



October 27, 2016

**RE: USDA Rural Development Community Facilities Program**

Dear Community Member:

The mission of USDA Rural Development is to improve the quality of life and create economic development in rural communities. We would like to highlight our Community Facilities (CF) Direct Loan and Grant Program and we need your assistance in getting the word out. The CF Program has an abundance of low interest loan money available. The current CF rate is 2.375 to 4.5 percent (please note this rate changes quarterly). In addition the CF Program has limited grant funding with grants typically ranging from \$10,000 to \$30,000.

Under the CF Program, loans/grants can be made to public bodies, non-profit organizations, and Native American tribes in areas with a population of 20,000 or less. The program helps communities provide vital services and amenities for their residents and visitors. This includes fire and rescue support services (i.e. fire halls, fire trucks, ambulances, and equipment), town halls, town barns, libraries, education facilities, and health care centers (i.e. hospitals, mental health centers, diagnostic treatment centers, dental clinics). These are just a few of the eligible purposes for this type of USDA Rural Development funding.

We have included additional information on the Community Facilities program. Please feel free to distribute this information to eligible entities that may be interested or benefit from the program. If you have any questions or would like to have an application emailed to you, please contact our office and we would be happy to help.

Sincerely,

/s/ Sanford Loucks-Baer

**SANFORD LOUCKS-BAER**  
Area Specialist

**Rural Development • Schoharie Service Center**  
108 Holiday Way • Schoharie, NY 12157  
Office: (518) 295-8600 x4 • Fax (855) 889-1634

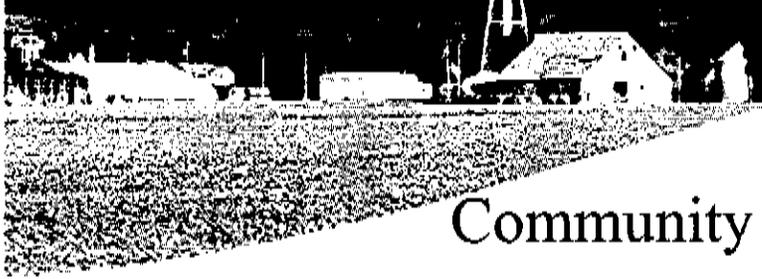
USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 832-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).



United States  
Department of  
Agriculture

## Rural Development



# Community Facilities: Fire and Rescue

[www.rd.usda.gov/NY](http://www.rd.usda.gov/NY)

## Program BASICS

USDA Rural Development can help fund a variety of projects for public safety services such as fire departments and emergency medical service organizations.

Loans are available to purchase buildings and new equipment, as well as, to renovate and construct facilities. Some applicants may even qualify for partial grant funding to purchase equipment.

## Who Can APPLY?

- Public bodies (cities, counties, special-purpose districts), non-profit organizations and federally recognized American Indian tribal groups.
- Cities, towns and villages with population of 20,000 or less (Must be unable to obtain commercial credit).

## Loan TERMS

- 30 year terms on real estate—with possible options for up to 40 year terms—Equipment terms based on useful life.
- Interest rates based on current market yields for municipal obligations. Some loans may qualify for a reduced interest rate, depending upon the median household income of the residents of the community to be served.

## Why USDA?

- No Fees.
- Low interest rates and longer terms allow for better cash flow.
- Local staff available to help walk through the application process.
- Funds can be leveraged with other sources.
- Quick response time on applications.
- Available funding now!

## Who do I Contact?

- Please contact the Schoharie Office 108 Holiday Way Schoharie, NY 12157 518 295 8600 Ext. 4
- Or visit us online at [www.rd.usda.gov/NY](http://www.rd.usda.gov/NY)

Check your eligibility here: <http://eligibility.sc.egov.usda.gov/eligibility/WelcomeAction.do>

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at: U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

# Community Facilities Direct Loan & Grant

## What does this program do?

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

## Who may apply for this program?

### Eligible borrowers include:

- Public bodies
- Community-based nonprofit corporations
- Federally recognized Tribes

## What is an eligible area?

Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest **U.S. Census Data** are eligible for this program.

## How may funds be used?

Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment and pay related project expenses.

Examples of essential community facilities include:

- Healthcare facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities
- Public facilities such as town halls, courthouses, airport hangars or street improvements
- Community support services such as child care centers, community centers, fairgrounds or transitional housing
- Public safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment
- Educational services such as museums, libraries or private schools
- Utility services such as telemedicine or distance learning equipment
- Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses

For a complete list see Code of Federal Regulations 7 CFR, Part 1942.17(d) for loans; 7 CFR, Part 3570.62 for grants.

## What kinds of funding are available?

- Low interest direct loans
- Grants
- A combination of the two above, as well as our **loan guarantee program**. These may be combined with commercial financing to finance one project if all eligibility and feasibility requirements are met.

## What are the funding priorities?

Priority point system based on population, median household income

- Small communities with a population of 5,500 or less
- Low-income communities having a median household income below 80% of the state nonmetropolitan median household income.

## What are the terms?

Funding is provided through a competitive process.

### Direct Loan:

- Loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicants authority, or a maximum of 40 years, whichever is less.
- Interest rates are set by Rural Development, contact us for details and current rates.
- Once the loan is approved, the interest rate is fixed for the entire term of the loan, and is determined by the median household income of the service area.
- There are no pre-payment penalties.
- Contact us for details and current interest rates applicable for your project.

## Community Facilities Direct Loan & Grant

### What are the terms? (continued)

#### Grant Approval:

Grant funds must be available. Applicant must be eligible for grant assistance, which is provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs:

Maximum of 75 percent when the proposed project is:

- Located in a rural community having a population of 5,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.

Maximum of 55 percent when the proposed project is:

- Located in a rural community having a population of 12,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.

Maximum of 35 percent when the proposed project is:

- Located in a rural community having a population of 20,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.

Maximum of 15 percent when the proposed project is:

- Located in a rural community having a population of 20,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income. The proposed project must meet both percentage criteria. Grants are further limited.

### Are there additional requirements?

- Applicants must have legal authority to borrow money, obtain security, repay loans, construct, operate, and maintain the proposed facilities
- Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms
- Facilities must serve rural area where they are/will be located
- Project must demonstrate substantial community support
- Environmental review must be completed/acceptable

### How do we get started?

Contact your **local offices** to discuss your specific project. Applications are accepted year round

### Who can answer questions?

Contact our **local office** that serves your area.

### What governs this program?

- Direct Loan: 7 CFR Part 1942, Subpart A
- Grant: 7 CFR Part 3570, Subpart A

LOH, because citations and other information may be subject to change, please always consult the program instructions cited in the section above titled "What Law Governs this Program?". You may also contact [www.usda.gov](http://www.usda.gov) for assistance; you will find additional forms, resources, and program information at [www.usda.gov](http://www.usda.gov). *USDA is an equal opportunity provider, employer, and lender.*