

# USDA Rural Development

## Predevelopment Planning Grants (PPG) = Significant Project Planning Opportunity

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A recent change in the Predevelopment Planning Grant (PPG) regulation has made a good project development tool even better.

Predevelopment Planning Grants are normally utilized by rural communities with a Median Household Income (MHI) of \$40,447 or less to obtain a grant for one-half the cost of a Preliminary Engineering Report/Project Feasibility Study. Eligible project development costs include the necessary expenses incurred to develop a complete funding application (preliminary engineering, environmental, legal, SHPO, etc.).

In the last Fiscal Year (FY '08), New York State led the nation in the number of PPGs funded – 16 grants totaling over \$107,000.

The great news for Fiscal Year 2009 allows funding to increase from \$15,000 to \$25,000 per total “project” cost. This means that USDA Rural Development can fund a larger part of your need. We can now provide grants for up to \$12,500 max of a \$25,000 report. The documentation for your grant request is minimal, and includes an unsigned agreement describing the “scope of work” and a resolution by your Board supporting the nongrant portion of the work.

If your project moves to a full application and we fund the work, our Predevelopment Planning Grant and your contribution will be factored into our underwriting calculation of project “affordability.”

If your project does not move ahead, our grant is yours and no further action is required.

Historically, the majority of PPGs do yield affordable funded loan/grant projects. A small sample of successful grantees is as follows;

Village of Fort Plain	Town of Wayne
Village of Hancock	Village of Newark Valley
Town of Orleans	Village of Hammond
Town of Madrid	Village of Dexter
Town of Brutus	Town of LeRay

Funding Priority Criteria =

- Systems with limited research.
- Smallest systems with the lowest Median Household Income.
- Funding availability.

Funds will be available up to August 7, 2009.

To find out more about this program, I invite you to contact me at (315) 477-6427 or email at david.miller@ny.usda.gov. ♣