750,000*

What size of Guaranteed Loan (GL) is available?

- Not exceed 75% of total eligible project costs
- Maximum combination GL and grant cannot exceed 75% of total eligible project costs
- Minimum GL request is \$5,000 (*less grant amount*)
- Maximum GL request is \$10 million



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Can combine with up to \$25M of Business and Industry GL for larger projects

Who is eligible to apply for funding?

- ***Agricultural producers*** directly engaged in ag production (*≥ 50% of their gross income*)
- ***Rural small businesses*** that meet the SBA Size Standards
- **Demonstrated financial need**
- **Project must be located in a *rural area***
- **Non-profit organizations and public entities are excluded**



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Actual Definitions available in 7 CFR Part 4280

What projects are eligible?

- Purchase ***RE*** or make ***EE improvements***
- **Pre-commercial** or commercially available, and replicable technology (*No Research and Development*)
- **Technical Merit** and located in a ***rural area***
- **Sufficient revenues for O&M, Maintenance & Debt Service**
- **Applicant must own the project and control the revenues and expenses, including O&M**



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Pre-Commercial: at least one commercial unit in operation for at least 1 full year in U.S.

Eligible uses

- **Post-application purchase and installation of equipment;** *(except agricultural tillage equipment & vehicles)*
- **Post-application construction or project improvements;** *(except residential)*
- **Energy audits or assessments;**
- **Permit fees and Feasibility Studies;**
- **Professional service fees;** *(except application preparation)*



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Only costs identified in the Energy Audit for energy efficiency improvements are allowed (EE)

Energy Efficiency Examples

- **Building Envelope**
- **Lighting**
- **HVAC Systems**
- **Water Heating**
- **Power Systems**
- **Refrigeration**
- **Grain Drying and Curing**
- **Irrigation**
- **Fans and Blowers**
- **Compressors**
- **Pumps**

EE Projects must have the previous 12 months history of energy use in order to measure savings from the project improvements.



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Who to Contact?

**USDA Rural Development
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(785) 625-6065 fax
www.rurdev.usda.gov/ks**



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