



United States Department of Agriculture
Rural Development

USDA RURAL DEVELOPMENT RURAL HOUSING SERVICE COMMUNITY FACILITY (CF) GRANTS

www.rurdev.usda.gov

Essential community facilities - such as health care clinics, police and fire stations, schools, and childcare facilities are essential to the quality of life in any rural community. Through its Community Facilities Grant program, the Rural Housing Service (RHS) of USDA Rural Development is striving to ensure that such facilities are readily available to all rural Americans. This USDA commitment is at the core of its mission and promise to help build stronger more vibrant rural communities across the Nation.

WHO MAY APPLY? Grants are available to public entities such as municipalities, counties and special purpose districts as well as to nonprofit corporations and tribal governments. In addition, applicants must:

1. Be unable to obtain needed funds from commercial sources at reasonable rates and terms;
2. Have the legal authority necessary for construction, operation, and maintenance of the proposed facility;
3. Propose facilities that are necessary for orderly community development and consistent with the State's strategic plan;
4. Be located in a rural community having a population of 20,000 or less and serve primarily rural areas with populations of 20,000 or less; and
5. Serve areas where the median household income of the population to be served by the proposed facility is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income.

HOW MAY FUNDS BE USED? Grant funds may be used to assist in the development of essential community facilities. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services. This can include the purchase of equipment required for a facility's operation. A grant may be in combination with other community facilities financial assistance such as a direct or guaranteed loan, applicant contribution, or loans and grants from other sources. Examples of essential community facilities include but are not limited to:

HEALTH CARE	TELECOMMUNICATI- ONS	PUBLIC SAFETY	PUBLIC SERVICES
Clinic – Nursing Homes	Medical or Educational	Communications Centers	Child Care Centers
Rehabilitation Centers	Telecommunication Links	Police or Fire Stations	Adult Day Care Centers
Ambulatory Care Centers		Fire Trucks - Jails	Airports - Libraries
		Rescue Vehicles	City Halls - Schools

WHAT IS THE MAXIMUM GRANT? Grant assistance may be available for a range of 15 to 75 percent of project costs. A scale has been developed to predetermine grant funding limitations based on population and income. Grant assistance may be further limited to the minimum amount sufficient to provide economic feasibility to the proposed project and either \$50,000 or 50 percent of a State annual allocation, whichever is greater.

Web: <http://www.rurdev.usda.gov/or>

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”
To file a complaint of discrimination write, USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.
Washington D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)

WHAT ARE THE FUNDING PRIORITIES? Projects will be selected based on a priority point system. Projects that will receive priority are those that:

1. Serve small communities with the highest priority going to those with a population of 5000 or less;
2. Serve very low-income communities with the highest priority going to communities with a median household income below the higher of the poverty line or 60 percent of the nonmetropolitan median household income; and
3. Provide health care, public safety services, or services identified as necessary in the State strategic plan.

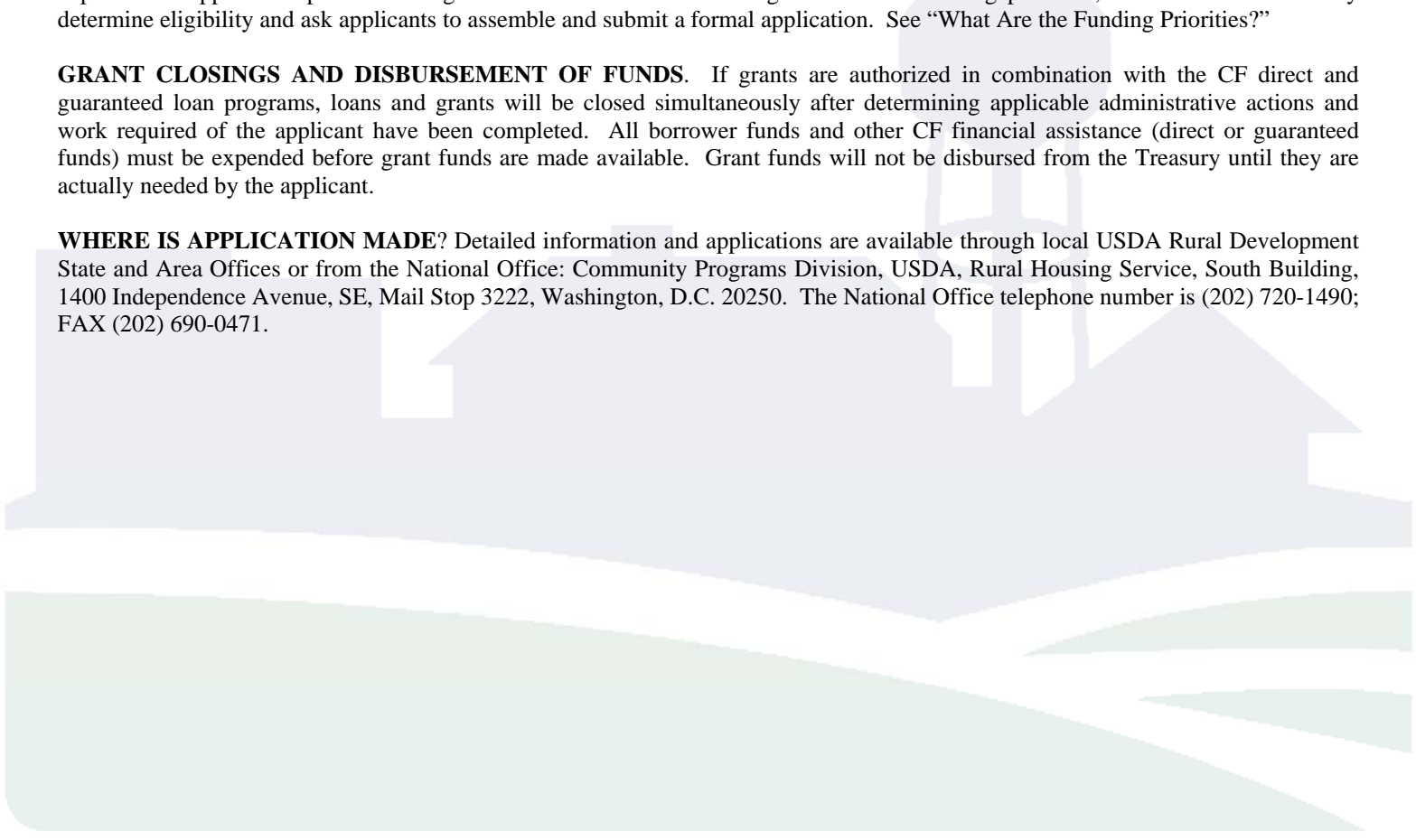
LIMITATIONS ON GRANT FUNDS. Grant funds cannot be used to:

1. Pay any annual recurring costs, including purchase or rentals that are generally considered to be operating and maintenance expenses;
2. Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale;
3. Refinance existing indebtedness, pay interest, or loan/grant finder's fees;
4. Pay costs to construct facilities to be used for commercial rental where the applicant has no control over tenants and services offered.
5. Construct facilities primarily for the purpose of housing State, Federal, or quasi-Federal agencies.
6. Finance recreation facilities or community antenna television services or facilities.

HOW ARE APPLICATIONS PROCESSED? The application process is a two-stage procedure. An applicant must submit documentation to support its eligibility status and available funding before making a formal application. RD Instruction 3570-B explains the application procedure in greater detail. After determining the order of funding priorities, the RHS will tentatively determine eligibility and ask applicants to assemble and submit a formal application. See "What Are the Funding Priorities?"

GRANT CLOSINGS AND DISBURSEMENT OF FUNDS. If grants are authorized in combination with the CF direct and guaranteed loan programs, loans and grants will be closed simultaneously after determining applicable administrative actions and work required of the applicant have been completed. All borrower funds and other CF financial assistance (direct or guaranteed funds) must be expended before grant funds are made available. Grant funds will not be disbursed from the Treasury until they are actually needed by the applicant.

WHERE IS APPLICATION MADE? Detailed information and applications are available through local USDA Rural Development State and Area Offices or from the National Office: Community Programs Division, USDA, Rural Housing Service, South Building, 1400 Independence Avenue, SE, Mail Stop 3222, Washington, D.C. 20250. The National Office telephone number is (202) 720-1490; FAX (202) 690-0471.



COMMUNITY FACILITIES GRANT (CFG) THRESHOLDS

OREGON - FY 2007

MEDIAN HOUSEHOLD INCOME (MHI)		COMMUNITY POPULATION		MAXIMUM CF GRANT (% of Dev. Cost)
\$24,738 (60% of State Non-Metro MHI)	and	5,000 or less	=	75 percent * +
\$28,861 (70% “ “)	and	12,000 or less	=	55 percent * +
\$32,984 (80% “ “)	and	20,000 or less	=	35 percent * +
\$37,107 (90% “ “)	and	20,000 or less	=	15 percent * +

Partial List of Examples:

1. Town of 750 has \$20,000 MHI; Maximum Federal Grant is 75 percent.
 2. Town of 750 has \$22,500 MHI; Maximum CF Grant is 75 percent; the Town’s MHI does not exceed \$24,738.
 3. Town of 750 has \$27,000 MHI; Maximum CF Grant is 55 percent; the town’s MHI exceeds \$24,738 and is less than \$28,861.
 4. Town of 750 has \$30,000 MHI; Maximum CF Grant is 35%; the town’s MHI exceeds \$28,861 and is less than \$32,984.
 5. Town of 10,000 has \$20,000 MHI; Maximum CF Grant is 55 percent; the town’s population exceeds 5,000 population and is less than 12,000.
 6. Town of 10,000 has \$25,000 MHI; Max CF Grant is 55 percent; the town’s MHI exceeds \$24,738 and less than \$28,861.
 7. Town of 18,000 has \$29,000 MHI; Maximum CF Grant is 35 percent, the towns MHI exceeds \$28,861 and is less than \$32,984.
 8. Town of 27,000 has \$30,000 MHI; town is not eligible for CF Grant; the town has more than 20,000 population.
- Maximum CFG from USDA Rural Development is greater of one-half of State CFG allocation or \$50,000 (and may be further limited to availability of funds). Annual allocations of CFG funds for Oregon are usually less than \$200,000.
 - + The Maximum Federal Grant Share of a project, including CF Grant and other Federal Source Grants combined, may not exceed 75 percent.