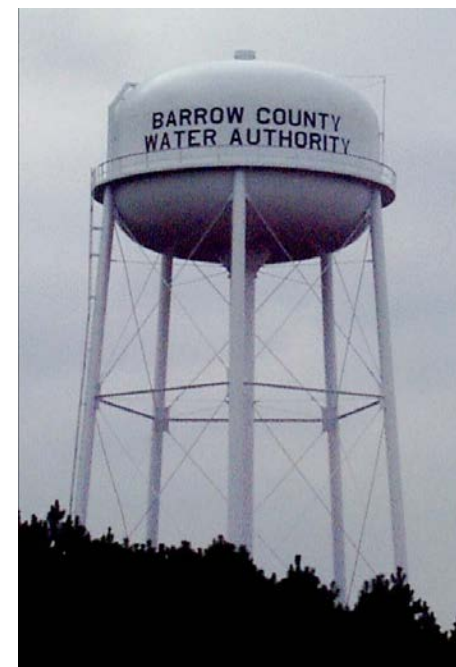


# USDA, Rural Development

## Loan and Grant Opportunities for Municipalities





### *FINANCING FOR SMALL MUNICIPAL AND RURAL WATER, WASTEWATER, AND SOLID WASTE SYSTEMS*

Funds can be used for construction, land acquisition, legal fees, engineering fees, capitalized interest, equipment, initial operation and maintenance costs, project contingencies, and any other cost that is determined by Rural Development to be necessary for the completion of the project.



## *Georgia FY 2016 Funding Allocation*

<b>Direct Loan Funds</b>	<b>\$44,543,000</b>
<b>Grant Funds</b>	<b>\$12,800,000</b>





### *Program Interest Rates (as of April 1, 2016)*

**Present rates (subject to change quarterly):**

<b>Market -</b>	<b>2.875%</b> (above \$49,785)
<b>Intermediate -</b>	<b>2.250%</b> (\$39,828 - \$49,785)
<b>Poverty -</b>	<b>1.750%</b> (below \$39,828)

**NOTE:** *Interest rate is based on applicant's median household income as shown in the 2006-2010 American Community Survey. The Poverty Rate also involves alleviating a documented health or sanitary problem.*

## *Eligibility*

- **Rural communities with populations of less than 10,000 (2010 Census)**
- **Cannot obtain financing through bonds or from other lenders at reasonable rates and terms**
- **Must be a Public Body or Non-Profit Corporation**
- **Must have the legal authority to incur debt**
- **Projects must be primarily for the benefit of *rural residential users***

*USDA funds cannot be used for.*

- **On-site utility system**
- **Business and industrial buildings in industrial parks**
- **Recreational facilities**
- **Lavish facilities**
- **Combined sanitary and storm water facilities**

## *Terms of Repayment*

- **Useful remaining life of facility or 40 years, whichever is less**
- **Up to 3 year deferral of principal to allow a new facility to become operational and financially stable**
- **Interest payments are due during the deferral period**
- **No prepayment penalty**

## *SEARCH Grants*

- **Grant for feasibility studies, design assistance and technical assistance**
- **Not to exceed \$30,000**
- **Public body or non-profit corporation in a rural area with a population of less than 2,500**
- **MHI of less than \$39,828**
- **No resources to pay predevelopment expenses (PER, ER, etc.)**



## *Predevelopment Planning Grants*

- **Grant for development of PER and ER**
- **Not to exceed \$30,000 or 75% of eligible costs, whichever is less**
- **Public body or non-profit corporation in a rural area with a population of less than 10,000**
- **MHI of less than \$39,828**
- **No resources to pay predevelopment expenses (PER, ER, etc.)**



## RD Apply

- **Electronic submission of waste and waste disposal application**
- **Effective October 1, 2015**
- <https://rdapply.sc.egov.usda.gov/Intake/spring/AppHomeFlow?execution=e1s1>

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*FINANCING OF ESSENTIAL FACILITIES FOR RURAL COMMUNITIES,  
THROUGH PUBLIC BODIES OR NON-PROFIT CORPORATIONS.*

The loan program is designed to help construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and towns.



# *Georgia FY 2016 Funding Allocation*

<b>Direct Loan Funds</b>	<b>\$65,678,355</b>
<b>CF Grant Funds</b>	<b>\$ 930,600</b>
<b>EI Grant Funds</b>	<b>\$ 163,100</b>





### *Program Interest Rates (as of April 1, 2016)*

**Present rates (subject to change quarterly):**

<b>Market -</b>	<b>2.875%</b> (above \$49,785)
<b>Intermediate -</b>	<b>3.625%</b> (\$39,828 - \$49,785)
<b>Poverty -</b>	<b>4.500%</b> (below \$39,828)

**NOTE:** *Interest rate is based on applicant's median household income as shown in the 2006-2010 American Community Survey. The Poverty Rate also involves alleviating a documented health or sanitary problem.*



## *Eligibility*

- **Rural communities with populations of less than 20,000 (2010 Census)**
- **Cannot obtain financing through bonds or from other lenders at reasonable rates and terms**
- **Must be a Public Body or Non-Profit Corporation**
- **Must have the legal authority to incur debt**
- **Provides an essential service to the local community – the service must be a function customarily provided by a local unit of government**

## *CF Projects across Georgia*

- **Cook County BOC – airport hangars**
- **Miller County Hospital – renovation and refinancing**
- **University of North Georgia – STEM equipment**
- **City of Adel – public safety communications equipment**
- **Young Harris College – dormitory**
- **McIntosh Trail ECDC – purchase building for Head Start**
- **North Georgia Technical College – equipment for welding lab**
- **RJ Taylor Memorial Hospital – electronic medical records equipment**
- **Hancock County BOC – purchase building and relocate Tax Commissioner**
- **Hospital Authority of Jefferson Co – mammography equipment**
- **City of Summerville – gas meter replacement**
- **City of West Point – fire station**



## *Terms of Repayment*

- **Up to 40 years for Real Estate Loans**
- **Equipment/vehicle loans depend on useful life of collateral**
- **Up to 3 year deferral of principal to allow a new facility to become operational and financially stable**
- **Interest payments are due during the deferral period**
- **No prepayment penalty**





## *CF and EII Grants*

- **FY 2016 allocation - \$1,093,700 with both CF and EII**
- **Cannot make a 100% Grant. There must be other funding**
- **Maximum grant is 75%**
- **State policy is \$25,000 maximum**

### % Grant

75%

55%

35%

### Population

Less than 5,000

Less than 12,000

Less than 20,000

### MHI

Less than \$29,871

Less than \$34,850

Less than \$39,828



## *RURAL BUSINESS DEVELOPMENT GRANTS*

A competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than \$1 million in gross revenues. Programmatic activities are separated into enterprise or opportunity type grant activities.



## *RURAL BUSINESS DEVELOPMENT GRANTS*

### Program Highlights:

- Georgia Allocation for FY 2016 - \$868,000
- Applications accepted annually. FY 2016 deadline – March 11, 2016
- Highly competitive
- Requests of less than \$100,000 score higher
- Grants can range from \$10,000 to \$500,000, but are generally less than \$100,000
- Typically fund 10-12 projects per year
- Georgia Web Site:

<http://www.rd.usda.gov/programs-services/rural-business-development-grants/ga>



## *RBDG Eligibility*

- **Must be a rural public entity including, but not limited to:**
  - **Towns**
  - **Communities**
  - **State agencies**
  - **Authorities**
  - **Nonprofit Corporations**
  - **Institutions of Higher Education**
  - **Federally-recognized Tribes**
  - **Rural Cooperatives**
  
- **Rural communities with populations of less than 50,000 (2010 Census)**

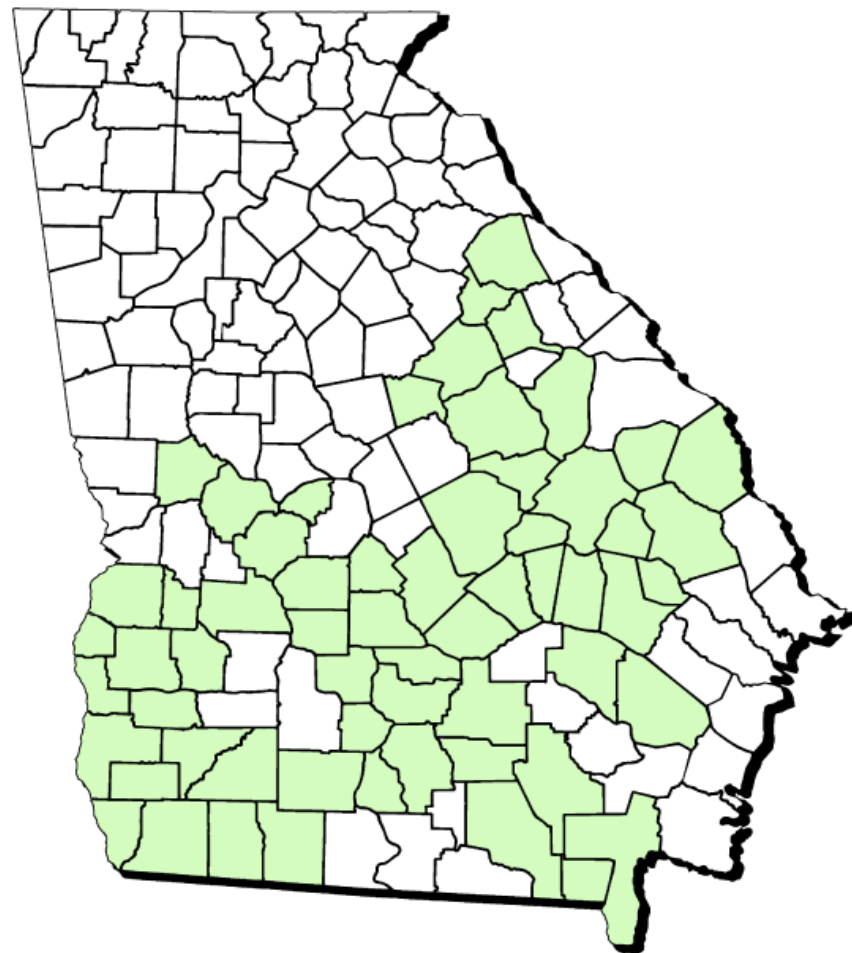


## *Examples of Eligible Uses of Funds*

- **Technical Assistance (TA) for business development**
- **Training (ex: welding, nursing, truck driving)**
- **Bricks/Mortar projects, real estate, equipment, infrastructure**
- **Revolving Loan Fund (RLF) to make small business loans**
- **Feasibility studies and business plans**
- **Rural transportation improvement**

# *USDA StrikeForce Counties*

- Initiative of Secretary of Agriculture
- Focus on Persistent Poverty Counties
- 60 Counties in Georgia





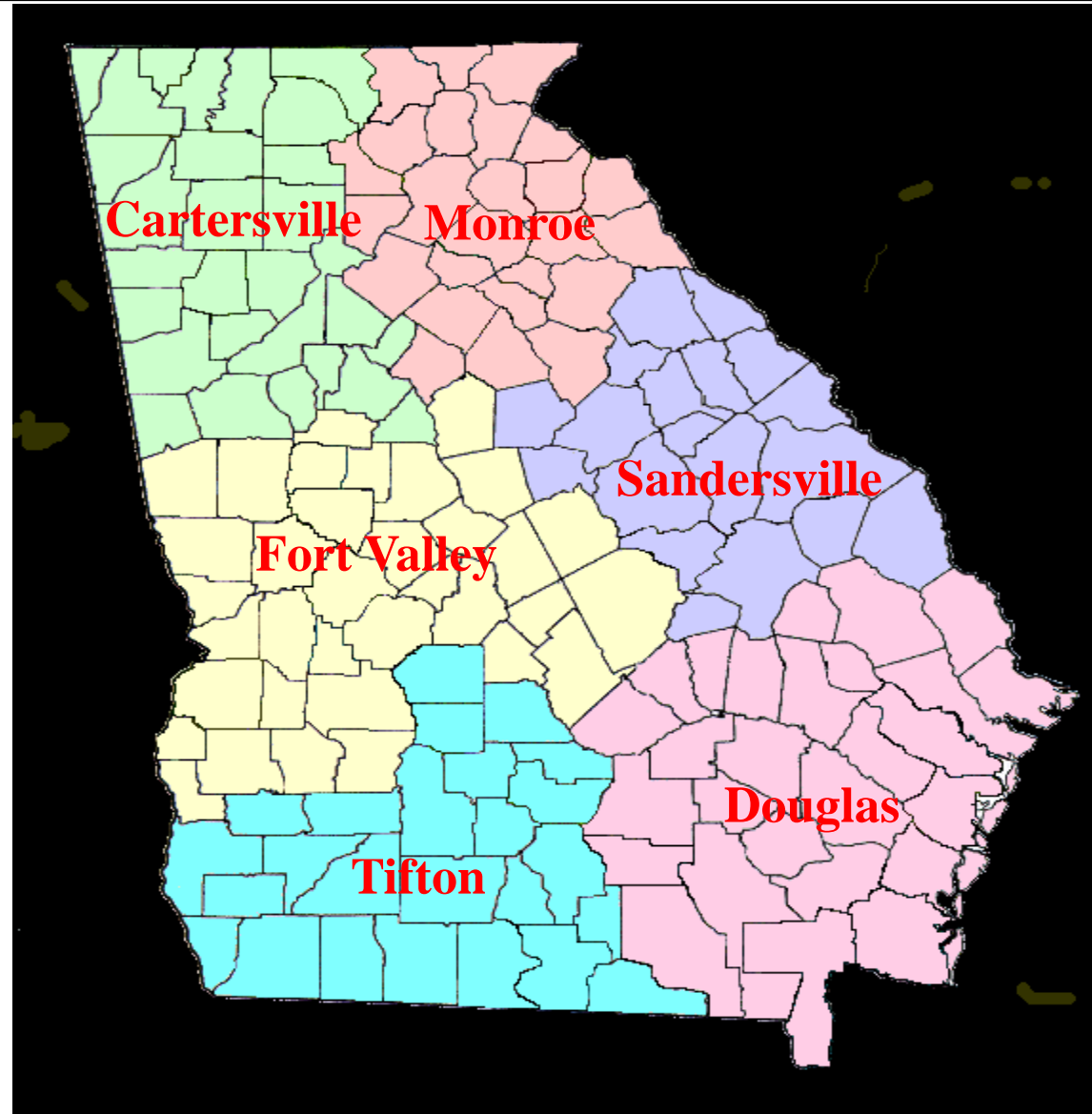
United States Department of Agriculture

# GEORGIA

## USDA

## Rural Development

## Area Offices





## *USDA Area Offices*

→ **Cartersville**

770-386-3393

→ **Monroe**

770-267-1413

→ **Fort Valley**

478-827-0016

→ **Sandersville**

478-552-0901

→ **Tifton**

229-382-0273

→ **Douglas**

912-384-4811

*USDA State Office* – 706-546-2171

<http://www.rd.usda.gov/ga>





# *USDA Contact Information*

**Jack Stanek, Community Programs Director**  
**(706) 546-2171**  
**[jack.stanek@ga.usda.gov](mailto:jack.stanek@ga.usda.gov)**