

**Sierra County  
Board of Supervisors'  
Agenda Transmittal &  
Record of Proceedings**

<b>MEETING DATE:</b> April 19, 2016	<b>TYPE OF AGENDA ITEM:</b> <input type="checkbox"/> Regular <input checked="" type="checkbox"/> Timed <input type="checkbox"/> Consent
<b>DEPARTMENT:</b> Board of Supervisors	
<b>APPROVING PARTY:</b> Paul Roen, Supervisor District 3	
<b>PHONE NUMBER:</b> 530-289-3295	

**AGENDA ITEM:** Presentation by United States Department of Agricultura (USDA) on financial assistance program becoming available in the form of grants, loans, and combination grant/loans available for community facilities, housing rehabilitation, and mortgage assistance.

**SUPPORTIVE DOCUMENTS ATTACHED:**  Memo  Resolution  Agreement  Other

**BACKGROUND INFORMATION:**

**FUNDING SOURCE:**  
**GENERAL FUND IMPACT:** No General Fund Impact  
**OTHER FUND:**  
**AMOUNT:** \$ N/A

<b>ARE ADDITIONAL PERSONNEL REQUIRED?</b>  <input type="checkbox"/> Yes, -- -- <input type="checkbox"/> No	<b>IS THIS ITEM ALLOCATED IN THE BUDGET?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  <b>IS A BUDGET TRANSFER REQUIRED?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
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**SPACE BELOW FOR CLERK'S USE**

<b>BOARD ACTION:</b> <input type="checkbox"/> Approved <input type="checkbox"/> Approved as amended <input type="checkbox"/> Adopted <input type="checkbox"/> Adopted as amended <input type="checkbox"/> Denied <input type="checkbox"/> Other <input type="checkbox"/> No Action Taken	<input type="checkbox"/> Set public hearing For: _____ <input type="checkbox"/> Direction to: _____ <input type="checkbox"/> Referred to: _____ <input type="checkbox"/> Continued to: _____ <input type="checkbox"/> Authorization given to: _____	Resolution 2016- _____ Agreement 2016- _____ Ordinance _____ Vote: Ayes: Noes: Abstain: Absent: <input type="checkbox"/> By Consensus
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**COMMENTS:**  
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CLERK TO THE BOARD

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DATE



**GRANT AND LOAN OPPORTUNITIES  
HOME PURCHASE, HOME REPAIRS, COMMUNITY FACILITIES  
PUBLIC WORKSHOP ON APRIL 19 AT LOYALTON**

The Sierra County Board of Supervisors is scheduling several public workshop presentations to include representatives from USDA Rural Development, State Housing and Community Development, and Small Business Administration to allow property owners and public agencies within the County and within the City of Loyalton to take advantage of financial assistance programs that can allow housing rehabilitation, housing acquisition, community facilities, and water and wastewater improvements.

The first workshop is set for Tuesday, April 19, 2016 at 10:45 am in the Loyalton Social Hall, Loyalton, California where representatives of USDA Rural Development will be in attendance to outline opportunities for the following:

- Buying a house-programs for home loans**
- Single family house repairs**
- Purchase, construct, improve community facilities**
- Water, wastewater disposal systems-public**

Grants and loans are available, low interest rates for loans, grant and loan combinations Applications, contact information, and program qualifications will all be available at the workshop for property owners and agencies to take with them

Sierra County Income Limits								
	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
<b>Very Low Income</b>	\$24,650	\$28,150	\$31,650	\$35,150	\$38,000	\$40,800	\$43,600	\$46,400
<b>Low Income</b>	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250



# Rural Housing Service Programs

## Rural Home Loans (Direct Program)

### What does this program do?

Also known as the Section 502 Direct Loan Program, this program assists low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.

### Who may apply for this program?

A number of factors are considered when determining an applicant's eligibility for Single Family Direct Home Loans. At a minimum, applicants interested in obtaining a direct loan must have an adjusted income that is at or below the applicable [low-income limit](#) for the area where they wish to buy a house and they must demonstrate a willingness and ability to repay debt.

Applicants must:

- Be without decent, safe and sanitary housing
- Be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to meet
- Agree to occupy the property as your primary residence
- Have the legal capacity to incur a loan obligation
- Meet citizenship or eligible noncitizen requirements
- Not be suspended or debarred from participation in federal programs

Properties financed with direct loan funds must:

- Be modest in size for the area
- Not have market value in excess of the applicable area loan limit
- Not have in-ground swimming pools
- Not be designed for income producing activities

Borrowers are required to repay all or a portion of the payment subsidy received over the life of the loan when the title to the property transfers or the borrower is no longer living in the dwelling.

Applicants must meet [income eligibility](#) for a direct loan. Please contact your [local RD office](#) to ask for additional details about eligibility requirements.

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Visit the [USDA Income and Property eligibility](#) website for complete details.

### How may funds be used?

Loan funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities

### How much may I borrow?

The maximum loan amount an applicant may qualify for will depend on the applicant's repayment ability. The applicant's ability to repay a loan considers various factors such as income, debts, assets and the amount of payment assistance applicants may be eligible to receive. Regardless of repayment ability, applicants may never borrow more than the [area's loan limit](#) (plus certain costs allowed to be financed) for the county in which the property is located.

### What is the interest rate and payback period?

- Fixed interest rate based on current market rates at loan approval or loan closing, whichever is lower.
- Interest rate when modified by payment assistance can be as low as 1%.

- Up to 33 year payback period - 38 year payback period for very low income applicants who can't afford the 33 year loan term.

**How much down payment is required?**

No down payment is typically required. Applicants with assets higher than the asset limits may be required to use a portion of those assets.

**Is there a deadline to apply?**

Applications for this program are accepted through your local RD office year round.

**How long does an application take?**

Processing times vary depending on funding availability and program demand in the area in which an applicant is interested in buying and completeness of the application package.

**What law governs this program?**

- The Housing Act of 1949 as amended, 7 CFR, Part 3550
- HB-1-3550 - Direct Single Family Housing Loans Field Office Handbook

For additional information, questions, or concerns please contact the nearest USDA Rural Development office which is below:

USDA Rural Development Auburn Office  
Attn: Robert Canepa, Loan Specialist  
11661 Blocker Driver, Suite 120  
Auburn, CA 95603

Direct Phone: (530) 885-6505 ext. 114  
Direct Email: robert.canepa@ca.usda.gov

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NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact your local office for assistance.

**You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov)**

**USDA Rural Development Auburn Office  
Robert Canepa, Single Family Housing Loan Specialist  
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# Rural Housing Service Programs

## Single Family Housing Repair Loans & Grants

### What does this program do?

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve, or modernize their homes or provides grants to elderly very-low-income homeowners to remove health and safety hazards.

### Who may apply for this program?

To qualify, you must:

- Be the homeowner and occupy the house
- Be unable to obtain affordable credit elsewhere
- Have a family income below 50 percent of the area median income
- For grants, be age 62 or older and not be able to repay a repair loan

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Applicants may [check the address](#) of their home to determine eligibility online.

### How may funds be used?

- Loans may be used to repair, improve, or modernize homes or to remove health and safety hazards.
- Grants must be used to remove health and safety hazards.

### How much money can I get?

- Maximum loan is \$20,000.
- Maximum grant is \$7,500.

- Loans and grants can be combined for up to \$27,500 in assistance.

### What are the terms of the loan or grant?

- Loans can be repaid over 20 years
- Loan interest rate is fixed at 1%.
- Full title service is required for loans of \$7,500 or more
- Grants have a lifetime limit of \$7,500.
- Grants must be repaid if the property is sold in less than 3 years
- If applicants can repay part, but not all of the costs, applicants may be offered a loan and grant combination

### Is there a deadline to apply?

Applications are available year round as long as funding is available, and are processed in the order they are received.

### How long does an application take?

Approval times depend on funding availability in your area. Talk to a [USDA home loan specialist](#) in your area for help with the application.

### How do I get started?

Contact a [USDA home loan specialist](#) in your area.

### What law governs this program?

- The Housing Act of 1949 as amended, [7 CFR, Part 3550](#)
- [HB-1-3550](#) - Direct Single Family Housing Loans and Grants Field Office Handbook

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## Community Facilities Direct Loan & Grant

### What does this program do?

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

- Utility services such as telemedicine or distance learning equipment
- Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses

For a complete list see Code of Federal Regulations [7 CFR, Part 1942.17\(d\)](#) for loans; [7 CFR, Part 3570.62](#) for grants.

### Who may apply for this program?

Eligible borrowers include:

- Public bodies
- Community-based non-profit corporations
- Federally-recognized Tribes 

### What kinds of funding are available?

- Low interest direct loans
- Grants
- A combination of the two above, as well as our [loan guarantee program](#). These may be combined with commercial financing to finance one project if all eligibility and feasibility requirements are met.

### What is an eligible area?

Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest [U.S. Census Data](#) are eligible for this program.

### What are the funding priorities?

Priority point system based on population, median household income

- Small communities with a population of 5,500 or less
- Low-income communities having a median household income below 80% of the state nonmetropolitan median household income.

### How may funds be used?

Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment and pay related project expenses.

### What are the terms?

Funding is provided through a competitive process.

Examples of essential community facilities include:

- Health care facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities
- Public facilities such as town halls, courthouses, airport hangars or street improvements
- Community support services such as child care centers, community centers, fairgrounds or transitional housing
- Public safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment
- Educational services such as museums, libraries or private schools

Direct Loan:

- Loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicants authority, or a maximum of 40 years, whichever is less.
- Interest rates are set by Rural Development, contact us for details and current rates.
- Once the loan is approved, the interest rate is fixed for the entire term of the loan, and is determined by the median household income of the service area.
- There are no pre-payment penalties.
- Contact us for details and current interest rates applicable for your project.

### What are the terms? (continued)

#### Grant Approval:

Grant funds must be available. Applicant must be eligible for grant assistance, which is provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs:

Maximum of 75 percent when the proposed project is:

- Located in a rural community having a population of 5,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.

Maximum of 55 percent when the proposed project is:

- Located in a rural community having a population of 12,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.

Maximum of 35 percent when the proposed project is:

- Located in a rural community having a population of 20,000 or fewer; and
- The median household income of the proposed service area is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.

Maximum of 15 percent when the proposed project is:

- Located in a rural community having a population of 20,000 or fewer; and

- The median household income of the proposed service area is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income. The proposed project must meet both percentage criteria. Grants are further limited.

### Are there additional requirements?

- Applicants must have legal authority to borrow money, obtain security, repay loans, construct, operate, and maintain the proposed facilities
- Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms
- Facilities must serve rural area where they are/will be located
- Project must demonstrate substantial community support
- Environmental review must be completed/acceptable

### How do we get started?

Contact your local offices to discuss your specific project. Applications are accepted year round

### Who can answer questions?

Contact our local office that serves your area.

### What governs this program?

- Direct Loan: 7 CFR Part 1942, Subpart A
- Grant: 7 CFR Part 3570, Subpart A

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# Rural Utilities Service Programs

## Water & Waste Disposal Loan & Grant Program

### What does this program do?

Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal

In some cases, funding may also be available for related activities such as:

- Legal and engineering fees
- Land acquisition, water and land rights, permits and equipment
- Start-up operations and maintenance
- Interest incurred during construction
- Purchase of existing facilities to improve service or prevent loss of service
- Other costs determined to be necessary for completion of the project

### Who may apply?

This program assists qualified applicants that are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- Most State and local governmental entities
- Private non-profits
- Federally-recognized Tribes

### What is an eligible area?

Areas that may be served include:

- Rural areas and towns with fewer than 10,000 people ([check eligible addresses](#))
- Tribal lands in rural areas
- Colonias

For a complete list, see [7 CFR Part 1780.7 and 1780.9](#)

### What is the loan term and rate?

Up to 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served. [Contact us](#) for details and current interest rates applicable for your project

### What kinds of funding are available?

Long-term, low-interest loans. If funds are available, grants may be combined with a loan if necessary to keep user costs reasonable

### Are there additional requirements?

- Borrowers must have the legal authority to construct, operate and maintain the proposed services or facilities
- All facilities receiving federal financing must be used for a public purpose
- Partnerships with other federal, state, local, private and non-profit entities that offer financial assistance are encouraged
- Projects must be financially sustainable

### How may the funds be used?

Funds may be used to finance the acquisition, construction or improvement of:

- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal

### **How do we get started?**

Applications for this program are accepted through your local office year round. Program Resources are available online (i.e. forms, guidance, certifications, etc.)

### **Who can answer questions?**

Contact the local representative who serves your area. Participating non-profits in your area may also offer assistance and training

### **What governs this program?**

- Basic Program – 7 CFR, Part 1780
- Loan Servicing – 7 CFR, Part 1782
- This program is authorized by Section 306 of the Consolidated Farm and Rural Development Act (CONACT)

### **Why does USDA Rural Development do this?**

This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses. Good practices can save tax dollars, improve the natural environment, and help manufacturers and businesses to locate or expand operations.

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