Your Community Development Partner
Jane Asselta, State Director

NJ League of Municipalities “Lunch and Learn”
March 16, 2023
USDA Rural Development’s Mission

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

Assist rural communities in creating prosperity so they are self sustaining and economically thriving
With more than 50 loan, grant and loan guarantee programs to stimulate economic development, USDA RD funding supports and benefits every aspect of a rural community’s health, safety and vitality.

USDA is an equal opportunity provider, employer and lender.
Rural Business Cooperative Service

Direct loans and grants
  Public bodies & Non-Profits

Grants and Guaranteed Loans
  Small Businesses & Agricultural producers

Guaranteed Loans
  Businesses & Non-profits

Other Direct Loans and Grants
  Relenders & electric cooperatives
USDA Rural Business Cooperative Service Loans

- Rural Energy for America Program Loan Guarantees
- Business & Industry Guaranteed Loans
- Food Supply Chain Guaranteed Loan Program
- Intermediary Relending Program
- Rural Microloan Assistance Program
USDA Rural Business Cooperative Service Grants

- Rural Energy for America Program
- Rural Business Development Grants
- Value-Added Producer Grants
- Rural Microloan Assistance Program
- Meat and Poultry Processing Expansion Grant
### Rural Business Cooperative Programs

- **Rural** = Communities < 50,000 and not in the urbanized area contiguous and adjacent to a town that has a population of more than 50,000.

- **Agricultural producers located anywhere are eligible.**

### Eligibility Table

<table>
<thead>
<tr>
<th>Community</th>
<th>Business Programs</th>
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**Legend:**
- Green = Eligible
- Yellow = Portions of Town Eligible
- Red = Ineligible
Rural Energy for America Program

Renewable Energy Systems & Energy Efficiency Improvements Program

Unionville Vineyards Renewable Energy System

Donaldson Farms Energy Efficiency Solar Curtain
Inflation Reduction Act provided additional funding and increased grant share to 40% for all REAP projects.

Maximum grant sizes increased for IRA funds:
- $500,000 for energy efficiency grants
- $1,000,000 for renewable energy system

Loan Guarantees can cover up to 75% of total eligible project costs.

**Combined** grant and loan guarantee funding can cover up to 75% of total eligible project costs.
Applicant Eligibility

<table>
<thead>
<tr>
<th>Agricultural Producer</th>
<th>Rural Small Business</th>
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</table>
| **Individual or entity** that receives 50% or more of gross income from agricultural products – crops, livestock, aquaculture, forestry operations, nurseries, dairies | **For-profit small business** - as defined by the Small Business Administration (SBA) 
**Rural area or non-metro community of ≤ 50,000** |
## Improve Profits for Rural Small Businesses or Farms with REAP

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
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<tbody>
<tr>
<td>Lighting</td>
<td>Solar</td>
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<td>Heating</td>
<td>Wind</td>
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<td>Cooling</td>
<td>Small Hydroelectric</td>
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<tr>
<td>Ventilation</td>
<td>Anaerobic Digesters</td>
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<td>Fans</td>
<td>Biomass</td>
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<td>Automated Controls</td>
<td>Geothermal</td>
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<tr>
<td>Insulation</td>
<td>Wave/Ocean Power</td>
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The technology must be commercially available. Research and development projects do not qualify.
March 31, 2023
Deadline for grants > $20,000
Also, deadline for combination grant and loan applications

Spring 2023
Second FY 23 Notice is published in the Federal Register (Projects to establish quarterly funding cycle)

October 31, 2023
Deadline for grants <$20,000
Rural Business Development Grants

Applicants: Public Bodies or Non-Profits

Purposes: To finance the development of small and emerging businesses in rural areas. The funds can be used for technical assistance, project planning and more.

Grants: up to $30,000

Applicants: Agriculture Producers

Purposes: The Value-Added Producer Grant (VAPG) program helps agricultural producers enter value-added activities to generate new products, create and expand marketing opportunities, and increase producer income.

Grant:
• Planning grants up to $75,000
• Working capital grants to $250,000
Value Added Producer Grants

**Applicants:** Salem Oak Vineyard

**Purpose:** To conduct a feasibility study on the viability of a potential value-added venture for vineyard

**Planning Grant:** $25,000
Investment for expenses related to Feasibility Study related to business opportunity
Value Added Producer Grants

**Applicants:** Stony Hill Gardens, Chester

**Purpose:** Launch a new business
Producing apple juice and wines

**Working Capital Grant:** $42,559
Investment covers expenses related to labeling, packaging & promotional planning to
Meat and Poultry Processing Expansion Program

- To expand meat and poultry processing options, strengthen the food supply chain and create jobs and economic opportunities.
- Who is eligible to apply? Sole proprietor businesses or other entities that engage – or want to engage – in meat and poultry processing anywhere in New Jersey
- Coming Soon: Second Round
Rural Housing Service

Single Family Housing 502 Direct Loan Program
• Very low and low income homeowners

Single Family Housing Guaranteed Loans
• Moderate income homeowners

Single Family Housing 504 Grant/Loan Repair Program
• Very low and low income homeowners

Other Grants
Public Bodies and Non-profits
**Rural = Communities < 20,000 in population, are rural in character, and the home purchasers lack access to mortgage credit.**
100% financing is available to Very Low and Low-Income Households

Home financed must be in a rural area.

502 Direct Loan Program is subsidized. Currently, FIXED interest rate is 4%. The promissory note is modified with payment assistance to reduce the interest rate to as low as 1% for some borrowers.

Loan term for most loans is 33 year. 38 years if income is less than 60% of NJ Median Household Income

Not credit score driven, however, must meet certain credit criteria

Home purchase with repairs is permitted
Single-Family Home Repair Loans and Grants

• Access for persons with disabilities
• Roofs and septic tanks
• Energy-saving upgrades, and more.
Single Family Housing 504 Loan & Grant Repair Program

**Purpose:** To repair, improve, or modernize the dwelling to remove health and safety hazards

**Eligibility:** Very-Low Homeowner-occupants

**Loans:** Up to $40,000 with 20-year terms at 1% which is $4.61 for every $1,000 borrowed.

**Grants:** Available to homeowners who are 62 years old or older and cannot repay a loan. Maximum lifetime grant is $10,000 which is forgiven after 3 years if the property is not sold or changed title.
Housing Preservation Grant

Grants to sponsoring organization for repair or rehabilitation of home occupied by low and very-low-income people

Eligible applicants are State and local government entities, non-profit organizations, and federally recognized tribes

Funds can be used to assist rental property owners if they agree to make units available to low and very low-income families

Eligible expenses include: (1) Repairing or replacing electrical wiring, foundations, roofs, insulation, heating systems, and water/waste disposal systems (2) Handicap accessibility (3) Labor and materials (4) Administrative expenses
Housing Preservation Grant—Gloucester County
Community Facilities

- Hospitals, health clinics
- Schools
- Daycares
- Fire houses, first responder vehicles and equipment
- Community centers and more.
Community Facilities Program

- Rural = Communities < 20,000
- Grant possible Median Household Income < $82,218
- Term up to 30/40 years dependent on useful life
- Interest Rates- Poverty, Intermediate, Market
Community Facilities Grant Program
Equipment and vehicle projects

Examples

• Equipment to control algae blooms,
• Electric vehicle charging stations
• Streetsweepers
• Trash receptacles
• Streetscaping/lighting
• Rainwater harvesting systems

NOTE: 4 Levels of grant based on MHI, Population & Financial Need/Obtain Credit
CF Technical Assistance & Training Grant (CF TAT)

PURPOSE
Assist communities in identifying & planning community facility needs:

- Prepare reports and surveys
- Prepare applications for financial assistance under Community Facilities
- Maximum grant award $150,000 to a technical assistance provider or $50,000 to an ultimate recipient
- Matching funds not required but preference is given for cash match
- Notice of Solicitation of Applications (NOSA) published annually with 60-day application window. FY 2023 NOSA not available yet.
Rural Utilities Service
Water and Environmental Program

- Rural = Communities < 10,000
- Grant possible Median Household Income < $91,354
- Term up to 40 years
- Interest Rates- Poverty, Intermediate, Market

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Red = Ineligible  

Water and Waste Disposal Loans and Grants

• Improve infrastructure
• Support public health and safety or
• Promote economic development
$3,758,000 loan and $1,142,000 grant funds were used to install a new elevated water storage tank with approximately 300,000-gallons of capacity.

Additional site improvements included the installation of a booster pump station that will allow for the filling of the tanks, an emergency generator to allow for continued operation of the system in case of power outages, and a SCADA system for operational control of the water system.
Paulsboro Borough

$5,377,000 loan and $2,156,000 grant funds were used to install a new elevated water storage tank with approximately 300,000-gallons of capacity to ensure compliance with the New Jersey Safe Drinking Water Standards, as well as protect the health and safety of the general public.

This facilitated connection to the nearby marine terminal, which will boost economic activity in the area and replaced connections to existing residential users.
EMERGENCY COMMUNITY WATER ASSISTANCE GRANT (ECWAG)

• Assist Rural Communities that have a decline in quantity/quality of drinking water due to an emergency
  • Long Beach Twp. $500k
  • National Park $1 million
• <10,000 in population, MHI <$91,354
• Demonstrate financial need
• Grants may be 100% of total project cost
• Max Grant $1 million to construct a water source, intake or treatment facility or up to $150,000 for distribution waterline extensions, repairs, maintenance
**Special Evaluation Assistance for Rural Communities & Households (SEARCH) & Predevelopment Planning Grants (PPG)**

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<th>SEARCH</th>
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<td>Pay for feasibility studies, preliminary design assistance, TA for financially distressed communities</td>
<td>Pay for Preliminary Engineering Report &amp; Environmental Report or other costs associated with developing a complete application</td>
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<td>To find solutions to water, sewer, storm water, and solid waste management.</td>
<td>To implement solutions to water, sewer, storm water, and solid waste management.</td>
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<tr>
<td>Proposed service area has MHI &lt; $73,083 and population &lt; 2,500</td>
<td>Proposed service area has MHI &lt; $73,083 and population &lt; 10,000</td>
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<tr>
<td>Maximum Grant - $30,000</td>
<td>Maximum Grant - $30,000 or 75% of eligible costs whichever is less</td>
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<tr>
<td>No required match – 100% of TPC</td>
<td>Grant Repayment – only if additional funds are approved for the project</td>
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SOLID WASTE MANAGEMENT GRANTS

- Evaluate current landfill conditions to identify threats to water resources.

- Provide technical assistance/training to enhance operation and maintenance of active landfills.

- Provide technical assistance/training to help communities reduce amount of solid waste coming into a landfill.

- Provide technical assistance/training to prepare for closure and future use of a landfill site.
NJDEP issued a Notice of Funding Availability (NOFA) to assist New Jersey municipalities in upgrading their MS4 Stormwater Programs to comply with the requirements of the 2023 Tier A MS4 Permit renewal, which was issued on November 30, 2022, with an effective date of January 01, 2023. The municipalities eligible for this NOFA are the former Tier B municipalities that were reassigned to Tier A for $75,000 and the previously designated Tier A municipalities for $25,000. [NJDEP | Watershed and Land Management]

NJ-TAP (New Jersey Technical Assistance Program) will prioritize aid to communities identified as disadvantaged or overburdened to identify lead service lines, develop asset management and capital improvement plans, and identify sources of state and federal funding to assist with important water-quality improvement projects. [NJDEP | Water Infrastructure Investment Plan | Technical Assistance Request Form]

USDA RD water and environmental direct loans and grants can be part of the future plans your community may have to fund projects that come about from utilizing the above grants. We also can leverage our funds with NJDEP and iBank, so you may benefit from our low interest loans/grants as well as theirs.
USDA Rural Development NJ Contacts

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www.rd.usda.gov/nj
Questions?

Thank you!

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