



United States
Department of
Agriculture

Rural Development



Rural Development's Financial Toolkit: Small Towns; BIG Futures

The good news ...

- Rural populations are **stabilizing** and beginning to **grow**
- From 2012-2014, rural childhood poverty fell by **three percentage points**
- Rural areas added more than **250,000 jobs** in 2014-15; the trend continues
- Rural **unemployment dropped** below six percent for first time since 2007
- **Two million fewer** live in a state of food insecurity than in 2011



Rural America is back in business!

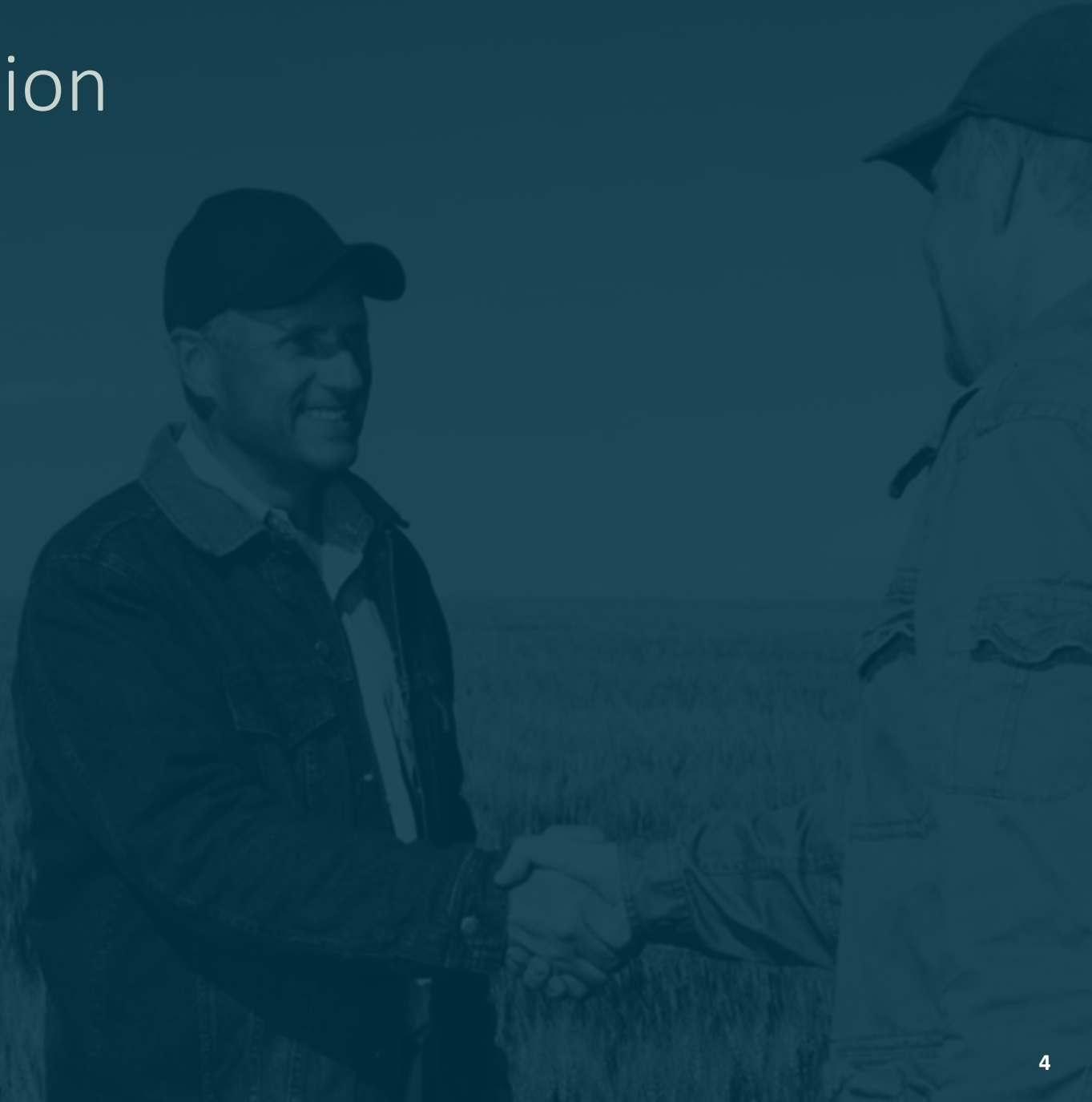
The New York Times



“Taken together, these benchmarks demonstrate a turning point in rural communities. Clearly, there is more to do to build a new economy in rural areas. But over the last eight years, federal assistance has helped more than 1.2 million families buy, repair or refinance homes in rural America. The Obama administration has invested in 8,350 schools, libraries, hospitals and public spaces that improve the rural quality of life. And more than 5 million Americans who live and work in rural areas have gotten broadband internet service. The census report about rural America’s quiet, remarkable comeback demonstrates how long-term government investment is central to rural America’s continued progress.”

Rural Development's Mission

To increase economic
opportunity and
improve the quality of
life for all rural
Americans.



Rural Development Program Areas

Rural Business & Cooperative Service

- Business and Industry Guaranteed Loans
- Intermediary Relending Program
- Rural Business Development Grants
- Rural Energy for America Program
- Value Added Producer Grants
- Cooperative Development Assistance

Rural Utilities Service

- Electric Program
- Water & Environmental Programs
- Telecommunications and Broadband Programs

Rural Housing & Community Facilities

- Homeownership Loans
- Home Repair Loans & Grants
- Mutual Self-Help Technical Assistance Grants
- Multi-Family Housing Loans
- Farm Labor Housing Loans & Grants
- Housing Preservation Grants
- Community Facilities Loans & Grants

USDA Rural Development

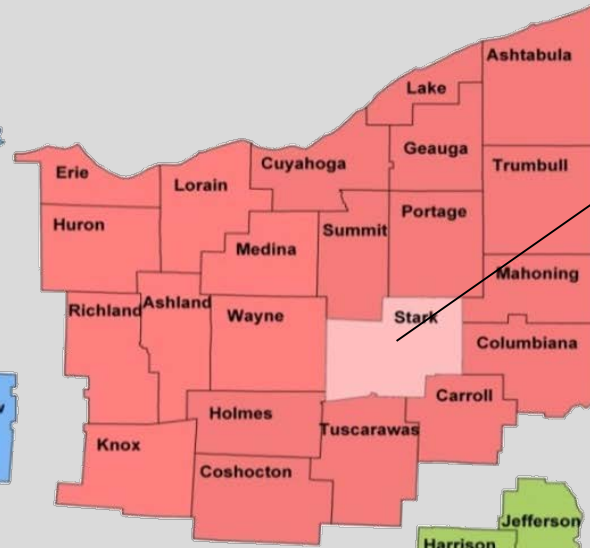


Ohio Rural Development

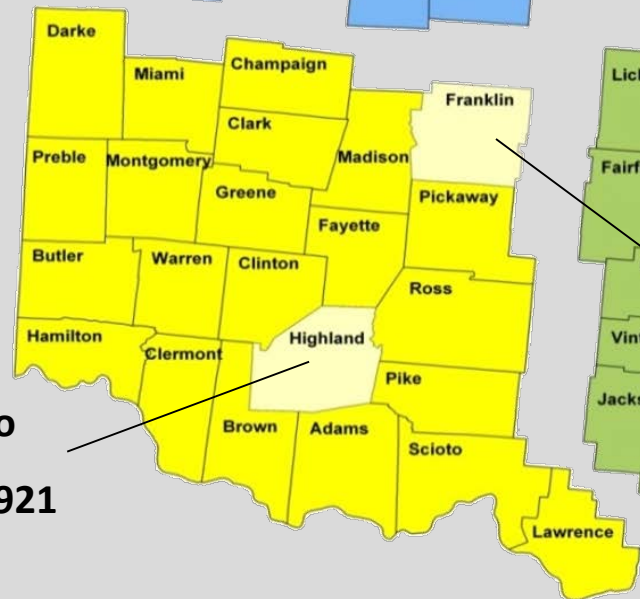
Findlay
419-422-0242



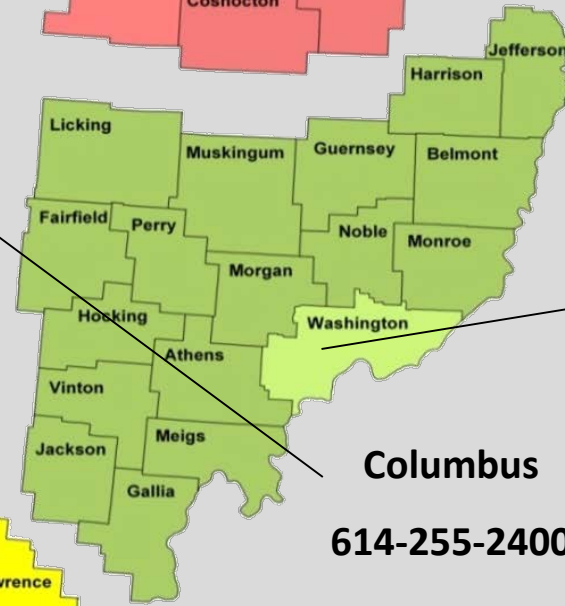
Massillon
330-830-7700



Hillsboro
937-393-1921



Marietta
740-373-7113



Columbus
614-255-2400

Rural Development Funding Streams

Programs

Guaranteed
Loans

Direct
Loans

Direct
Payments

Grants

2016 Ohio Rural Development Funding

National portfolio = \$215 billion

Equal to the fifth largest development bank in the world

Ohio Fiscal Year 2016 program statistics:

- **Total funding = \$646.7 million**
- Nearly \$72.3 million - Community Programs
- More than \$13.4 million - Water & Environmental
- More than \$49 million - Business & Cooperative
- Nearly \$512 million - Single & Multi-Family Housing

Rural Development's Programs

Rural Business & Cooperative Programs

Community Programs

Rural Housing Programs



Broadband

Rural Electrification & Transmission

Rural Energy for America Program

The Rural Utilities Service

Rural Business & Cooperative Service Programs

- ✓ Strengthening and diversifying rural communities
- ✓ Creating jobs

- **Business Development in rural areas**

- Financial resources are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas

- **Loan Guarantees for most any business purpose**

- Job creation and retention

- **Grants to encourage business development**

- Entrepreneurial support - technical assistance, regional planning, adult training, feasibility studies, incubators, infrastructure

- **Capitalize revolving loan funds**

- Loans or grants to entities that relend the funds to small rural businesses

Rural Business & Cooperative Service Programs

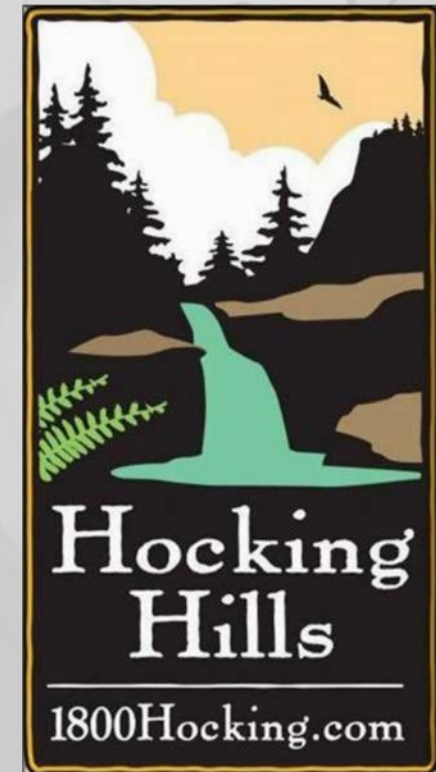
- Business and Industry Loan Guarantee
- Intermediary Relending Program
- Rural Economic Development Loans & Grants
- Rural Business Development Grants
- Value Added Producer Grants
- Cooperative Development
- Renewable Energy Programs

Business & Industry Guaranteed Loans

- Applicant may be sole proprietor, cooperative, corporation, or LLC
 - For-profit or not-for-profit
- Eligible businesses include manufacturing, wholesaling, retailing or service-oriented
- Must provide employment or improve economic or environmental climate.

Eligible Loan Purposes

- Real Estate
- Machinery & Equipment
- Term Working Capital
- Business Acquisitions
- Tourism & Recreation
- Hotels & Motels
- Refinancing
(including existing lender debt)



Guarantee Limits

- Minimum loan = \$400,000
- \$750,000 to \$5 million = 80% guarantee
- \$5 - \$10 million = 70% guarantee
- Average loan = \$3 million
- One-time 2% fee on guaranteed portion of loan
- Annual renewal fee = .25%



Cooperative Programs

The overall mission of USDA Co-op Programs is to promote the understanding and use of the cooperative form of business as a viable organizational option.

- **This is accomplished through**
 - Cooperative research
 - Information products
 - Statistics, and
 - Technical assistance
- **These programs also provide funding to help new and existing co-ops**
 - Value Added Producer Grants
 - Rural Cooperative Development Grants
 - Socially-Disadvantaged Groups Grants
 - Delta Health Care Services Grants



Value-Added Producer Grants

- Helps agricultural producers generate new products, create and expand marketing opportunities and increase producer income.
- Maximum: \$100K / planning \$300K / working capital
- Cash or eligible in-kind matching funds equal to at least the grant amount requested

Intermediary Relending Program

- To alleviate poverty and increase economic activity and employment in rural communities.
- Estimated funding: Announced annually
- Maximum: No more than \$1 million to a single entity.
- Intermediaries are encouraged to work in partnership with other private and public organizations to identify complimentary resources.
- Applications accepted year-round; nationally competitive

Other Business & Cooperative Grants

Rural Business Development Grants

- Competitive grant targeting technical assistance and training leading to the development or expansion of small and emerging private businesses in rural areas with fewer than 50 employees and less than \$1 million in gross revenue.

Rural Microentrepreneur Assistance Program

- Provides loans and grants to Microenterprise Development Organizations. Funds can be used for working capital, debt refinancing, and to purchase equipment & supplies.

Financial Support for Sustainable Rural Energy Development

Offer funding to

- Complete energy audits
- Provide renewable energy development assistance
- Make energy efficiency improvements, and
- Install renewable energy systems

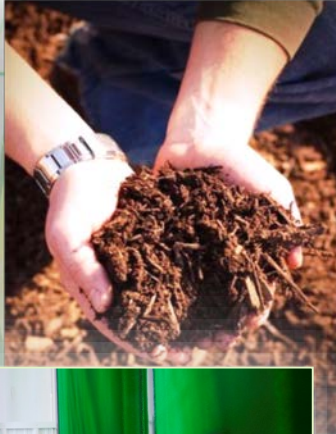
Payment programs

- Assist companies that replace use of fossil fuels with renewable biomass
- Encourage use of biomass other than cornstarch

Programs that help

- Convert older heating sources to cleaner technologies
 - Produce advanced biofuels
 - Install solar panels, and
 - Build Biorefineries

Renewable Energy: Bio-economy Programs



- Biomass, Biofuel and Bioenergy projects
- Anaerobic Digester projects
- Bio-plastics, bio-based paints, solvents, other renewable chemicals and products
- Geothermal, Electric Generation
- Hydrogen production from renewables
- Solar; small and large: Electric and Thermal
- Wind; small and large

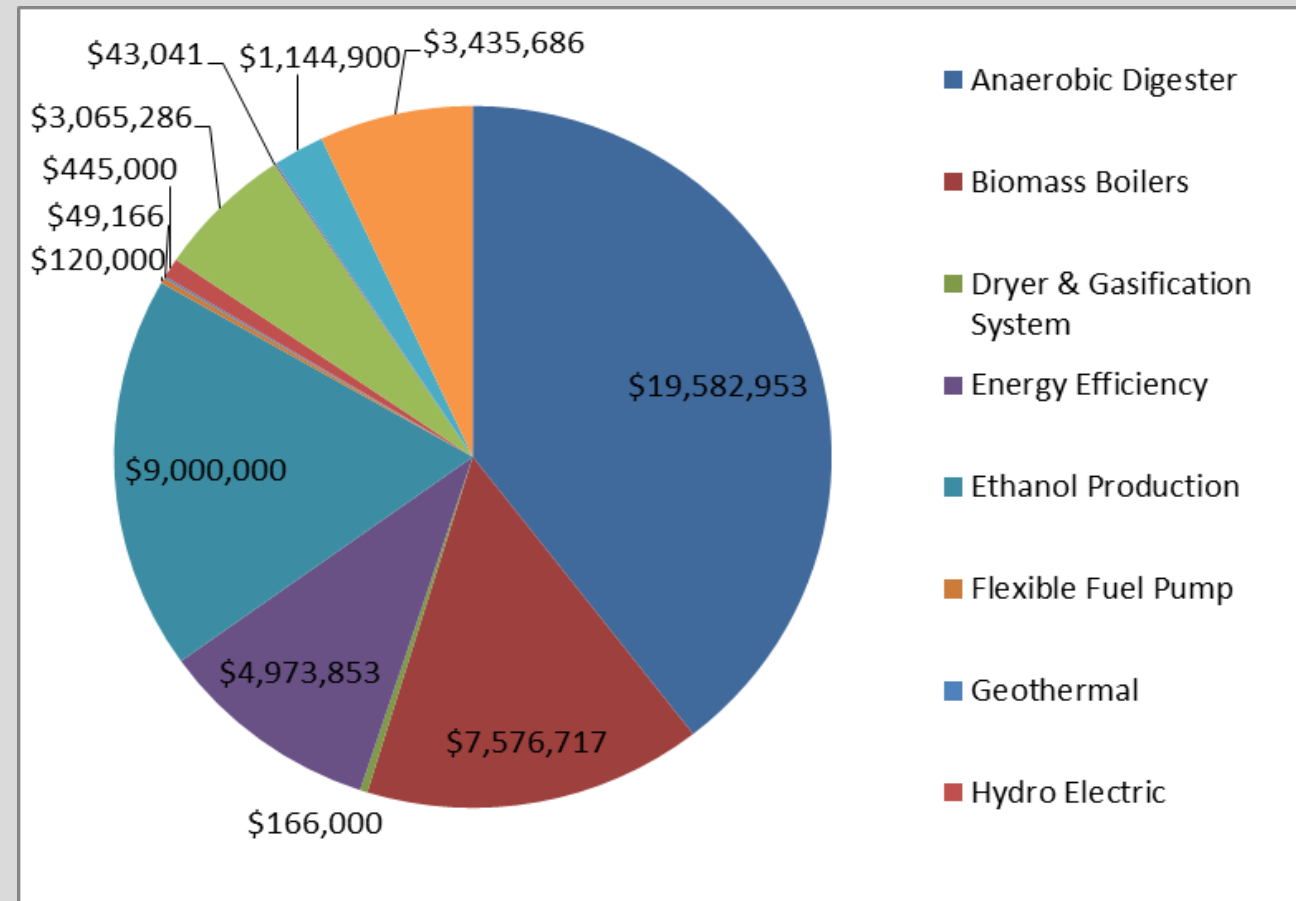
Rural Energy for America Program

- In the past 10 years, REAP has helped more than 13,000 businesses install renewable energy systems.
- Since 2008, the amount of renewable energy (wind, solar and geothermal sources) produced in the U.S. has nearly doubled, thanks in part to REAP.



Renewable Energy: Ohio Projects 2009-2016

Type of technology	Projects 2009-2016
Anaerobic Digester	14
Biomass Boilers	5
Energy Efficiency	153
Ethanol Production	1
Flexible Fuel Pump	1
Geothermal	3
Hydro Electric	1
Solar	95
Solar Thermal	2
Solid Fuel Production	2
Wind	17
Dryer/Gasification System	1



REAP Project Eligibility

Project:

- must be for the purchase of a *renewable energy system*
- must be to purchase *energy efficiency improvements*.
- must be for commercially available and replicable technology
- must have technical merit
- must be located in a rural area

Cannot be used for residential improvement

Utilities Programs

✓ Equal Access to Essential Services

✓ A Cleaner Environment

✓ Infrastructure for Growth



Electric Program
(1935)

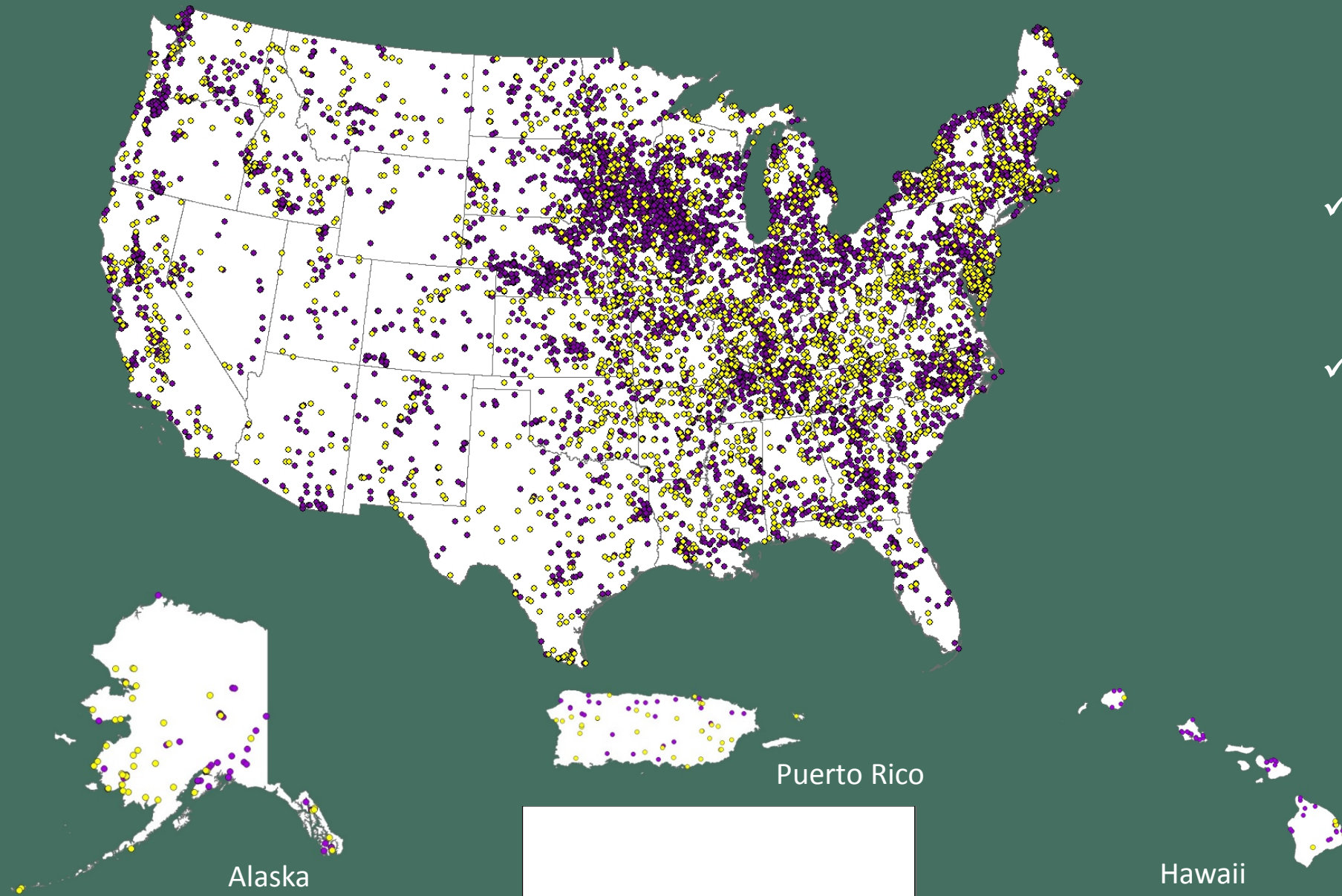


Telecommunications and Broadband Program
(1949)



Water and Environmental Programs
(1937)

Rural Utilities Service Borrowers & Grantees



- ✓ Infrastructure for 80% of the nation's land mass
- ✓ Enhancing the lives of 25% of the population

Rural Utilities Service (RUS) Funding

Loans for eligible renewable technologies include:

- Wind
- Solar
- Biomass
- Geothermal
- Hydro
- Energy Efficiency
- The technology must be commercially available
- Must provide for sale or resale to rural energy consumers

RUS Energy Efficiency Loan Program

Eligible EE investments and activities:

- Building weatherization
- HVAC upgrades
- Ground source heat pumps
- Lighting
- Small-scale renewable generation
- Allows “on-bill” payments



Rural Development Partners with Local Leaders

Community involvement was key to implementation then, and is *still* key for all programs



Housing Programs

- ✓ **Improving Quality of Life**
- ✓ **Strengthening Communities**
- ✓ **Building Ownership and Opportunity**

-
- Since 1949, USDA Rural Development's Housing Programs have extended the dream of homeownership to millions of rural Americans.
 - Well, built, affordable housing is essential to the vitality of communities in rural America. Housing Programs give families and individuals the opportunity to buy, build, or repair safe and affordable homes located in rural America.
 - Eligibility for these loans, loan guarantees, and grants is based on income and varies according to the average median income for each area.



Housing Programs

- Home ownership programs
- Home repair programs
- Rental housing programs
- Site development
- Housing preservation grants
- Multi-Family housing programs



***Ohio 2016 total Housing Program
funding exceeded \$511.7 million among 5,631 rural Ohio families***

Find eligible rural area maps and income guidelines here:
<http://eligibility.sc.egov.usda.gov>

Single Family Housing Direct Loans

- For low-income families who cannot obtain private financing
- For suitable existing homes, new site builds, approved modular/manufactured units in ***eligible rural areas***
- Up to 100 percent financing of market value
- Good credit history
- 33 year loans: payments based on income
- Repayment based on ratios
- “No down payment” loans available

Single Family Housing Guaranteed Loan Program

- Low-to-moderate income mortgage guarantees
- No down payment
- Income limited to 115 percent of area median
- Typical 30-year fixed rate; no loan limit
- Can be combined with OHFA bond, MCC, DPA or 2-1 buy down programs



Housing Repair Loans and Grants



- Very low income families who cannot obtain private financing
- Fixed rate loans at 1 percent for up to 20 years
- \$20,000 maximum loan limit
- Grants up to \$7,500 for qualified homeowners ages 62 and older who are unable to repay a loan
- Grants also available for health, safety and accessibility repairs

Rural Rental Guaranteed Multi-Family Housing Loans

- Construct or purchase and renovate rental complexes
- 25-40 year term
- May use with tax credits; other programs



Community Programs

- Community Facility Direct Loans / Grants
- Community Facility Loan Guarantees
- Water & Waste Loans / Grants
- Water & Waste Guarantee Loans
- Solid Waste Management Grants
- Rural Community Development Initiative Grants
- Distance Learning Telecommunication/Telemedicine
- Broadband (High Speed) Internet Service

Community Facilities Programs

Community Programs help rural communities finance critical community facilities such as:

- ✓ **Schools**
- ✓ **Hospitals**
- ✓ **Day care centers**
- ✓ **Fire and police stations and much more!**

- Essential community infrastructure is key to ensuring rural areas enjoy the same basic quality of life and services enjoyed by those in urban areas.
- Through Community Programs, USDA Rural Development strives to ensure such facilities are readily available to all rural communities.

Community Facility Direct Loans / Grants

Ohio Fiscal Year 2016 CF investments totaled more than \$72.2 million

- Population = 20,000 or less
- Includes fire trucks and first responder equipment, libraries, day care facilities and community centers
- Terms: up to 40 years at 3.5% interest (subject to change)



Brimfield Township
Police Department
Portage County

Direct Loans – Loan Guarantees – Grants

Designed to improve essential public services and facilities in communities across rural America. These amenities help increase the competitiveness of rural communities in attracting and retaining businesses that provide employment and services for rural residents.



Who is AVITA? HEALTH SYSTEM

Avita's Board of Directors is comprised of Richland and Crawford County residents directly impacted by the strategic decisions they implement. They have real "skin in the game."

THE NEED:

- Parts of Richland County are considered Medically-Underserved
- A prominent medical complex will help attract medical professionals to fill the void

AVITA ONTARIO LOCATION:

- Considered numerous Richland County locations
- Structurally sound building; meets healthcare facility guidelines
- Ample room to support service lines and specialties

Richland County and Ontario, Ohio



Richland County:

121,000 residents

Mansfield:

46,454 residents

Ontario:

6,200 residents



The Demolition of Lazarus



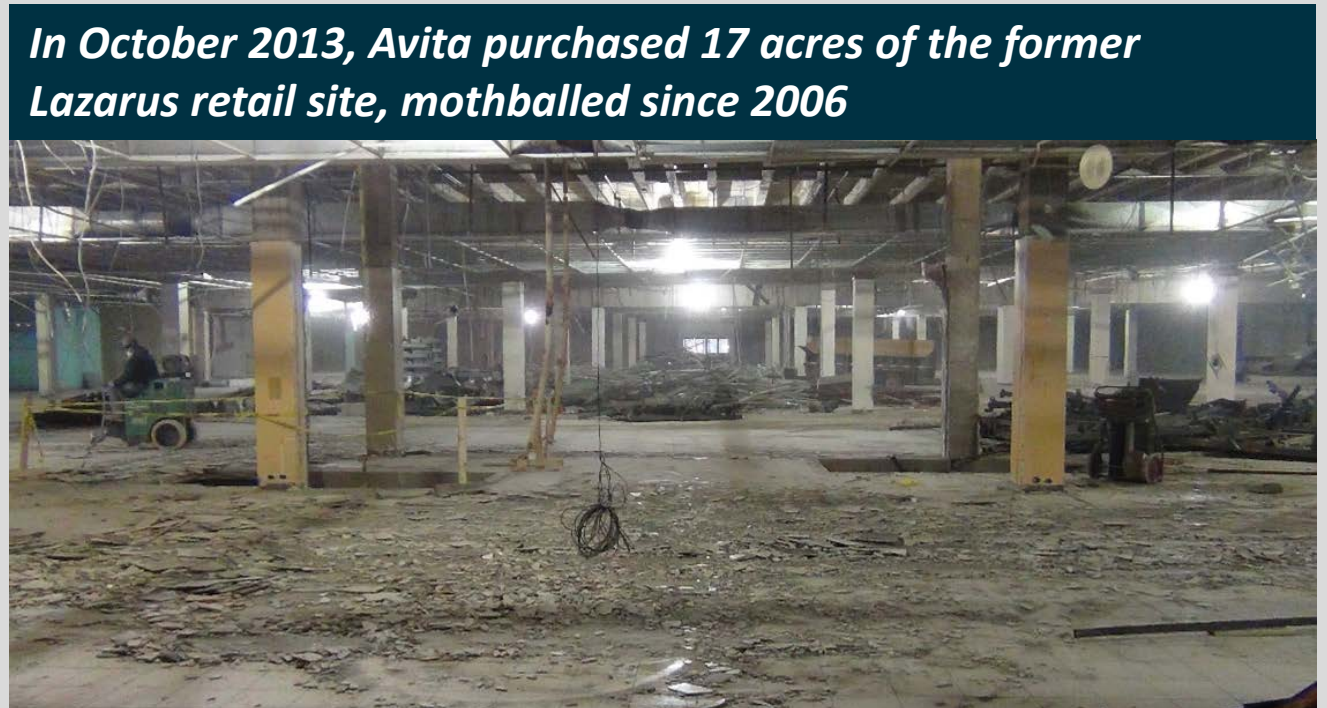
Piles of steel filled the facility throughout Phase I.



The old escalators were sold for scrap.



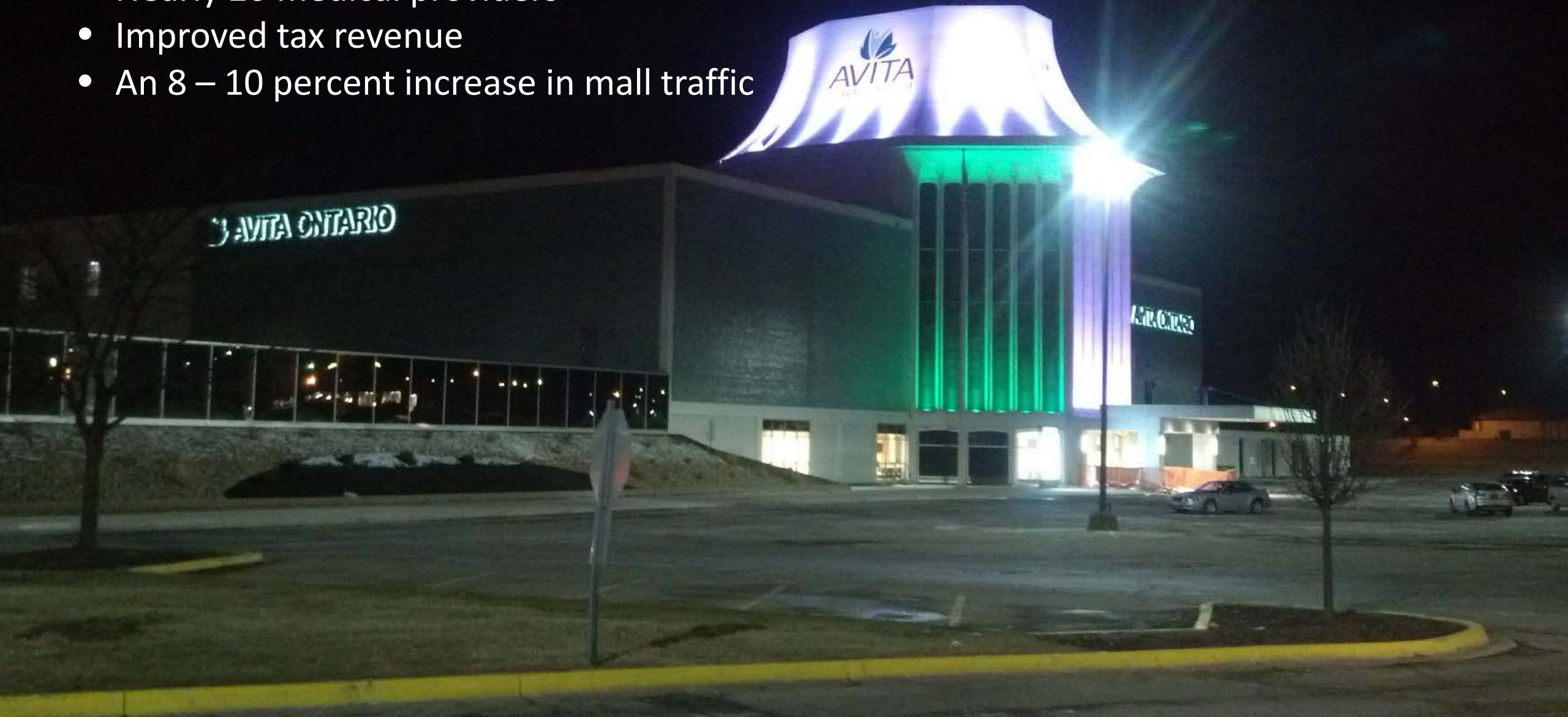
A demolition crew member works inside the escalator pit.



In October 2013, Avita purchased 17 acres of the former Lazarus retail site, mothballed since 2006

Phase I Completion

- Nearly 20 medical providers
- Improved tax revenue
- An 8 – 10 percent increase in mall traffic



Phase I Completion Photos

Patient waiting areas



Imaging and Pharmacy are now located inside the mall area

Phase I Completion Photos



Phase II: Avita Ontario Hospital

- Completion expected in early 2017
- Construction encompasses all three floors
- The project has brought additional construction jobs to the area
- Anticipated to add more than 300 full-time jobs to the community



Phase II: Avita Ontario Hospital

- 22-bed Emergency Department
- 7-bed Intensive Care Unit
- 19-bed Inpatient Wing
- 4 surgical suites
- 16-bed Pre- and Post-Op Area
- Expanded Lab and Radiology
- Cath Lab / Cardiology
- Pulmonary Department
- Café / Kitchen
- Housekeeping Area
- Plant Operations Area
- Administrative Area

Water and Environmental Programs

Water Programs

- Loans, Grants, and Technical Assistance

Engineering & Environmental

- Engineering support for Water Programs and Environmental support for all of USDA Rural Development's utilities programs



Congressional Set-asides

- Colonias
- Alaska Native Villages
- Native Americans
- Hawaiian Homeland
- Technical Assistance programs
- Emergency Community Water Assistance Grants
- Household water systems
- Relending program



Water & Waste Loans / Grants

- Population = 10,000 population or less
- Projects under OEPA Findings and Orders get priority

Ohio's 2016 total investment exceeded \$13.4 million



Winesburg Water
Improvement Project
Holmes County

Scioto-Minford Wastewater Treatment Project



Telecommunications and Broadband Programs

Distance Learning/Telemedicine Program

- The DLT Grant and Loan Programs provide rural communities with opportunities to obtain educational and medical services from distant locations utilizing communications technologies



Community Connect Grant Program

- A nationally-competitive grant program to provide broadband service to the most rural and economically-challenged communities
- The grant funds broadband service in communities with populations of 20,000 or fewer recognized by U.S. Census or Rand McNally as “unserved” by broadband
- Minimum = \$50,000; maximum = \$1.5 million
- Grantee agrees to supply a community center with 10 free public use computers and provide free broadband service to facilities within the community for two years

Local and Regional Food Systems

- **Why local and regional food?**
 - Economic development and jobs
 - Education and health in schools
 - Increased access to healthy food
 - Beginning farmer opportunities
 - Wealth stays in the region



Local and Regional Food Systems



Aggregating

Infrastructure



Processing



Distributing

Marketing

Local and Regional Food Systems



- **NRCS:** EQIP conservation practices for livestock producers
- **FSA:** Farm loans, microloans and Farm Storage Facility Loans
- **RD:** Local food infrastructure, regional food hubs
- **AMS and FNS:** Marketing programs, food access efforts
- **NIFA:** Training and research along the supply chain
- **ARS, ERS and NASS:** Research and data; policy analysis

StrikeForce for Rural Growth & Opportunity in Ohio

StrikeForce is the U.S. Department of Agriculture's collaborative effort to bring targeted assistance to areas experiencing chronic poverty.

Expansion counties in Ohio include Adams, Athens, Fayette, Guernsey, Jackson, Lucas, Meigs, Morgan, Pike, Scioto and Vinton.*

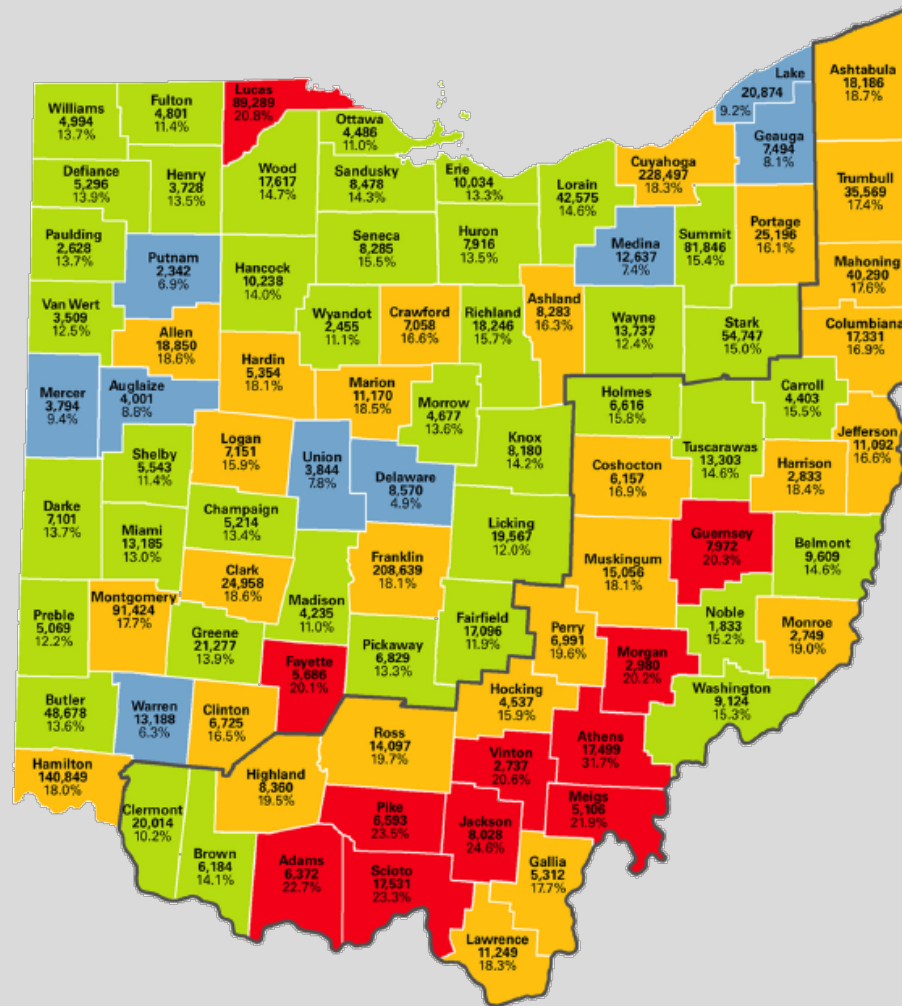
"StrikeForce has proven to be an effective, collaborative process that builds partnerships and enables USDA to bring economic opportunity directly to rural Americans where they live."
 - U.S. Agriculture Secretary Tom Vilsack

For more information, contact:

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Poverty in Ohio by County 2009-2013 American Community Survey

Statewide Poverty
1,773,853
15.8%

Percentage County Population in Poverty

- 4.9% - 9.9%
- 10.0% - 15.8%
- 15.9% - 19.9%
- 20.0% - 31.7%

Appalachian Ohio

This map shows the 2009-2013 American Community Survey estimates of the number and percentage of persons in poverty by county

Sources:
2009-2013 American Community Survey,
U.S. Census Bureau

Prepared by:
Office of Research
Ohio Development Services Agency
December 2014



*All Ohio StrikeForce counties have poverty levels greater than 20 percent.

What is Community Economic Development?



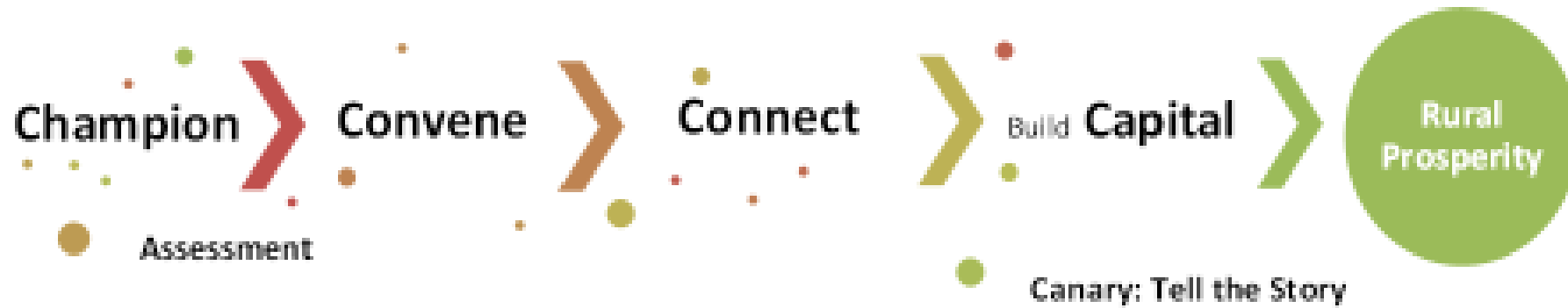
- Capacity Building?
- Wealth Building?
- Poverty Reduction?

CED is:

- vibrant downtowns
- community leadership
- living wage jobs
- lively entertainment
- plenty of housing options
- good schools



Community Economic Development





United States
Department of
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Rural Development



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For additional information, please visit: www.rd.usda.gov