



USDA to Provide \$150 Million to Help Rural Communities Affected by Natural Disasters

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WASHINGTON, District of Columbia, September 10, 2019 — U.S. Department of Agriculture (USDA) Rural Housing Service Administrator Bruce Lammers today announced that USDA is making \$150 million in grants available through the [Community Facilities Program](#) to help rural communities continue their recovery from the devastating effects of hurricanes, fires and other natural disasters.

“When rural America thrives, all of America thrives,” Lammers said. “Under the leadership of President Trump and Agriculture Secretary Perdue, USDA stands with the Nation’s rural communities in their long-term recovery following natural disasters.”

The \$150 million is included in the [Additional Supplemental Appropriations for Disaster Relief Act](#) that President Trump signed into law on June 6, 2019. The grants may be used for relief in areas affected by Hurricanes Michael and Florence; wildfires in 2018; and other natural disasters where the Federal Emergency Management Agency (FEMA) has provided a notice declaring a Major Disaster Declaration and assigned a FEMA disaster recovery (DR) number. View the [list of designated communities](#) as of Sept. 8, 2019. Please check the [FEMA website](#) for regular updates and names of additional communities that may be added.

Grant applications will be accepted at USDA [state offices](#) on a continual basis until funds are exhausted. Grant assistance will be provided on a graduated scale; smaller communities with the lowest median household income are eligible for a higher proportion of grant funds. For application details and additional information, see page 47477 of the Sept. 10 [Federal Register](#).

More than 100 types of projects are eligible for Community Facilities funding. Eligible applicants include municipalities, public bodies, nonprofit organizations and federally recognized Native American tribes. Projects must be in eligible rural areas with a population of 20,000 or less.

In April 2017, President Donald J. Trump established the Interagency Task Force on Agriculture and Rural Prosperity to identify legislative, regulatory and policy changes that could promote agriculture and prosperity in rural communities. In January 2018, Secretary Perdue presented the Task Force’s findings to President Trump. These findings included 31 recommendations to align the federal government with state, local and tribal governments to take advantage of opportunities that exist in rural America. Increasing investments in rural infrastructure is a cornerstone recommendation of the task force.

To view the report in its entirety, please view the [Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity](#) (PDF, 5.4 MB). In addition, to view the categories of the recommendations, please view the [Rural Prosperity infographic](#) (PDF, 190 KB).

USDA Rural Development provides loans and grants to help expand economic opportunities and create jobs in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural areas. For more information, visit www.rd.usda.gov.

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USDA - Community Facilities Grant/Loan Checklist

1) Who owns/will own the project?

- Public Entities (county, city, village)
- Community-based Non-profit Corporations
- Federally-recognized Tribes

2) Project description and estimated cost (including any installation costs)

3) Who will the project benefit?

4) Financials – must show a financial need – provide 5 years of past financials, and 1 year projected
(Note: only 90 days of operating expenses in general fund, with rest of entity's funds committed to specific needs)

§3570.62 Use of grant funds.

Grants of up to 75 percent [*eligibility varies by community*] of the cost of developing essential community facilities may be used to supplement financial assistance authorized in accordance with 7 CFR parts 1942, subparts A and C, and 3575, subpart A. Eligible CFG purposes are those listed in paragraphs (a), (b), (c), and (d) of this section. Funding for the balance of the project may consist of other CF financial assistance, applicant contributions, or loans and grants from other sources. CFGs may be used to:

(a) Construct, enlarge, extend, or otherwise improve essential community facilities providing essential service primarily to rural residents and rural businesses. Rural businesses include facilities such as educational and other publicly owned facilities.

(1) "Essential community facilities" are those public improvements requisite to the beneficial and orderly development of a community operated on a nonprofit basis including, but not limited to:

(i) Fire, rescue, and public safety;

(ii) Health services;

(iii) Community, social, or cultural services;

(iv) Transportation facilities such as streets, roads, and bridges;

(v) Hydroelectric generating facilities and related connecting systems and appurtenances, when not eligible for RUS financing;

(vi) Telecommunications equipment as it relates to medical and educational telecommunications links;

(vii) Supplemental and supporting structures for other rural electrification or telephone systems (including facilities such as headquarters and office buildings, storage facilities, and maintenance shops) when not eligible for RUS financing;

(viii) Natural gas distribution systems; and

(ix) Industrial park sites, but only to the extent of land acquisition and necessary site preparation, including access ways and utility extensions to and throughout the site. Funds may not be used in connection with industrial parks to finance on-site utility systems, or business and industrial buildings.

(2) "Otherwise improve" includes, but is not limited to, the following:

(i) The purchase of major equipment (such as solid waste collection trucks, telecommunication equipment, necessary maintenance equipment, fire service equipment, X-ray machines) which will in themselves provide an essential service to rural residents; and

(ii) The purchase of existing facilities when it is necessary either to improve or to prevent a loss of service.

(b) Construct or relocate public buildings, roads, bridges, fences, or utilities and to make other public improvements necessary to the successful operation or protection of facilities authorized in paragraph (a) of this section.

(c) Relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary to the successful operation or protection of facilities authorized in paragraph (a) of this section.

(d) Pay the following expenses, but only when such expenses are a necessary part of a project to finance facilities authorized in paragraphs (a), (b), and (c) of this section:

(1) Reasonable fees and costs such as legal, engineering, architectural, fiscal advisory, recording, environmental impact analyses, archeological surveys and possible salvage or other mitigation measures, planning, establishing or acquiring rights.

(2) Costs of acquiring interest in land; rights, such as water rights, leases, permits, and rights-of-way; and other evidence of land or water control necessary for development of the facility.

(3) Purchasing or renting equipment necessary to install, maintain, extend, protect, operate, or utilize facilities.

COMMUNITY FACILITIES PROGRAM
INQUIRY QUESTIONNAIRE

SPECIFIC QUESTIONS

1. What type of facility is to be developed and what are the services to be provided?

Purpose of the question – Used in determining if the facility is an essential community facility. The definition of an essential community facility can be found in RD Instruction 1942-A, 1942.17(b)(1)(ii).

2. What area will this project serve?

Looking for community or geographical area to be served. If the area to be served is other than a Village or City, you need to find out the public subdivisions such as counties or precincts.

Purpose of the question – Determine population of community. Population cannot exceed 20,000. This will assist the staff in determining MHI of service area.

3. Who will be the applicant and owner of the facility?

Purpose of the question – We can only assist public bodies, not-for-profits, and tribal groups.

4. If the applicant is a not-for-profit organization, is it community based?

If a not-for-profit organization, need to make sure they have been formally organized. We cannot accept an application until a legal entity is formed. Eligible entities for direct loan assistance must have significant ties to the community to be served.

5. What is the total cost of the project?

Purpose of the question – This will provide staff with an idea of how much assistance is needed and determine the test of credit criteria.

6. Was the estimated project costs assembled by an architect?

_____Yes _____No

If so, who is the architectural firm and name of architect?

7. Has the applicant had a market/feasibility study prepared on the project?

_____Yes _____No

Big Project - Market/Feasibility Study
Medium Project - Preliminary
Engineering or Architectural Report .
Smaller Project - See CNEDD for packet

Purpose of the question – Normally will need to have these studies done to demonstrate need and feasibility. Recommend having these studies completed by independent third parties.

8. Who is the contact person for the applicant?

Name:

Address:

Telephone number:

Best time to call:

Other information:

IMPORTANT POINTS

- Test of Credit – Rural Development assistance is only available to those entities who are unable to finance their needs from their own resources or through commercial credit at reasonable rates and terms.
- Graduation Requirement – direct loan assistance is not considered as a permanent source of credit.
- Direct loan application process consists of two phases, a preapplication and an application. The preapplication material is used in making an initial eligibility determination. If the project is determined eligible, the applicant will be notified to submit a complete application.
- Guaranteed loan application process only consists of an application. The submission of a preapplication is optional.