USDA Rural Development
USDA RD Mission
- Committed to helping improve the economy and quality of life in rural America

Accomplish the mission by:
- Providing support for essential public facilities and services such as: as water and sewer systems, housing, health clinics, emergency service facilities, and electric and telephone service
USDA RD Invested $433 million in rural Kansas in 2011
Overview

- Community Programs
  - Community Facilities
  - Water & Environmental
- Business Programs
  - Rural Economic Development Loan & Grants
  - Business & Industry Loan Guarantee
  - Rural Business Enterprise Grants
- Housing Programs
  - Direct Home Loans
  - Home Repairs
Community Facilities Program

• The Community Facilities Program improves essential community services and/or facilities
  - Public Service
  - Public Safety
  - Health Care

• Eligible Areas
  - Rural areas with a population of less than 20,000
## Community Facilities Eligible Projects

<table>
<thead>
<tr>
<th>Dental Clinic</th>
<th>Police Station</th>
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<tbody>
<tr>
<td>Outpatient Clinic</td>
<td>Mobile Communications Center</td>
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<tr>
<td>Library</td>
<td>Youth Shelter</td>
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<tr>
<td>Museum</td>
<td>Food Storage &amp; Distribution</td>
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<tr>
<td>Outdoor Theatre</td>
<td>Bridge</td>
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<tr>
<td>Public School</td>
<td>Airport Improvements</td>
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<td>Street Improvement</td>
<td>Railroad Facility</td>
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<tr>
<td>Animal Shelter</td>
<td>Public Parking</td>
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<tr>
<td>Hospital</td>
<td>Mental Health Facility</td>
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</table>
Community Facilities Project

Burns City Hall & Library Before USDA RD Assistance
Community Facilities

Burns City Hall & Library After USDA RD Assistance
Community Facilities

Restoration of the Chase County Courthouse
Community Facilities

Restoration project in Humboldt to convert a bank building into City Hall
Water & Environmental Programs

- Water & Environmental Programs develops and upgrades rural water distribution and wastewater facilities

- Eligible Area
  - *Rural communities with a population of less than 10,000*
Water & Environmental Programs

- Eligible Purposes
  - Construct, enlarge, or otherwise improve rural water, solid waste disposal, sanitary sewage, and storm wastewater disposal facilities
  - Purchase program related machinery and equipment
  - Related professional fees
Water & Environmental Programs

- City of Oskaloosa, Kan.
  - Sewer mains were rehabilitated using cured-in-place pipe and PVC pipe
  - Sewer manholes were rehabilitated using a monolithic liner
Business Programs

• USDA Rural Development Financing
  - *Rural Economic Development Loan & Grant Program*
  - *Business & Industry Guaranteed Loan Program*
  - *Rural Business Enterprise Grants*
• REDLG Program Overview
  - Electric and telephone rural utility cooperatives are eligible to apply for REDLG
  - The loan/grant funds are then passed through to the ultimate recipients, which can be any legal entity, including individuals, public bodies, and federally recognized Indian Tribes
  - Project eligible in rural area with population of 50,000
Kansas Hardwoods in Belvue partnered with Bluestem Electric for a REDLG Loan

Received an interest-free loan to create a climate controlled facility
Rural Economic Development Loan & Grant (REDLG) Program

- Concordia Tractor Inc. (CTI)/City of Concordia
- Utilized the Rural Economic Development Loan and Grant (REDLG) program
- Partnered with the City of Concordia, Bennington State Bank, KDOT
Commercial loan guarantees are available for up to 80 percent of the loan amount and can be used for:

- Business and industrial acquisitions to help keep the business from closing
- Business conversion, enlargement, repair, modernization or development
- Purchase and develop land, easements, right-of-way
- Purchase equipment, supplies, inventory
Business & Industry Guaranteed Loan Program

- Sharp Bros Seed Company in Healy established in 1958 to sell native grass seed
- Needed additional working capital to help build inventories for upcoming CRP enrollment
- Utilized the USDA RD B&I program for $5 million guaranteed loan
Ferguson Production in McPherson has utilized the Agency’s B&I Program over the years to expand. The loan guarantee allowed the business to work with People’s Bank and Trust in McPherson to finance operating capital, equipment purchases and facility updates.
Rural Business Enterprise Grants

- Rural Business Enterprise Grants are for financing and developing small and emerging private businesses.
- Funds can be used for technical assistance, revolving loan program, incubator/industrial buildings, and industrial park improvements.
- Eligible entities include: non-profit associations, Indian Tribes, and public bodies.
Rural Business Enterprise Grants

- Harvey County Economic Development Council received RBEG funds to evaluate the feasibility of establishing a regional innovation accelerator.
- Regional project that has several partners.
- The accelerator will serve emerging and existing manufacturers in rural south central Kansas.
Rural Energy for America Program (REAP or 9007)
What size of grant is available?

- **Not exceed 25%** of total eligible project costs
- **Minimum grant request**
  - *Renewable energy system* - $2,500
  - *Energy efficiency improvements* - $1,500
- **Maximum grant request**
  - *Renewable energy system* - $500,000
  - *Energy efficiency improvements* - $250,000

*Maximum grants per applicant per fiscal year is $750,000*
Who is eligible to apply for funding?

- **Agricultural producers** directly engaged in ag production (≥ 50% of their gross income)
- **Rural small businesses** that meet the SBA Size Standards
- Demonstrated financial need
- Project must be located in a *rural area*
- Non-profit organizations and public entities are excluded

Actual Definitions available in 7 CFR Part 4280
What projects are eligible?

• Purchase *RE* or make *EE improvements*
• *Pre-commercial* or commercially available, and replicable technology *(No Research and Development)*
• Technical Merit and located in a *rural area*
• Sufficient revenues for O&M, Maintenance & Debt Service
• Applicant must own the project and control the revenues and expenses, including O&M
Eligible uses

• Post-application purchase and installation of equipment; *(except agricultural tillage equipment & vehicles)*
• Post-application construction or project improvements; *(except residential)*
• Energy audits or assessments;
• Permit fees and Feasibility Studies;
• Professional service fees; *(except application preparation)*
Energy Efficiency Examples

- Building Envelope
- Lighting
- HVAC Systems
- Water Heating
- Power Systems
- Refrigeration

- Grain Drying and Curing
  - Irrigation
  - Fans and Blowers
  - Compressors
  - Pumps
Housing Program

- USDA Rural Development Financing
  - Home Repair Loans
  - Direct Home Loans
  - Guaranteed Rural Housing
Home Repair Program

• Home Repair Program
• Low income individuals can receive low-interest loans to repair their homes
• Funds can be used for making repairs, removing health and safety hazards, and installing essential features
Home Repair Program

• Eligible Home Repair Projects Can Include:
  • Wells or hook-ups to rural water
  • Septic, plumbing, heating, air conditioning and electrical systems
  • Insulation, energy efficient windows and doors
  • Storm shelters or safe rooms
  • Improvements to bathrooms, doorways and kitchens to make them handicap accessible
Home Repair Program

Making homes more handicap-accessible
Home Repair Program

Removing hazards
Direct Home Loans

• 100% financing
• 33-year mortgage
• Flexible qualifying standards
• Not restricted to first time homebuyers
• Currently have ample funding for very-low income individuals
  - Income limits are available at:
Direct Home Loans

502 Home Loan Recipients in Northeast Kansas
Think of USDA Rural Development not only as a funding source, but as a partner in creating opportunity for rural communities.

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Building Communities from the Ground Up
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