



**COMMUNITY FACILITIES LOAN AND/OR GRANT
PRE-APPLICATION PACKAGE
for **PUBLIC BODIES****

Please use this checklist as a guide in preparing your pre-application. Please fill out all necessary form fields and obtain signatures prior to submission. Please contact our office if you have any questions.

We look forward to working with you on this project!

1. Resolution to apply – Resolution of the governing body approving the authorized official to apply for a loan and/or grant for the proposed project (See Tab A for example)
2. “Pre-application for Federal Assistance” (See 424 Forms Portfolio)

Complete the following forms for Non-Construction projects only

- a. Form SF 424, “Pre-application for Federal Assistance”
- b. Form SF 424A, “Budget Information – Non-Construction Programs”
- c. Form SF 424B, “Assurances – Non-Construction Programs”

Complete the following forms for Construction projects only

- a. Form SF 424, “Pre-application for Federal Assistance”
- b. Form SF 424C, “Budget Information – Construction Programs”
- c. Form SF 424D, “Assurances – Construction Programs”

3. Project Narrative
 - a. Explanation for the project
 - b. Need for the project
 - c. Cost breakdown of the project
4. System for Award Management (SAM) <https://www.sam.gov>
5. Credit Elsewhere Certification – applicant must certify in writing that they are unable to finance the proposed project from their own resources and/or through commercial credit. Applicant should provide **written Certification and at least three (3) letters** from local lenders that show the potential rates and terms the applicant might receive. (See Tab B for example Certification and Commercial Credit letter)
6. Financial Information:
 - a. Five Years of Audited Financial Statements.
 - b. Current Operating Budget and Proposed Budget for upcoming Fiscal Year (if available).
 - c. Current Balance Sheet (must be within 90 days of application)
 - d. Capital Improvement Plan
 - e. Financial Feasibility Report
 - i. Projects with a cost of \$300,000 and under, use Form 1942-54 – See Tab C
 - ii. Projects with cost > \$300,000, consult with RD Specialist for level of report
7. Preliminary Architectural Report. (See Tab D, Guide 6 and Attachment for Architect) *for construction projects only
8. Environmental Review (consult with RD Specialist for level of review)

Tab A

RESOLUTION TO APPLY FOR FEDERAL ASSISTANCE

WHEREAS, the _____ of the _____ intends to apply for and accept a Community Facility Loan and/or Grant to be administered by the United States Department of Agriculture Rural Development (USDA RD) herein called the Government in an amount not to exceed \$ _____ under the terms offered by the Government. The purpose of said funds is to assist in the purchase of _____. Furthermore, _____ is hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such financial assistance; and to operate the facilities under the terms offered by the government.

INCLUDE THIS STATEMENT IF REQUESTING A LOAN

BE IT FURTHER RESOLVED THAT, _____ will issue a General Obligation Bond in the amount of the loan as collateral for the project.

IN WITNESS WHEREOF, the _____ of the _____ has duly adopted this resolution and caused to be executed by the _____ on this _____ day of _____, _____

By: _____

Title: _____

Date: _____

(SEAL)

Attest: _____

Title: _____

Date: _____

Tab B

APPLICANT LETTERHEAD

2340 Nowhere RD
Nowhere, TN 20202

To whom it may concern:

The following lenders were contacted concerning borrowing the financial assistance to

_____.

We asked for a loan in the amount of \$_____. Their responses are

The undersigned certifies, to the best of their knowledge and belief, that:

1. The organization is unable to finance the proposed project from its own resources or through commercial credit at reasonable rates and terms for the following reasons:

2. No outstanding judgment has been obtained and recorded by the United States of America in Federal Court (other than in the United States Tax Court).

Name of Organization

Name of Authorized Official

Signature Date

DRAFT

November __, 20XX

John Doe
Nobody Chamber of Commerce, TN
123 Somewhere Street
Anywhere, Tennessee 37000

Re: Nobody Chamber of Commerce – Bus Purchase Project

Dear Mr. Doe:

___ Bank has reviewed the opportunity of partnering with the Nobody Chamber of Commerce to provide financing associated with the purchase of a new bus. After preliminary analysis of the proposed project, the current credit and interest rate environment as well as the size of the loan request, a typical rate and term for a commercial credit of this type would be ___% and have a maximum term of ___ years.

We thank you for considering ___ Bank as a lending partner. If we can participate on this project or future projects, please contact our local office.

Sincerely,

Bill Smith
Bank of Nowhere, TN

Tab C

APPLICANT'S FEASIBILITY REPORT

1. **Existing Facility.** Briefly describe what facilities you currently have or how service is currently provided.

2. **Proposed Facility.** Describe what you want to purchase or construct. Indicate what the facility will be used for, approximate size, and expected method of procurement. For buildings indicate location, basic materials or type of construction, and attach a sketch or working drawings. For items of major equipment, indicate new or used, existing or custom-built, and any special features.

3. **Need for the Facility.** Indicate why the proposed facility is needed.

4. **Service Area.** Indicate what area the proposed facility will serve and, if known, the population or number of families served.

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, OIRM AG Box 7630, Washington, D. C. 20250; and to the Office Management and Budget, Paperwork Reduction Project (OMB No. 0575-0120), Washington, D. C. 20503. Please DO NOT RETURN this form to this address. Forward to the local USDA office only.

5. Cost Estimate.

Development and construction.....	\$ _____
Land and rights.....	_____
Legal fees.....	_____
Architect and Engineer.....	_____
Equipment.....	_____
Refinancing.....	_____
Other (describe)	_____
Total.....	_____

6. Income. List the sources and estimate the amount of expected revenue for a typical year.

7. Other Funds. List the sources and amount of funds that may be available other than from USDA, to fund part of the project (such as applicant's contributions, commercial loans, or loans or grants from other government agencies).

8. Operating History. If you have operated a similar facility, attach audits, financial statements, or lists of income and expenses for the past five years.

9. Signature and Title of Applicant Official	Date
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Tab D

PRELIMINARY ARCHITECTURAL FEASIBILITY REPORT

I GENERAL. The following may be used as a guide for preparation of the Preliminary Architectural Feasibility Report as required for Rural Development financed facilities.

A Need for the facility.

B Existing facilities. Describe - include condition, adequacy, suitability for continued use and other pertinent information.

C Proposed facility. General description of proposed facility including design criteria adopted for continued use and other pertinent information.

D Building sites.

- 1 Amount of land required.
- 2 Location - Alternate locations.
- 3 Site plan.
- 4 Site suitability.

E Cost estimate.

- 1 Development and construction.
- 2 Land and rights.
- 3 Legal.
- 4 Architect fees.
- 5 Interest.
- 6 Equipment.
- 7 Contingencies.
- 8 Refinancing.
- 9 Other (described).

F Annual operating budget.

1 Income - Include rate schedule. Project income realistically.

2 Operation and maintenance costs - Project costs realistically. In the absence of other data, base on actual costs of other existing facilities of similar size and complexity. Include facts in the report to substantiate operation and maintenance cost estimates.

G Maps, drawings, sketches, and photographs.

1 Maps - Show locations, boundaries, elevations, population distribution, existing and proposed facility, right-of-way, and land ownership.

2 Drawings and sketches - Show preliminary design and layout elevations.

3 Photographs - As needed.

H Construction problems. Discuss in detail - Include information on items which may affect the cost of construction.

I Conclusions and recommendations. Discuss possible alternatives to proposed plans.

oOo

RD Instruction 1942-A, Guide 6

Additional Instructions

TN RD Attachment

I. **General**

- A. **Need for the facility.** Ensure the need for the project is adequately presented to support the size/scope of the proposed project.
- B. **Existing facilities.**
- C. **Proposed facility.** Address state fire marshal requirements and accessibility compliance (ABAAS 2015 if non-residential).
- D. **Building Sites.** Describe proposed project considerations compared to other project alternatives to address the need.
- E. **Cost Estimate.** Project Cost Estimate to include;
 - 1. **Development and construction.** Include separate detailed breakdown of estimated construction costs preferably on unit cost basis.
 - 2. **Land and rights.**
 - 3. **Legal.**
 - 4. **Architect fees.** Costs should be broken out for the PAR, Design, Inspection, and Recoverables. Denote whether basic services and construction admin. and separate out geotechnical/survey/etc if considered in the Architectural Agreement.
 - 5. **Interest.** This pertains to the construction loan interest and origination costs. Should be based on construction draw schedule (can be obtained with Owner and RD Specialist input).
 - 6. **Equipment.** This estimate needs to be supported by a listing of the equipment and detailed cost breakdown.
 - 7. **Contingencies.** If less than 5% of construction cost estimate, provide justification. Typically ranges from 5-10%. Projects involving renovation or other unknown factors require a higher percentage.
 - 8. **Refinancing.**
 - 9. **Other (described).**
 - a) Resident Inspector budget estimate if not in Arch fees - full-time inspection required for new construction unless detail is provided in PAR to support request for less than full-time inspection.
 - b) Denote the estimated construction time for each contract (Optionally can additionally provide an estimated project schedule).
 - c) Denote in PAR the planned procurement method (competitive sealed bids or other) and planned contracting method (design-bid-build or Design Build, CMc, etc.).
 - d) If more than one contract for the project is proposed, denote the number of proposed contracts with what scope is included in each.
 - e) This section should also include details on the other costs to the project not identified by the items above: This could include but not be limited to: other consultant fees, working capital and debt service reserves,

construction management fees, debt issuance costs, surveys, testing, appraisals, site utilities and access, project escalation for inflation, and furniture if not included under equipment.

F. Annual operating budget. Work with the applicant's staff responsible for the financial affairs in assembling this information and/or their financial consultant. In this area it would be important for the Architect to indicate any design or equipment aspects that would impact the overall operational costs of the plant. The applicant and/or their financial consultant should incorporate this information in the financial feasibility report. It is **NOT** necessary for the architect to go into a great deal of detail on income and expenses when a separate financial feasibility report is being prepared by the applicant or their consultant.

1. Income

2. Operation and maintenance costs

G. Maps, drawings, sketches, and photographs.

1. Maps. Include preliminary site plan.

2. Drawings and sketches. Include preliminary floor plan(s) and building elevations.

3. Photographs

H. Construction problems.

I. Conclusions and recommendations. This item can be covered under Item D where most applicable.