

RD AN No. 4660 (1942-A)
(1942-C)
(3570-B)
(3575-A)
June 19, 2012

TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: Tammye Treviño *(Signed by Tammye Treviño)*
Administrator
Housing and Community Facilities Programs

SUBJECT: Service Area for Certain Community Facilities Projects

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is being issued to provide uniform and consistent Agency interpretation on issues regarding Community Facilities (CF) loans and grants for public safety and health care projects that have contractual arrangements to serve neighboring communities.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN 4512 (1942-A, 1942-C, 3570-B, and 3575-A) dated April 16, 2010, which expired on April 30, 2011.

IMPLEMENTATION RESPONSIBILITIES:

We continue to receive a number of requests for funding of public safety and health care projects that have entered into contractual agreements with neighboring communities to assist in case of a large fire or a significant health care event. Such an arrangement is acceptable and in harmony with the mission of an essential community facility.

EXPIRATION DATE:
May 31, 2013

FILING INSTRUCTIONS:
Preceding RD Instructions 1942-A,
1942-C, 3570-B, and 3575-A

We would like to ensure that the service area population for the public safety and health care projects are accurately reflected. The population of the areas covered under the contractual arrangement can be included as population served for these projects in the Commercial Programs Application Processing (CPAP) system of USDA. Please be aware that changing the service area population will also have an impact on the project's median household income, interest rates, and eligible grant percentage.

By exploring this option, it will help us to ensure that we are including all rural residents that will be served by these facilities.

If you have any questions concerning this policy, please contact Karen Safer, Community Programs Loan Specialist at (202) 720-1490 or by fax at (202) 690-0471.