



NJ Water Association USDA Rural Development Program Overview

USDA Rural Development

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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
- Grant possible Median Household Income < \$104,710
- 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 \(usda.gov\)](https://www.usda.gov/programs/rural-development)

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)



* Based upon 2020 Census

The image shows an industrial water treatment facility. In the foreground, there is a white metal safety railing. Behind it, a complex network of large, brown-painted pipes is visible. A horizontal pipe in the middle has the label 'RAS' on it. To the right, a vertical pipe stands prominently. In the background, there are various pieces of machinery, including blue pumps and a large grey electrical control cabinet with a digital display and numerous buttons. The setting is an indoor industrial space with concrete floors and structural steel beams.

Rural Utilities Service (RUS)



Water and Environmental Programs Loans and Grants

- Improve infrastructure
- Support public health and safety or
- Promote economic development.
- [Water & Environmental Programs | Rural Development \(usda.gov\)](https://www.usda.gov/programs/water-environmental)

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
- Grant possible Median Household Income < \$104,710
- 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 Communities and Households Grant Rural Development (usda.gov)	Grant Repayment – only if additional funds are approved for the project 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](https://www.usda.gov/programs/solid-waste-management-grants)
[usda.gov](https://www.usda.gov/programs/solid-waste-management-grants)



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





WEP in Progress

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