

NJ Water Association
USDA Rural Development
Program Overview



## **USDA Rural Development**

## **Christine Schmelzle Community Programs Director**

15+ years experience in Community Facilities & Water and Environmental lending

Masters of Professional Studies in Community Economic Development Manages \$208+ million loan portfolio





## Today's Focus

- Overview of Rural Development Mission
- ☐ 2024 Key Priorities
- □ Key programs to meet essential community facilities needs and water and sewer infrastructure improvements

## **USDA Rural Development**

#### **Mission Area**

- Rural Business / Cooperative Service
- Rural Housing Service
- Rural Utilities Service

We deliver financial assistance to rural communities for Community and Economic Development

## **USDA Rural Development**

## **Key Priorities**

- 1. Addressing Climate Change via Climate Smart Agriculture, Forestry, and Clean Energy;
- 2. Advancing Racial Justice, Equity, Opportunity and Rural Prosperity
- 3. Creating More and Better Market Opportunities
- 4. Tackling Food and Nutrition Insecurity.

Community
Facilities
Programs



## **Community Facilities Programs**



Loans and Grants for Essential Services

Eligible applicants:

**Public Bodies** 

Non-Profits

Purposes:

Equipment

Real Estate Acquisition and Improvements

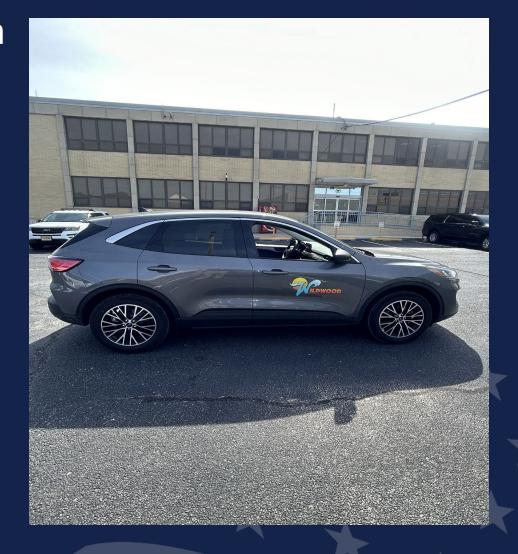
- Rural Communities < 20,000</li>
- Grant possible Median Household Income < \$104,710</li>
- Term up to 30/40 years dependent on useful life
- Interest Rates- adjust quarterly
- Market Rate 3.875% currently
- Community Facilities Direct Loan &
   Grant Program | Rural Development
   (usda.gov)

# Community Programs Direct Loans

## **Community Facilities Grant Program Equipment and vehicle projects**

## **Examples**

- Electric vehicles/charging stations
- Streetsweepers
- Trash receptacles
- Streetscaping/lighting
- Rainwater harvesting systems
- Equipment to control algae blooms



#### Note

4 levels of grant based on Median Household Income & Population Financial Need – matching can come from other sources or loan/grant combination

## Community Facilities Grant Program

4 Levels of grant based on Median Household Income (MHI), Population & Financial Need/Obtain Credit

**75%** Grant Pop <5000 & <60% MHI (\$62,826)

**55%** Grant Pop <12000 &<70% MHI (\$73,297)

**35%** Grant Pop <20000 &<80% MHI (\$83,768)

**15%** Grant Pop <20000 &<90% MHI (\$94,239)



<sup>\*</sup> Based upon 2020 Census





## Water and Environmental Programs

## Provides funding for clean and reliable systems to serve households and businesses in rural areas

- Drinking Water Systems
- Sanitary Sewage Disposal
- Sanitary Solid Waste Disposal
- Storm Water Drainage

## Funds may be used to finance the acquisition, construction or improvement of:

- Drinking Water sourcing, treatment, storage, disposition
- Sewer Collection, transmission, treatment, disposal
- Solid waste collection, disposal, closure
- Storm water collection, transmission, disposal



## Water and Environmental Programs Loans & Grants

### Eligible Applicants

- Public Bodies
- Not for Profits
- Indian Tribes of Federal And State Reservations and other federally recognized tribes



## Water and Environmental Programs

- Rural Communities < 10,000</li>
- Grant possible Median Household Income < \$104,710</li>
- Term up to 40 years (useful life, LFB restrictions)
- Interest Rates- Poverty, Intermediate, Market
- Rates change quarterly 10/1, 1/1, 4/1, 7/1
- Projects can be leveraged with other funding sources-NJ-IBank, NJDEP and EPA

2.375%	Poverty
3.125%	Intermediate
3.875%	Market

#### Water and Environmental Loans and Grants

#### **Grants**

- Helps make projects affordable by supplementing USDA Direct Loans to reduce user costs
- Project is necessary to alleviate a health or sanitary problem

Up to 45% when MHI of Service Area <100% of NJ nonmetropolitan MHI (Currently \$104,710)

Up to 75% when MHI of Service Area <80% of NJ Nonmetropolitan MHI. \*Must also be used to comply with health/sanitary standard

\*Grants subject to funding availability

WEP in Progress



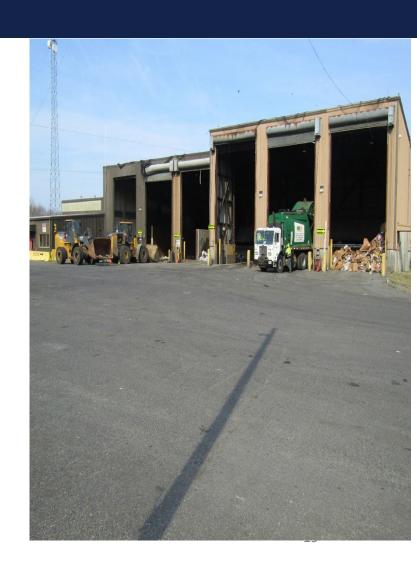
# Special Evaluation Assistance for Rural Communities & Households (SEARCH) & Predevelopment Planning Grants (PPG)

SEARCH	PPG
Pay for feasibility studies, preliminary design assistance, TA for financially distressed communities	Pay for Preliminary Engineering Report & Environmental Report or other costs assoc. w. developing a complete application
To find solutions to water, sewer, storm water, and solid waste management.	To implement solutions to water, sewer, storm water, and solid waste management.
Proposed service area has MHI < \$83,768 and population < 2,500	Proposed service area has MHI < \$83,768 and population < 10,000
Maximum Grant - \$30,000	Maximum Grant - \$30,000 or 75% of eligible costs whichever is less
No required match – 100% of TPC  SEARCH - Special Evaluation Assistance for Rural	Grant Repayment – only if additional funds are approved for the project
Communities and Households Grant   Rural Development (usda.gov)	Water & Waste Disposal Predevelopment Planning Grants   Rural Development (usda.gov)22

#### SOLID WASTE MANAGEMENT GRANTS

- Evaluate current landfill conditions to identify threats to water resources.
- Provide technical assistance (ta)/training:
  - to enhance operation & maintenance of active landfills.
- help communities reduce amount of solid waste coming into a landfill.
  - to prepare for closure and future use of a landfill site.

Solid Waste Management Grants | Rural Development (usda.gov)



# WATER & WASTE TECHNICAL ASSISTANCE & TRAINING GRANTS

- Applicant non-profits with experience in technical assistance and training
- Purpose Provide technical assistance/ training to identify & evaluate solutions to water/waste problems in a rural community
- Technical Assistance
  - Prepare applications for water/waste disposal loans/grants
  - Help associations improve operation/maintenance of facilities

## EMERGENCY COMMUNITY WATER ASSISTANCE GRANT (ECWAG)

- Assist Rural Communities that have a decline in quantity/quality of drinking water due to an emergency
- <10,000 in population, MHI <\$104,710
- Demonstrate financial need
- Grants may be 100% of total project cost
- Max Grant \$1 million for water source up to Treatment or up

to \$150K distribution water lines

**Emergency Community Water Assistance Grants | Rural** 

Development (usda.gov)32



## USDA Rural Development NJ CP Team

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