

# United States Department of Agriculture Rural Development California

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# USDA Rural Development's

Community Programs

Housing Programs

Business-Cooperative Programs



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# Working Together to Advance Opportunities for Rural California



## Jobs, Economic Development and Sustainable Communities

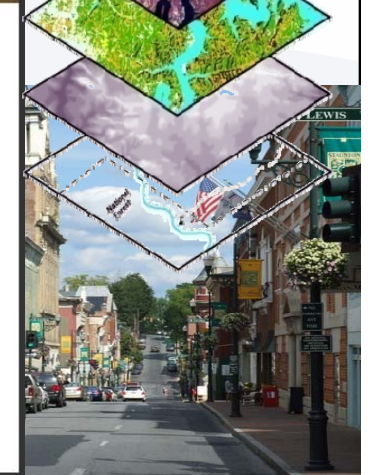
Strategizing Policy Needs and Program Delivery for Rural California



Submitted by Dr. Glenda Humiston  
State Director, USDA Rural Development  
February 9, 2010



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## Dr. Glenda Humiston, State Director

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# COMMUNITY PROGRAMS

**includes**

- **Water and Environmental Programs**  
*(Water, Waste Water and Storm Water Systems)*
- **Community Facilities Programs**  
*(Include Health Clinics, Hospitals, Libraries, Public Buildings and Other Essential Community Facilities)*



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# Water/Wastewater Eligible Areas

- Rural cities and towns that have a population of no more than 10,000 according to the most recent decennial Census.



# Eligible Applicants

- Federally Recognized Indian Tribes
- Public Bodies – including cities, counties and special district
- Not-for-profit Entities (Mutual Water Companies)



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# Other Eligibility Criteria

- Unable to Obtain Credit From Other Sources
- Possess Financial, Technical, and Managerial Abilities
- Comply with Federal and State Laws and Requirements
- Legal Authority & Responsibility

# Water System Improvements

- Supply
  - Groundwater
  - Surface water
- Treatment
- Storage
- Distribution
- Security



# Wastewater System Improvements

- Sewer Collection
- Sewer Treatment
- Effluent Disposal
- Security



# Types of RUS Financing

- USDA Rural Development Loans/Grants
  - Loans and Grants (Maximum Grant 75%)
    - Maximum Grants are Only Available in Unusual Circumstances.
  - Loan Only
- Special National Programs



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# Eligible Loan and Grant Purposes

- Construction
- Acquire Land and Rights
- Legal and Engineering/Architectural Fees
- Connection Fees



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# Rates and Terms

- Interest Rates
  - Established on quarterly basis
  - Based on nonmetropolitan median household income
  - Poverty Rate                      Below        \$38,812 and project corrects health or sanitary violation
  - Intermediate Rate                \$38,812 - \$48,516
  - Market Rate                        Above        \$48,516
- Terms: Useful life of the facility or 40 years

# Rates as of July 1, 2011

- Poverty = 2.500%
  - Intermediate – 3.375%
  - Market = 4.250%
- 
- Rates Change Quarterly and Next Change will be October 1, 2011.



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# Water Programs Grant Factors

(Based on need to achieve reasonable user costs)

- **75% Of Project Development Cost**
  - Nonmetropolitan median household income is less than \$38,812
- AND**
- Project is necessary to alleviate health or sanitary problem
- **45% Of Project Development Cost**
  - Nonmetropolitan median household income is less than \$48,516



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# Repayment Ability

- Cover
  - O&M
  - Debt service
  - Reserve

# Security for Loans to Tribes

- Promissory Note
- Assignment of All Tribal Income



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# Security for Loans to Public Bodies

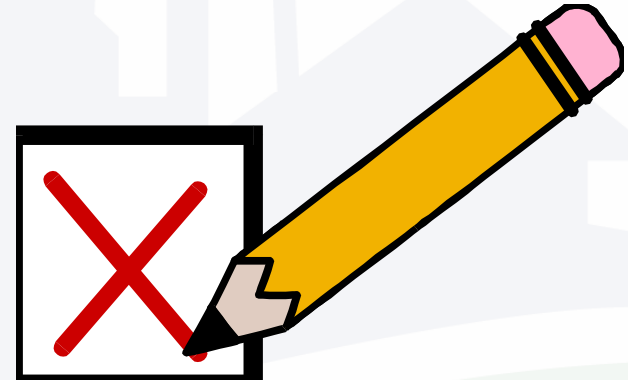
- BONDS
- General obligation bond and/or
- Pledge of taxes or assessment and/or
- Pledge of facility revenue and lien on all land, easements, right-of-way.....

# Security for Loans to Non-Profit Organizations

- Promissory note
- Assignment of income
- Deed of trust on all land, easements, right-of-way.....
- UCC financing statement
- Loan resolution/security agreement

# Application Process

- Initial Meeting with USDA
- Pre-Application
- Full Application
- Letter of Conditions
- Obligate Funding
- Funds are not available until after loan closing or start of construction



# Funding Cycle

Federal Fiscal Year -

October 1 - September 30

Applications are accepted continuously through  
out the year



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**Water Systems**

**Wastewater**

**Solid Waste**

**Storm Drainage**

**Telecommunications**

**Distance Learning**

**Telemedicine**

**Broadband & Electric**



<b>FY 2010</b>	<b>Grant</b>	<b>Loan</b>	<b>Total</b>
<b>Regular</b>	20,243,557	38,772,000	<b>#2 in Nation</b>
<b>ARRA</b>	12,047,500	105,052,000	
<b>Total</b>	32,291,057	143,824,000	<b>\$176,115,057</b>



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# Big Pine Paiute



- Tribal Grant \$ 75,000
- EPA \$ 297,500
- IHS \$ 50,000
- Total \$ 422,500

# Heber Water Project

- Loan \$3,533,000
- Grant \$ 367,000
- Appl \$3,283,685
- Total \$7,183,685



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# Other Utility Programs

- Electric Programs
- Contact: Larry McGraw (505) 892-0353
  - larry.mcgraw@wdc.usda.gov
  - (505) 892-0353
- Telecommunications including:
  - Broadband
  - Distance Learning Telemedicine
  - Telephone Service
- Contact: Harry Hutson (623) 535-5450
  - harry.hutson@wdc.usda.gov



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# Contacts

Kevin DeMers (530) 842-6123 ext.112

Siskiyou County

Debbie Coggins (707) 443-6714 ext.107

Del Norte & Humboldt Counties



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**Mike Colbert (530) 233-8860**

**Glenn, Lassen, Modoc, Plumas, Shasta, Tehama,  
& Trinity Counties**

**Katie Hammond (530) 533-4401 ext.127**

**Butte, Sutter, Yolo & Yuba Counties**

**Al Aiello (707) 526-6797 ext.104**

**Alameda, Lake, Marin, Mendocino, Monterey,  
Napa, San Benito, San Mateo, Santa Clara, Santa  
Cruz, & Sonoma Counties**



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Doug Colucci (916) 714-1104 ext. 106

El Dorado, Nevada, Placer, Sacramento, Sierra,  
& Solano Counties

Frank Risso (916) 425-4768

Alpine, Amador, Calaveras, Contra Costa,  
Mono, & San Joaquin Counties

Jose Guardado (209) 538-3783

Madera, Mariposa, Merced, Stanislaus &  
Tuolumne Counties



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**Sally Tripp (559) 276-7494 ext.132**

**Fresno County**

**Al Correale (805) 928-9269 ext.119**

**San Luis Obispo, Santa Barbara & Ventura  
Counties**

**Lisa Butler (559) 734-8732 ext.103**

**Tulare & Kings Counties**



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**Dan Johnson (661) 336-0967 ext.127**

**Kern & Inyo Counties**

**Daniel Cardona (760) 352-4418 ext.107**

**Los Angeles, Orange, Riverside, & San  
Bernardino, Imperial & San Diego Counties**



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# State Office Contacts

## Water/Wastewater / Community Facilities

Dave Hartwell (530) 792-5817

Anita Lopez (530) 792-5822

Pete Yribarren (559) 734-8732 ext 108



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THE END



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