Overview

- USDA Mission Areas
- Rural Development Mission
- Rural Development Programs
- Strategic Economic & Community Development (SECD)
- Cooperative Development
- Local Foods
One USDA, Seven Mission Areas

Research, Education, and Economics

Farm & Foreign Ag Services

Food and Nutrition Consumer Services

Food Safety

Marketing & Regulatory Programs

Natural Resources and Environment

Rural Development
Rural Development’s Mission

Committed to helping improve the economy and quality of life in rural America
Rural Development Agencies

The agencies and programs work together and complement each other to build a thriving rural community.
Rural Utilities Service (RUS)
Rural Utility Service (RUS)

- Electric Programs
- Telecommunications Programs
- Water & Environmental Programs
Water & Waste Disposal Loan & Grant Program

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.
Water & Waste Disposal Loan & Grant Program Eligibility

- Entities: State and local government, Private non-profits, Federally-Recognized Tribes
- Area: Rural areas of fewer than 10,000, Tribal lands in rural areas, Colonias
- Funds: Finance the acquisition, construction, or improvement of:
  - Drinking water sourcing, treatment, storage and distribution
  - Sewer collection, transmission, treatment and disposal
  - Solid waste collection, disposal and closure
  - Storm water collection, transmission and disposal
Water & Waste Disposal Loan & Grant Program Funding

- Long-term, low interest loans
- Grant-loan combination
Hampton County, SC

- WEP Recipient
- Project: Make improvements that will expand sewerage capacity, which will make the county more attractive for economic development
- $1,864,000 Grant/$6,480,000 Loan
- Result: Increased Private Investment
Community Connect helps fund broadband deployment into rural communities where it is not yet economically viable for private sector providers to deliver service.
Community Connect Eligibility

- **Entities**: State and local governments, Federally recognized tribes, Non-profits, For-profit corporations
- **Area**: Rural areas that lack any existing broadband speed of at least 4Mbps downstream and 1 Mbps upstream
  - **Mapping Tool**
- **Funds**: Construction, acquisition, or leasing of facilities, spectrum, land or buildings used to deploy broadband service for:
  - All residential and business customers located within the Proposed Service Area (PFSA)
  - All participating critical community facilities (such as schools, fire stations, libraries, etc.)
- **Funds** may be used for the cost of providing broadband service free of charge to the critical community facilities for 2 years
- **Less than 10% of the grant amount OR up to $150,000** may be used for the improvement, expansion construction or acquisition of a community center that provides online access to the public
- **15% Match FY16 Max/Min. = $3,000,000/$100,000**
$1,771,035 Community Connect Broadband Grant recipient in Lafayette, TN.

Project Goal: Provide service area residents with access to internet speeds ranging from 5 Megabits per second (Mbps) to a full 1 Gigabit per second (Gbps).
The Distance Learning and Telemedicine program helps rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. For example, this program can link teachers and medical service providers in one area to students and patients in another.
Distance Learning and Telemedicine (DLT) Eligibility

- Entities: State and local government entities, Federally-recognized tribes, Non-profits, For-profit businesses, Consortia
- Funds: Can be used for the acquisition of eligible capital assets including
  - Audio, video and interactive video equipment
  - Terminal and data terminal equipment
  - Computer hardware, network components and software
  - Inside wiring and similar infrastructure that further DLT services
- Max/Min: $500,000/$50,000
- 15% Match Required (Non-Federal)
Kyle, SD

- Recipient: Oglala Lakota College
- Grant Amount: $284,221
- Project: Replacement of outdated videoconferencing equipment for 16 classrooms and adding an additional four new distance learning classrooms.
Rural Business & Cooperative Service (RBS)
Rural Business & Cooperative Service

- Business Programs
- Energy Programs
- Cooperative Programs
*Rural Business Development Grant (RBDG)*

**What does this program do?**

RBDG is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have less than 50 employees and less than $1 million in gross revenues. Programmatic activities are separated into enterprise or opportunity grant activities.

**Who may apply for this program?**

- Rural public entities including, but not limited to: Towns, Communities, State agencies, Authorities, Nonprofit Corporations, Institutions of Higher Education, Federally-recognized Tribes, Rural Cooperatives

*Note there is a Tribal set-aside for IRP.*
How may funds be used?

**Enterprise Grant funds** must be used on projects to benefit small and emerging private businesses in rural areas as specified in the grant application. Uses may include:

- Training and technical assistance, such as project planning, business counseling/training, market research, feasibility studies, professional/technical reports, or product/service improvements
- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities
- Pollution control and abatement, Distance adult learning for job training and advancement
- Capitalization of revolving loan funds including funds that will make loans for start-ups and working capital
- Rural transportation improvement, Community economic development
- Technology-based economic development, Feasibility studies and business plans
- Leadership and entrepreneur training, Rural business incubators
- Long-term business strategic planning

**Opportunity Grant funding** must be used for projects in rural areas and they can be used for:

- Community economic development, Technology-based economic development
- Feasibility studies and business plans, Leadership and entrepreneur training
- Rural business incubators, Long-term business strategic planning
Rural Business Development Grant (RBDG)

Example of Awarded Projects for RBDG:

The City of Luverne, Minnesota, was awarded a $100,000 grant to help revitalize small businesses downtown. Local leaders used the grant funds as seed capital. They combined it with $350,000 in local funding to help establish a revolving loan fund that provided affordable financing for downtown businesses. Loans were used to purchase new doors and windows, upgrade electrical systems and make other improvements to buildings. As each ultimate recipient loan is repaid, the city will relend the funds. To date, the funds have helped finance 13 small businesses.

The University of Florida’s Sid Martin Biotechnology Incubator program received a $190,000 grant to replace aging equipment. The program has been successful in growing companies that are bringing products to market and creating high-wage jobs.

PROMISE ZONE: Idabel, OK in Choctaw Nation was awarded a $97,000 RBDG to purchase a building for commercial kitchen equipment.
Intermediary Relending Program (IRP)

What does this program do?
• Provides low-interest loans to local lenders that re-lend to businesses and for community development projects in rural communities.

Who may apply to be an IRP lender?
• Private Nonprofit Corporations, Cooperatives, Federally recognized Tribes, Public bodies

How much funding is available to participating IRP lenders?
• Up to $1 million at a time thereafter
• A participating lender cannot manage more than $15 million in IRP loans at any given time.

What are the terms for the participating IRP lender to repay the government?
• Interest rate is fixed at 1%
• Maximum length of time to repay the loan is 30 years
• Interest-only payments may be permitted for the first 3 years

*Note there is a Tribal set-aside for IRP.
Intermediary Relending Program (IRP)

Example of Awarded Projects:

The Vermont Community Loan Fund, in Montpelier, will receive a $1 million loan to help 90 organizations and businesses create and retain nearly 900 jobs.

In South Dakota, the West River Foundation will use a $750,000 loan to provide low-interest financing to public and non-profit organizations. This is expected to create or save approximately 100 jobs.

PROMISE ZONE: Kentucky Highlands Investment Corporation, the implementing partner of the Kentucky Promise Zone, has a very active IRP revolving loan fund. They reapply nearly every year.
Rural Microentrepreneur Assistance Program (RMAP)

What does this program do?
Provides loans and grants to Microenterprise Development Organizations (MDOs) to:
• Provide microloans for microenterprise startups and growth through a Rural Microloan Revolving Fund for businesses with less than 10 employees. Funds can be used for working capital, debt refinancing, and purchase of equipment, supplies, real estate.
• Provide training and technical assistance to microloan borrowers and microentrepreneurs.

Who may apply to be a Microenterprise Development Organization (MDO)?
• Nonprofits, Federally recognized Tribes, Institutions of higher learning

How much funding is available to RMAP MDOs?
• Up to $205,000 per year in grants to provide technical assistance to rural microentrepreneurs or microenterprises, with at least 15% matching funds required.
• $50,000 - $500,000 in loans to establish a Rural Microloan Revolving Fund.
• An RMAP lender cannot manage more than $2.5 million in loans at one time.
Example of Awarded Projects:

In Kentucky, MEDI, Inc. received a $400,000 RMAP loan and $100,000 RMAP grant to serve as a microlender and technical assistance provider for very small rural businesses throughout the state.

Community Lending Works of Springfield, Oregon, received a $300,000 RMAP loan and $75,000 RMAP grant to make microloans and provide technical assistance to very small businesses in a three-county area with high levels of poverty and unemployment.

PROMISE ZONE: Kentucky Highlands also received an RMAP to support local businesses.
Value-Added Producer Grant (VAPG)

The VAPG program helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products. The goals of this program are to generate new products, create and expand marketing opportunities, and increase producer income.

You may receive priority if you are a beginning farmer or rancher, a socially-disadvantaged farmer or rancher, a small or medium-sized farm or ranch structured as a family farm, a farmer or rancher cooperative, or are proposing a mid-tier value chain.
Project Eligibility

The value-added product must result from one or more of these methodologies:

1. Change in physical state - *milk to cheese*
2. Produced in a manner that enhances the value of the agricultural commodity - *Organic*
3. Physical segregation - *GMO to Non GMO*
4. Farm- or ranch-based renewable energy - *Bio digesters*
5. Locally-produced agricultural food product - *Local Dairy*
Project Eligibility

• **Funds:**
  - Up to $75,000 for Planning Grants
  - Up to $250,000 for Working Capital Grants
  - 1 to 1 matching funds
  - Up to 36 months

• **Examples:**
  - Organic chicken farm in Harrisonburg, West Virginia used a VAPG grant to start marketing and branding their chicken as organic. They now sell their products in Costco and Whole Foods and have expanded their workforce from 25 to 350 in two years!
Rural Housing Service (RHS)
Rural Housing Service (RHS)

- Multi-Family Housing
- Single-Family Housing
- Community Facilities
Community Facilities (CF) Direct Loan & Grant Program

CF 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.
Community Facilities (CF) Direct Loan & Grant Eligibility

- Entities: Public bodies, Community-based non-profit corporations, Federally-recognized tribes
- Area: Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents.
- Funds
  - May be used to purchase, construct, and/or improve essential community facilities, purchase equipment and pay related project expenses.
- Funding Availability/Priorities/Terms
  - Low interest direct loans, grants, combinations, loan guarantee
  - Small Communities (5,500 or less), Low-income communities
  - Repayment Terms must not be longer than the useful life of the facility (40 year MAX)
CF Examples

- Pine Ridge - $160,800 OLC Communications/Phone System
- Choctaw - School Gardens, Fitness equipment, Facility upgrades
- South Carolina - K-12 School $15,000,000
- Kentucky - Pikeville Medical Center $45,000,000
Mutual Self-Help Housing Technical Assistance Grants

Provides grants to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other’s homes, with technical assistance from the organization overseeing the project.
Mutual Self-Help Housing Technical Assistance Grants Eligibility

- **Entities:** Government non-profit organizations, Federally-recognized tribes, and private non-profit organizations
- **Funds**
  - May be used to give technical and supervisory assistance to participating families
  - Help other organizations provide self-help technical and supervisory assistance
  - Recruit families, help them complete loan applications and carry out other related activities that enable them to participate
Thunder Valley CDC received $300,000 to establish and develop a self-help program that will start the construction of 12 new homes.
### Rural Housing and Community Facilities Programs

<table>
<thead>
<tr>
<th>Type of Assistance</th>
<th>Objective</th>
<th>Applicant</th>
<th>Uses</th>
<th>Population</th>
<th>Loan/Grant</th>
<th>Terms/Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Housing Direct Loans</td>
<td>To assist low-income families to buy their homes or to modernize existing homes</td>
<td>Families and individuals</td>
<td>1. Buy, build, improve, repair, or rehabilitate a home for the applicant's permanent residence.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Up to 100% of market value or cost. Loan term of 33 years. Applicant may be eligible for payment assistance (subsidy) on the loan.</td>
</tr>
<tr>
<td>Single-Family Housing Loan Guarantees</td>
<td>To provide mortgage credit for the purchase or improvement of single-family homes</td>
<td>Families and individuals</td>
<td>2. Purchase or improve existing homes or build new homes on a lot. Home must be a family's primary residence.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Loan guarantees.</td>
</tr>
<tr>
<td>Single-Family Repair Loans and Grants</td>
<td>To provide low-income families with funds to make repairs to their homes</td>
<td>Families and individuals</td>
<td>3. Repair/replace roofs, siding, water/waste systems, and heating and cooling systems.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Loan guarantees.</td>
</tr>
<tr>
<td>Self-Help Technical Assistance Program Loans</td>
<td>To provide technical assistance to self-help organizations</td>
<td>Non-profits and public bodies</td>
<td>4. Technical assistance is available in many areas.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Grant.</td>
</tr>
<tr>
<td>Rural Rental Housing Direct Loans</td>
<td>To provide rental housing for very low-income individuals and families</td>
<td>Individuals, tribal governments, and non-profit organizations</td>
<td>5. Rental housing for very low-income individuals and families.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Grant.</td>
</tr>
<tr>
<td>Rural Rental Housing Loan Guarantees</td>
<td>To provide mortgage credit for the purchase or improvement of rental housing</td>
<td>Individuals, tribal governments, and non-profit organizations</td>
<td>6. Purchase or improve rental housing.</td>
<td>Rural areas with populations of up to 2,500.</td>
<td>Direct loan.</td>
<td>Loan guarantee.</td>
</tr>
</tbody>
</table>

### Additional Resources

- [RD Program Matrix](http://www.rd.usda.gov/files/RD_ProgramMatrix.pdf)

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Rural Development

Type of Financial Assistance

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Strategic Economic and Community Development (SECD)
What is the Section 6025 Strategic Economic & Community Development (SECD)?

• New requirement under 2014 Farm Bill
• Sets aside up to 10% of USDA program funds under:
  • Community Facilities
  • Water and Environmental Programs
  • Rural Business Development Grants
  • Business & Industry Guaranteed Loans

for prioritizing projects that support the implementation of a multi-jurisdictional plan.
Why SECD?

Rural Development wants to excel at helping communities use USDA programs strategically by:

• Encouraging regional planning and collaboration with partners within regions.

• Using regional assets to promote the region.

• Leveraging resources and financing creatively.
SECD embraces technical assistance and initiatives as a tool for Rural Communities:

- **Cooperative Development** - a creative alternative for rural communities to provide services that meet its citizens needs.

- **Know Your Farmer/Know Your Food** - provides technical assistance to communities that want to use local food systems to promote Community and Economic Development with a region.
Cooperative Development

Co-ops are producer and user-owned businesses that are controlled by, and operate for the benefit of, their members.

- **Farmer Co-ops** - market and process crops

- **Rural Utility Co-ops** - electrical and telecommunication services

- **Financial Co-ops** - credit and financial services

- **Other Co-ops** - Food stores, daycare, health services
Cooperative Development

- Rural Communities can consider Co-ops as a means to provide services to its citizen.

- For technical assistance with Cooperative Development:

  Margaret Bau  
  Cooperative Development Specialist  
  Margaret.Bau@wdc.usda  
  Direct Line 715-345-7671
Local and Regional Food Systems

Know Your Farmer, Know Your Food (KYF2):

- Helps communities scale up local and regional food systems and strengthen their economies.
- Offers assistance in funding and technical assistance for developing regional food systems.
**Website:** One-stop shop for financial and technical assistance resources from USDA to grow your local food enterprise
www.usda.gov/knowyourfarmer

**The Compass:** How USDA resources are put to work in your community
www.usda.gov/kyfcompass

**The Compass Map:** See what’s funded in your community and learn how others are using USDA programs

www.usda.gov/knowyourfarmer
Know your Farmer/Know Your Food

For technical assistance please contact:

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Agricultural Economist

James.Barham@wdc.usda.gov
202-690-1411
Rural Development Offices

4 Regions, 47 State Offices, 400 Area Offices, 1 National Office in DC

http://www.rd.usda.gov/browse-state
QUESTIONS