



May 1, 2015

Kenneth Brilliant  
Maine Fire Chief's Association  
21 Town Hall Plaza  
Brunswick, ME 04011

To Whom It May Concern:

I would like to introduce USDA, Rural Development and the programs we offer to you and the members of your organization. In recent years we have funded a number of essential community facility type of projects, technical assistance grants, and other public private partnerships. Some examples of the types of projects we have funded are Fire Trucks, Municipal Buildings, Ambulances, Day Care Facilities, Community Buildings, Computers, Heating Systems, etc.. We would like to make your members aware of the different options we can provide for funding their infrastructure and/or equipment needs. We offer a variety of funding options based on the population of the project location, the median household income of the service area, and the assessed financial need. Options include direct loans (currently 3.50% fixed for up to 40 years / 30 years for Municipalities), guaranteed loans (at bank rates and terms), and/or grants.

Enclosed for your review are informational fact sheets that explain the programs we offer. Some of the information provided covers loan purposes, types of projects, project specific contact information for the different counties, and other pertinent program information.

We would be happy to meet with you or to address your group at one of your regular meetings. If you would be interested in having Rural Development address your organization or to meet individually with any of your members to discuss our programs please do not hesitate to contact myself or Bobbi Crooker by phone at 207-990-9121 or by email at [Robert.Nadeau@me.usda.gov](mailto:Robert.Nadeau@me.usda.gov) or [Bobbi.Crooker@me.usda.gov](mailto:Bobbi.Crooker@me.usda.gov).

Sincerely,

  
ROBERT J. NADEAU  
Community Programs Director

Enclosures

**Rural Development • Community Programs**  
967 Illinois Avenue Suite 4 • Bangor ME 04401-2767  
Voice 207.990.9121 • Fax 855-589-1098 • TDD 207.942.7331

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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT



Community Facility Grant Program

◆ **OBJECTIVE**

The purpose of the Community Facility grant program is to assist in the development of essential community facilities in rural areas.

◆ **ELIGIBLE APPLICANTS**

Public bodies, such as a municipality, county, district, authority, or other political subdivision of a state.

Nonprofit corporations or associations that have significant ties with the local community, and possible public purpose.

Federally recognized Indian Tribes on a Federal or State reservation.

◆ **ELIGIBLE FACILITIES**

Essential community facilities located in rural areas.

The facility must be necessary for orderly community development and consistent with the State's strategic plan.

◆ **CREDIT ELSEWHERE**

The applicant must be unable to finance the proposed project from their own resources, through commercial credit at reasonable rates and terms, or other funding sources without grant assistance under this program. The applicant must certify to such status in writing.

◆ **ECONOMIC FEASIBILITY**

Projects financed under this grant program must be based on satisfactory sources of revenue.

The amount of Community Facilities grant assistance must be the minimum amount sufficient for feasibility purposes, which will provide for facility operation and maintenance, reasonable reserves, and debt repayment.

◆ **LEGAL AUTHORITY**

Each applicant must have or obtain the legal authority necessary for the construction, operation, and maintenance of the proposed facility. The applicant must be responsible for operating, maintaining, and managing the facility and provide for its continued availability and use at reasonable rates and terms.

◆ **USE OF FUNDS**

Pay for up to seventy-five percent of the cost of developing specific essential Community Facilities in rural areas. Funding for the balance of the project shall consist of other Community Facilities financial assistance, applicant contributions, or loans and grants from other sources.

The facility must be located in a community with a population of less than 20,000.

Project must be located in a community with a median household income, which is less than ninety percent of the nonmetropolitan median household income for the State. For the State of Maine, the community's median household income must be less than \$49,754 based on the 2010 census.

Other restrictions exist based on the Community's population and median household income.

**GRANT FUNDS MAY NOT BE USED TO:**

Pay annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses.

Construct or repair electrical generating plants, electronic transmission lines, or gas distribution lines to provide services for commercial sale.

Pay interest or refinance existing debt.

For more information regarding the Rural Development Guaranteed Community Programs, please contact the **Rural Development State Office:**

967 Illinois Avenue, Suite 4  
Bangor, ME 04401-2767  
TEL: 1.855.589.1098  
TDD/TTY: (207) 942-7331

**PROGRAM DIRECTOR**

Robert J. Nadeau  
Email: Robert.Nadeau@me.usda.gov

**Or the Area Office serving your county:**

**BANGOR AREA OFFICE**

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Piscataquis, Somerset, Waldo,  
and Washington Counties

1423 Broadway, Suite 3  
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**AREA SPECIALIST**

Michael F. Jenkins  
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# UNITED STATES DEPARTMENT OF AGRICULTURE



## RURAL DEVELOPMENT



### Direct Community Facility Programs

#### ◆ OBJECTIVE

- ◆ To improve, develop, or finance essential community facilities in rural areas.

#### ◆ PROGRAMS COVERED

- ◆ Essential Community Facilities

#### ◆ ELIGIBLE APPLICANTS\*

- ◆ Towns and Cities
- ◆ Counties
- ◆ Quasi-municipal Districts
- ◆ Not-for-Profit Corporations
- ◆ Indian Tribes

\*Applicant must be unable to obtain the necessary credit elsewhere at reasonable rates and terms.

#### ◆ AREAS SERVED

- ◆ Essential Community Facilities—20,000 or less population
- ◆ Ineligible Areas Auburn, Bangor, Biddeford, Brunswick, Lewiston, Portland, Sanford, and South Portland

#### ◆ LOAN PURPOSES

- ◆ Legal and Administrative fees
- ◆ Interest on interim financing
- ◆ Architectural Engineering (A/E) fees
- ◆ Initial O&M (operating and maintenance) expense
- ◆ Purchase—when necessary to prevent loss of facility
- ◆ Refinance—as long as it is a minor part of the loan
- ◆ Land Purchase
- ◆ Equipment Purchase
- ◆ Construction
- ◆ Contingency

#### ◆ RATES AND TERMS

(Interest rates are reviewed every three months)

Interest Rates: \*

##### Market Rate:

Above the state's non-metropolitan median household income (NMHI) of \$49,754

##### Intermediate Rate:

The state's NMHI of \$49,754 or below

##### Poverty Rate:

For communities below national poverty income (currently \$24,250) or below eighty percent of the state's NMHI (currently \$39,803), that are correcting a health and sanitary hazard identified by the state OR facilities that provide direct health care to the public served.

\* Rates may change quarterly.

##### Terms:

- ◆ Forty years maximum by Rural Development statute.
- ◆ Thirty years maximum for municipalities.
- ◆ Not to exceed charter limitations of the useful life or security, whichever is less.

## ◆ SECURITY\*

- ◆ General Obligations Bonds
- ◆ Real Estate Mortgages
- ◆ All security must secure the entire loan
- ◆ Revenue Bonds
- ◆ Assignment of Income
- ◆ Financing Statement

\* Rural Development will consider parity lien position.

## ◆ TYPES OF PROJECTS

- ◆ Hospitals, Health Centers, and Clinics
- ◆ Schools, other than state funded facilities
- ◆ Group and Waiver Homes/Assisted Living Facilities
- ◆ Cultural/Social centers/facilities
- ◆ Fire, Rescue, and Public Safety
- ◆ Nursing Homes
- ◆ Recreational Facilities
- ◆ Child Care Facilities

## ◆ EQUITY AND COLLATERAL REQUIREMENTS

- ◆ May loan up to one hundred percent of appraised value of security,
- ◆ No minimum equity requirement.

## ◆ CONTRACTING

- ◆ Formal competitive bidding over \$50,000
- ◆ Rural Development approves contract
- ◆ Rural Development reviews all engineering

## ◆ SPECIAL REQUIREMENTS

- ◆ State Planning Office can identify income areas within communities such as Enumeration Districts and Block Numbering Groups.
- ◆ Feasibility studies required for most large loans (\$2 million plus). Engineers/Architects and Accounting firms can usually provide feasibility studies.
- ◆ Audits are required for all loans when loan balance exceeds \$300,000, or when federal financial assistance exceeds \$300,000.
- ◆ Certificate of Need, PUC approval, DEP approval, and other regulatory approvals are often required for these types of projects.
- ◆ Rural Development Office of General Counsel (OGC) must review closing documents prior to loan closing.

## ◆ LOAN MAXIMUM/MINIMUM

None, but keep in mind that Direct loan funds are limited at all times.

For more information regarding the Rural Development Guaranteed Community Programs, please contact the **Rural Development State Office**:

967 Illinois Avenue, Suite 4  
Bangor, ME 04401-2767  
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