



CDFFA-ARI Rural Finance Webinar Series

Thank you

for joining the conversation today. Send us your questions and comments!

Welcome

The Broadcast will begin at 1:00 PM (Central)



CDFA-ARI Rural Finance Webinar Series

Moderator

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today. Send us
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and comments!



James Metz

Coordinator, Research & Technical Assistance
Council of Development Finance Agencies

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CDFA-ARI Rural Finance Webinar Series

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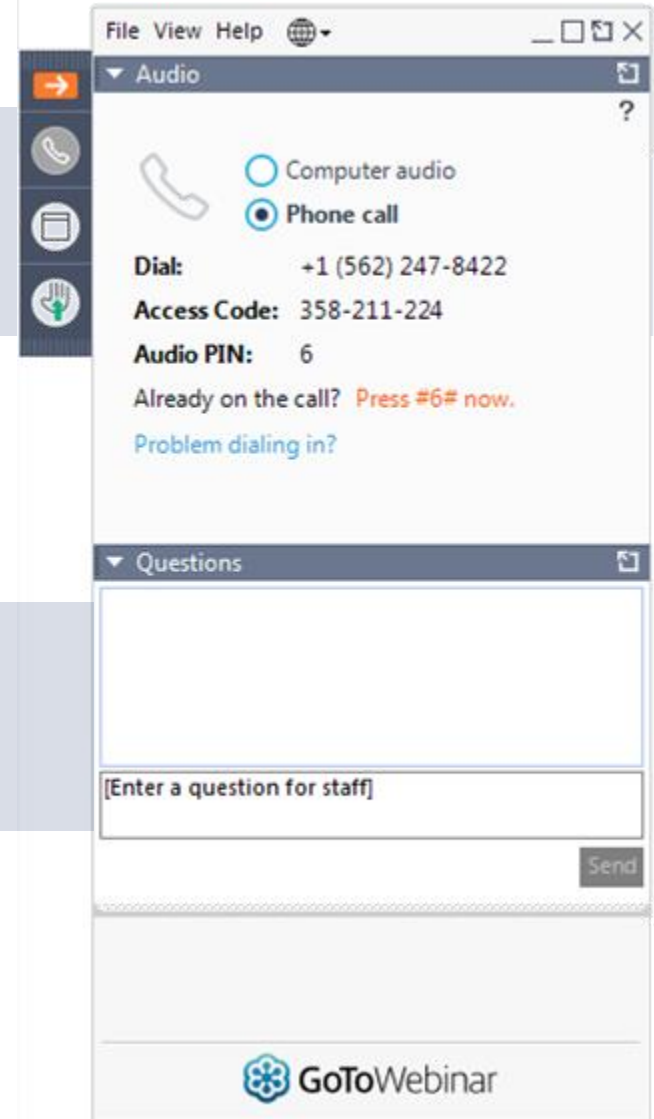
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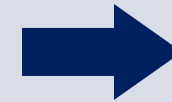


CDFA-ARI Rural Finance Webinar Series

Using your telephone will give you better audio quality.



Submit your questions to the panelists here.



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CDFA-ARI Rural Finance Webinar Series

Panelists



Toby Rittner

President & CEO
The Council of Development Finance
Agencies



Justin Burch

Program Officer
Local Initiatives Support
Corporation



Davy Carter

Regional President
Centennial Bank



Martin Walke

Vice President
Louisiana Public Facilities Authority

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CDFA-ARI Rural Finance Webinar Series

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ALLIANCE FOR
RURAL IMPACT

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Learn more about the Alliance for Rural Impact at ruralimpact.org

Development Finance for Rural Communities: COVID-19

Education · Advocacy · Research · Resources · Networking



Toby Rittner
President & CEO
Council of Development Finance Agencies
April 14, 2020

Presentation Overview

- ▶ CARES Act and Federal Resources
- ▶ Challenges Facing Communities During COVID-19
- ▶ Resources at Your Fingertips

CARES Act Overview

- ▶ Coronavirus Aid, Relief, and Economic Security Act
- ▶ Congress' third stimulus aid package for coronavirus relief
- ▶ **\$2 trillion total**
 - Individuals: \$560 billion (estimated)
 - State and Local governments: \$340 billion
 - Small Businesses: \$377 billion
 - Big Corporations: \$500 billion
 - Public Health: \$153 billion

New Programs

▶ Paycheck Protection Program – U.S. Small Business Administration

- \$349 billion forgivable loan program, up to \$10 million per small business
- Provides 8 weeks' worth of payroll and overhead expenses
- The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. 75% of loan must be for payroll
- Loan payments will be deferred for six months.
- This loan has a maturity of 2 years and an interest rate of 1%.
- Through April 13, 2020, the SBA has guaranteed over 1 million loans under the Paycheck Protection Program.

New Programs

▶ **Economic Injury Disaster Loan – U.S. Small Business Administration**

- Working capital loans of up to \$2 million
- Eligible applicants: sole proprietorships, independent contractors and self-employed persons, private non-profit organization or 501(c)(19) veterans organizations with under 500 employees
- Loan advances of up to \$10,000 for temporary revenue losses are also available, and do not have to be repaid

▶ **SBA Debt Relief – Small Business Administration**

- SBA is paying the interest, fees, and principal of current 504, 7(a), and microloans for the next six months

▶ **SBA Express Bridge Loan – Small Business Administration**

Allows businesses to access \$25,000 quickly to bridge the gap while waiting for the approval of an Economic Injury Disaster Loan



Other Initiatives in the CARES Act

▶ Economic Impact Payments

- \$1,200 for individual and \$2,400 for married filing jointly
- The amount of the reduced payment will be based upon the taxpayers specific adjusted gross income.

▶ Employee Retention Tax Credit – Internal Revenue Service

- Refundable tax credit equal to 50 percent of up to \$10,000 in qualified wages

▶ Federal tax filing deadline moved to July 15

▶ Municipal Liquidity Facility – Department of the Treasury

- Offset short-term revenue losses due to delayed tax receipts

Supplemental Appropriations

- ▶ **Agriculture, Rural Development, FDA, Related Agencies - \$34 billion**

 - USDA Rural Development – \$145 million

 - Rural Business Cooperative Service – \$20 million

 - Distance Learning, Telemedicine, and Broadband program – \$25 million

 - USDA Food and Nutrition Service – \$25 billion

- ▶ **Department of Commerce - \$1.8 billion**

 - Economic Development Administration - \$1.5 billion

 - Manufacturing Extension Partnership – \$50 million

- ▶ **Department of Housing and Urban Development - \$17 billion**

 - Community Development Block Grant - \$5 billion

Supplemental Appropriations

- ▶ **Federal Communications Commission - \$200 million**
- ▶ **Small Business Administration - \$562 million**
- ▶ **Department of Health and Human Services - \$140 billion**
 - Public Health and Social Services Emergency Fund - \$127 billion
 - Centers for Disease Control and Prevention - \$4 billion
- ▶ **Department of Homeland Security - \$46 billion**
 - Federal Emergency Management Agency - \$45 billion
- ▶ **Department of Transportation - \$31 billion**
 - Federal Aviation Administration - \$10 billion
 - Federal Transit Administration - \$25 billion

Challenges Facing Communities During COVID-19

- ▶ Development finance has always been at the forefront of recovering from natural disasters and economic challenges.
- ▶ The emergence of the COVID-19 crisis requires a unique and targeted response by the federal government, state and local development finance agencies (DFAs), private banks, and philanthropy.
- ▶ As the situation surrounding COVID-19 evolves, small businesses and communities across the country are very quickly facing liquidity challenges, job losses, and project stagnation.
- ▶ Credit is tightening and small businesses are struggling to make payroll while communities have been forced to scale back or halt development.
- ▶ Moreover, communities are facing difficulties financing critical infrastructure such as health facilities, broadband networks, and testing centers to address local COVID-19 demands.

Challenges Facing Communities During COVID-19

- ▶ Development finance agencies, CDFIs and nonprofits are uniquely positioned to solve these challenges through pragmatic solutions and adjustments to existing initiatives.
- ▶ CDFA understands that communities are under considerable stress and pressure to address these immediate challenges while being mindful of the long-term financial health of their organizations and communities.
- ▶ The following set of strategies and recommendations is designed to help development finance agencies evaluate their portfolios and determine whether modifications are needed for their bonds, tax increment finance, and revolving loan fund programs.

Strategies for Communities

Bond Portfolios

- ▶ Communities operate extensive bond portfolios of both recourse and nonrecourse bond issuances.
- ▶ During this crisis, communities will face significant pressure to maintain their bond ratings and ensure timely debt service payments for all outstanding bond issuances.
- ▶ Consider the following issues...

Bond Portfolios

- ▶ **Outstanding Recourse Bonds** – For bonds that are the obligation of the issuer, communities should take immediate stock of current debt service payment expectations and prepare the necessary actions to ensure that existing payments are made in a timely fashion.
- ▶ As these are generally general obligation bonds, communities must be prepared to assemble the necessary capital needed to make all existing payments on time to prevent delays and/or defaults.
- ▶ Communities may want to consult with their financial advisors on options available for refinancing outstanding debt given the low-interest rate environment being afforded by the capital markets and federal relief efforts. Issuers should note that the stimulus package provides that the Federal Reserve may now purchase municipal bonds.
- ▶ The opportunity to refinance debt and issue new bonds remains strong.

Bond Portfolios

- ▶ **Outstanding Non-Recourse Conduit Bonds** – While these debt obligations are not generally the responsibility of the community directly, CDFA encourages agencies to be in direct contact with their current conduit bond borrowers.
- ▶ Assess the immediate ability for borrowers to make debt service payments and begin the process of workouts and adjustments if necessary.
- ▶ Communities do not have direct responsibility for these payments but should be leery of reputational risk associated with potential defaults on issuances.
- ▶ Reputational risk can carry long-lasting consequences for issuers once returning to the capital markets on future issuances.

Bond Portfolios

- ▶ **New Deals in Pipeline** – CDFA encourages communities to continue to work on new issuances of both recourse and nonrecourse bond deals.
- ▶ The capital markets and federal relief efforts are providing significantly low rates and continuing to encourage investments.
- ▶ As noted earlier, the Federal Reserve may now purchase municipal bonds.
- ▶ This stimulus action does not apply to private activity bonds, but the environment for privately-placed PABs should be favorable.
- ▶ Do not halt new deals. Simply work within the parameters of new capital markets realities and prepare issuances with an eye towards recovery.

Bond Portfolios

- ▶ **Ratings** – If you are a rated entity, stay in close contact with your rating agency counterparts.
- ▶ Have constructive conversations about your current rating and the impact of COVID-19 on your bond portfolio.
- ▶ Work with the ratings agencies to ensure that they understand your relative financial position and the important steps you are taking to mitigate late payments and/or defaults.
- ▶ Manage reputational risk by determining any conduit deals that need to be addressed in the immediate future.
- ▶ While these bonds are not necessarily your ultimate responsibility, you want to be proactive about working to maintain a strong rating with the services.
- ▶ This includes working with your troubled borrowers and helping to address workouts and late payment situations.

Strategies for Communities

Tax Increment Finance Portfolios

- ▶ Thousands of existing tax increment finance districts are operating throughout the country.
- ▶ The COVID-19 crisis will put stress on existing debt obligations of these districts and may delay the development of new districts.
- ▶ Consider the following...

Tax Increment Finance Portfolios

- ▶ **Existing TIF Obligations** – This crisis underscores the need for proper TIF evaluation and regular monitoring to mitigate risk.
- ▶ Communities should explore and understand the changing landscape of property tax impacts on existing projects.
- ▶ In doing so, communities should understand timelines for expected property tax payments and revenues and the subsequent debt service obligations on outstanding projects.
- ▶ This includes revisiting the security or collateral in place for each TIF deal.
- ▶ In addition, communities should look at LOC agreements, special assessment commitments, and the allowance for tax assessment appeals as these may lead to revenue loss if challenged.
- ▶ In the immediate, communities should continue to make regular and on-time payments on all existing notes, loans, and bonds.
- ▶ However, communities need to begin to develop projections on real estate impacts due to the COVID-19 crisis.

Tax Increment Finance Portfolios

- ▶ A prolonged slowdown in economic activity will inevitably result in smaller than expected tax revenue.
- ▶ TIF obligations backed by real estate taxes have a slightly longer horizon of 12-18 months but should be preparing as if any decline in economic activity will result in less tax revenue.
- ▶ TIF obligations backed by sales tax, use or other sources of revenue should begin immediate workout strategies to mitigate against far lower than expected revenue collection.
- ▶ It is important that communities act now to ensure that all obligations be met in both the immediate future and in the next 2-3 years of projects in service.
- ▶ For strong and stable TIFs, it may be wise to look into refinancing options based on the availability of low interest rates.
- ▶ DFAs should check their state statute for use of funds allowances. In the event of lower than projected revenues, some state TIF laws allow for the use of excess revenues to be put into reserve funds now to prepare for an eventual decrease in tax revenues later.

Tax Increment Finance Portfolios

- ▶ **Businesses within TIF Districts** – An immediate concern is supporting the tenants and businesses within existing TIF districts.
- ▶ These businesses rely on their regular income to pay their subsequent taxes.
- ▶ These taxes are used to fund the TIF debt service.
- ▶ Some businesses will survive the crisis while others will not.
- ▶ Helping to ensure that businesses stay viable during the COVID-19 crisis will help to mitigate tax revenue loss.
- ▶ If a business does close, communities should immediately begin working on finding a replacement business for that space.

Tax Increment Finance Portfolios

- ▶ While this may seem counterintuitive during the crisis, TIF districts cannot go without taxpaying businesses for a prolonged period.
- ▶ Work quickly to shore up lost business opportunities and work to remedy nonperforming businesses as quickly as possible.
- ▶ This is of paramount concern in districts with fewer taxpaying businesses or property owners.
- ▶ If a major anchor of a TIF district closes, DFAs should aggressively work to replace that tenant immediately to safeguard the tax revenue stream.

Tax Increment Finance Portfolios

- ▶ **New Districts and Pipeline Projects** – It is likely that new districts and pipelined projects will be delayed, reduced or canceled as a result of this crisis.
- ▶ Many communities will naturally become more risk averse during and after this crisis.
- ▶ However, communities should continue to run projects through the feasibility process and continue to work with developers and end-users on a strategy to help projects continue through this process.
- ▶ Projections and feasibility studies may require an updated review based on potential hits to revenue expectations.
- ▶ DFAs should also look at non-traditional sources of financing. With the plethora of federal and state recovery resources in the pipeline, now is a good time to begin to identify new sources of capital for a project.
- ▶ TIF will be a very important tool for recovery and DFAs that look forward with a lens towards recovery will be in a good position to approve and execute new projects once the economic slowdown ends.

Strategies for Communities

Revolving Loan Fund Portfolios

- ▶ Communities operate thousands of loan funds throughout the country.
- ▶ CDFA expects these funds to be impacted significantly due to the COVID-19 pandemic, both in the immediate term to address current economic challenges as well as in the long term as business recovery continues.
- ▶ Consider the following...

Revolving Loan Fund Portfolios

- ▶ **Existing Borrowers** – Check in with your current borrowers immediately to fully understand their liquidity and debt service constraints.
- ▶ Many small businesses are facing cash flow and liquidity challenges.
- ▶ They may need immediate adjustments to their loan terms, rates, and repayment schedules.

Revolving Loan Fund Portfolios

- ▶ **Adjusting Rates and Terms** – To the extent possible, consider adjusting current rates, terms, and repayment schedules.
- ▶ Now is not the time for ultra-conservative approaches to loan fund management.
- ▶ Borrowers are facing liquidity challenges and do not have the cash flow to pay debt service. This is through no fault of their own.
- ▶ Consider easing your loan fund repayment schedule to allow borrowers to defer payments for up to one year.
- ▶ While this may result in less cash flow to the fund, it will allow borrowers to focus on immediate challenges with less debt repayment stress.

Revolving Loan Fund Portfolios

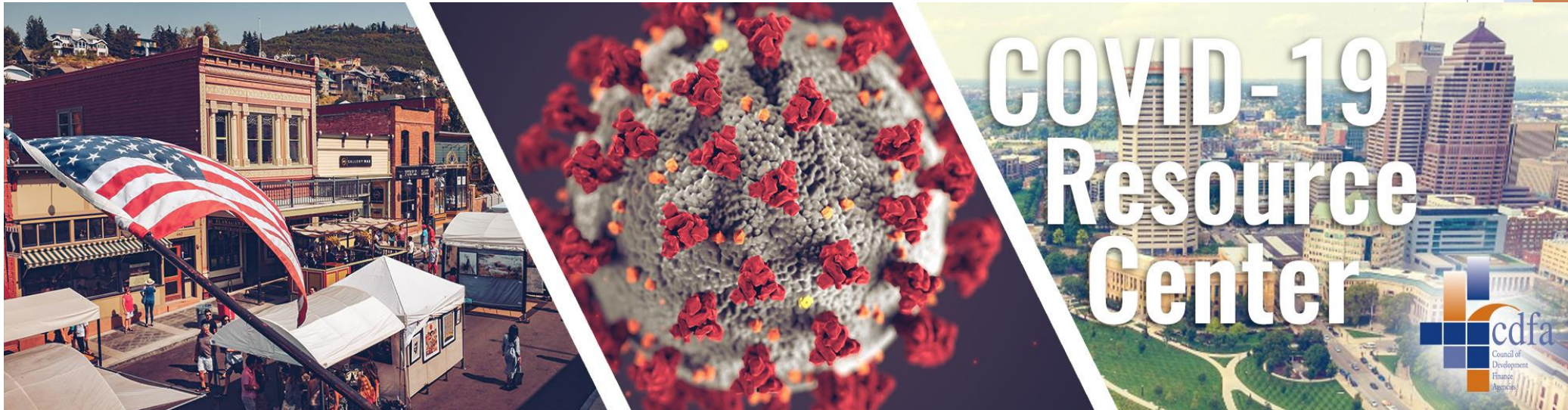
- ▶ **New Borrowers & Short-Term Disaster Loans** – Halt all non-essential new borrowing that is not related to responding to the COVID-19 crisis.
- ▶ New borrowing should be focused on small businesses impacted by the COVID-19 crisis.
- ▶ Require that new borrowers demonstrate the impact that the crisis has had on their business and their need for immediate capital.
- ▶ Provide short term loans of three to six months with zero percent interest to allow these borrowers to continue to make payroll and inventory payments.
- ▶ Defer repayment of these loans for up to one year.
- ▶ Finally, consider requiring new borrowers to refinance their distressed loan after one year if they do not pay it off in advance.
- ▶ DFAs may then be able to charge reasonable, but low-cost interest, on the refinanced loans.

Revolving Loan Fund Portfolios

- ▶ **Recapitalizing Funds** – Federal and state governments, philanthropy, and the banking industry have been responding aggressively to the crisis but still need to hear from loan fund managers on the demand for low-cost capital.
- ▶ Reach out to your partners at federal and state agencies for a request to recapitalize funds immediately.
- ▶ Consider reaching out to foundations and financial institutions for fund capitalization as well.
- ▶ Be aggressive and request flexible funds to immediately put into new loans to address distressed businesses.
- ▶ If recapitalization is not possible, consider asks for loan loss reserves or loan guarantees to help address current borrowing needs.

Resources at Your Fingertips

- ▶ CDFA COVID-19 Resource Center



<https://www.cdfa.net/cdfa/cdfaweb.nsf/resourcecenters/COVID-19.html>



COVID-19 Resource Center

Development finance has always been at the forefront of recovering from natural disasters and economic challenges. The CDFA COVID-19 Resource Center is a collection of financing programs and resources to address disaster relief and recovery.

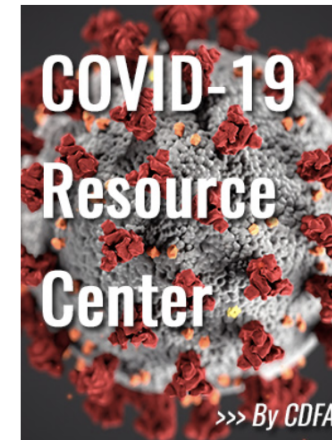
As the situation surrounding COVID-19 evolves, small businesses and communities across the country will very quickly face liquidity challenges, job losses, and project stagnation. Credit will be tightening and small businesses will struggle to make payroll while communities will be forced to scale back or halt infrastructure development. Moreover, communities are facing difficulties financing critical infrastructure such as health facilities, broadband networks, and testing centers to address local COVID-19 demands.

Development finance agencies are uniquely positioned to solve these challenges through pragmatic solutions and adjustments to existing initiatives. CDFA developed this COVID-19 Resource Center to serve as a central hub of everything the development finance world is doing to mitigate the impacts of COVID-19.

Tune in to CDFA's **Weekly Development Finance COVID-19 Briefing** to stay at the forefront of the development finance community's mitigation and recovery efforts.

Subscribe to CDFA's **COVID-19 Recovery & Relief Update** newsletter for regular updates on relief and recovery financing initiatives.

⇒ [Subscribe](#)



+ [CDFA's COVID-19 Comprehensive Recovery Strategy](#)

+ [Weekly Development Finance COVID-19 Briefings](#)

+ [State Response Map](#)

+ [COVID-19 Recovery & Relief Resources](#)

+ [Headlines](#)



Resources at Your Fingertips

- ▶ CDFA COVID-19 Recovery & Relief Update Newsletter

<https://www.cdfa.net/cdfa/cdfaweb.nsf/newsletter.html?open&id=562A7E10D100B739C76792F8EB00B312>

A screenshot of the CDFA COVID-19 Recovery & Relief Update Newsletter. The header features the CDFA logo on the left and the title 'COVID-19 Recovery & Relief UPDATE' in large, bold letters on the right. Below the title is a subtitle: 'The Latest Headlines Covering COVID-19 Recovery & Relief'. The main content is organized into sections: 'Spotlight', 'Features', and 'Announcing the CDFA-ARI Rural Finance Webinar Series'. Each section contains a brief summary of a relevant news item or update.

COVID-19 Recovery & Relief UPDATE
The Latest Headlines Covering COVID-19 Recovery & Relief

Spotlight

Subscribe Now to CDFA's New COVID-19 Recovery & Relief Update Newsletter!
CDFA is launching a weekly newsletter covering how development finance is addressing disaster relief and recovery with a special focus on the COVID-19 pandemic. Subscribe now to this free offering from CDFA to keep receiving this content in the future!

Listen: COVID-19 Weekly Development Finance Briefing - April 3 (Free Recording)
During the April 3, 2020 Weekly COVID-19 Development Finance Briefing, experts from the North Carolina Rural Center, the Local Initiatives Support Corporation, and the New Orleans Business Alliance discussed their respective approaches to local financing programs to support small businesses.

Features

SBA, Treasury Launch \$349B Paycheck Protection Program
The CARES Act establishes a new \$349 billion Paycheck Protection Program that will provide much-needed access to capital so they can sustain their businesses and keep their workers employed. The new loan program will be available retroactive from Feb. 15, 2020, so that employers can rehire their recently laid-off employees through June 30, 2020.

What Each State Is Doing to Help Restaurants Harmed by COVID-19
Many states are loosening liquor laws and extending tax deadlines, and some are offering low- or no-interest loans or grants. See what forms of assistance are available in your state.

Announcing the CDFA-ARI Rural Finance Webinar Series
CDFA is pleased to announce the CDFA-ARI Rural Finance Webinar Series, a free, informative, and time-sensitive online series to serve rural America and the unique challenges they face. Join us on April 15, 2020, for the first installment of this series, where we will explore the immediate COVID-19 response and resources at the state, local, and national levels that local leaders can use to reduce the impact of this crisis.

Resources at Your Fingertips

▶ CDFA Weekly Development Finance COVID-19 Briefings

Weekly Development Finance COVID-19 Briefings

CDFA will be hosting a weekly briefing about development finance COVID-19 news and resources. These one-hour phone calls will feature legislative updates, news from our members, state and local financing strategies, and lessons learned from previous development finance responses to disasters.

CDFA's Weekly Development Finance COVID-19 Briefings will be held every Friday at 1:00 PM (Eastern) through May 29, 2020:

- **March 27, 2020**
- **April 3, 2020**
- **April 10, 2020**
- April 17, 2020
- April 24, 2020
- May 1, 2020
- May 8, 2020
- May 15, 2020
- May 22, 2020
- May 29, 2020

Click register to confirm your interest and to receive weekly reminders with the dial-in information and agenda.

⇒ Register

<https://www.cdfa.net/cdfa/webcasts.nsf/register?open&set=COVID-19%20Weekly%20Briefings&events=7221789883>



Resources for Rural Communities

- ▶ **CDFA Intro Rural Finance Course**
<https://www.cdfa.net/cdfa/cdfaweb.nsf/0/B94D1C01F1C3294F88257DE9006F429A>
- ▶ **CDFA Online Resource Database: 565 Rural Development Resources**
<https://www.cdfa.net/cdfa/cdfaweb.nsf/websearch.html?open&type=resource&categories=Rural+Development&sort=newest+first>
- ▶ **CDFA Federal Financing Clearinghouse: 87 Rural Resources**
<https://www.cdfa.net/cdfa/cdfaweb.nsf/ffcresults.html?open&t=keyword&q=rural>

Resources for Rural Communities

- ▶ **USDA Rural Development**
<https://www.rd.usda.gov/>
- ▶ **USDA COVID-19 Federal Rural Resource Guide**
https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=C OVID-19_USDA_Federal-Resource-Guide.html
- ▶ **EPA Smart Growth in Small Towns and Rural Communities**
<https://www.epa.gov/smartgrowth/smart-growth-small-towns-and-rural-communities>
- ▶ **HUD Rural Gateway**
<https://www.hudexchange.info/programs/rural/>
- ▶ **SBA Rural Initiative Pilot Program**
<https://www.sba.gov/partners/lenders/cdc504-loan-program/rural-initiative-pilot-program>

Resources for Rural Communities

- ▶ **Rural Community Assistance Partnership**
<https://www.rcap.org/>
- ▶ **Rural LISC**
<https://www.lisc.org/rural/>
- ▶ **Center for Rural Affairs**
<https://www.cfra.org/>
- ▶ **Rural Opportunity Map**
<https://ruralopportunitymap.us/>
- ▶ **National Rural Economic Developers Association**
<https://www.nreda.org/>
- ▶ **Economic Development in Rural Areas | Harvard Institute for Strategy & Competitiveness**
<https://www.isc.hbs.edu/competitiveness-economic-development/research-and-applications/pages/economic-development-in-rural-areas.aspx>

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Panelist

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Justin Burch

Program Officer
Local Initiatives Support Corporation

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RURAL LSC



We Believe in Rural America



Rural LISC works **with and through** grass root partners located in rural communities and regions. We are the **connector and cross pollinator** for our partners, linking them to national opportunities, to each other and aggregating resources they might not otherwise access without our network.

The Definition of Rural

A **population size** that adheres to the USDA RD Standard of **50,000 or less**.

Distance from a metro area and **range of economic activities**.

Considerations of **overall local resources** and available **federal funding**



The Rural Landscape

~~20 percent~~ of our country's population resides in rural places. That's 60 million people who live and work in rural communities.

From the standpoint of a **competitive America**, everyone must **leverage the extraordinary talent and assets** of the vast part of the nation that is **rural**.



Rural LISC

Since 1995, Rural LISC has worked **with and through** our partners to build **2,100 affordable homes**, create **1 million square feet of commercial** community facilities and athletic fields, **assisted 25 business** and **created or retained 100 jobs**.



As of 2020 we have created
\$380 Million
in total development



Working with a
network of 88
partners across 45
states and Puerto
Rico allows us to bring
scale to rural
investments and
outcomes.

The LISC Rural Promise

In 2020 our OneLISC organization launched the LISC Rural Promise, **a call to elevate impact in rural America by 20 percent** over the next three years.

We believe this kind of **equity** is an **imperative** for our country to thrive.



With the help of HUD SECTION 4 funds, Rural LISC predominantly provides the following services:

One-on-one services including: training and technical assistance as requested by individual CDCs; assistance in packaging and securing financing for affordable single- and multi-family homes, and commercial and community facilities; intensive help to groups operating in disaster areas; and assistance with other special challenges including hands-on assistance to groups working in persistent poverty areas;

Training, including an annual seminar and webinar trainings on topics selected in consultation with CDC representatives;

Bridging the communication divide across all rural communities through provision of regular information on relevant initiatives and innovations, financing, training opportunities, and other pertinent forms of data and assistance.

Our Programmatic Priorities

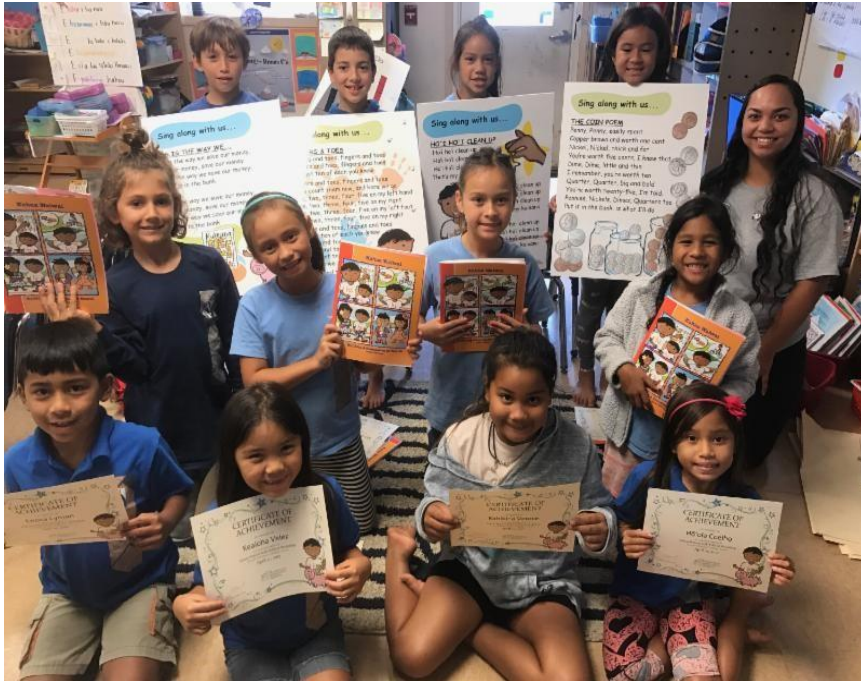
- Capacity Building
- Catalyzing Economic Development
- Small Business Development
- District Development
- Disaster Recovery
- Housing Initiatives
- Lending
- Native American Initiative
- Rural eNews and Annual Seminar



RURAL LSC

Capacity Building

Capacity Building



In the last **25 years** Rural LISC has invested more than **\$40 million in Capacity Building Grants**, plus **14.5 million in project related grants** including repayable investments to partners serving rural America.

Rural LISC Grant Funding

- Capacity Building Grants
- Available to All Program Partners
- Average Grant is \$35,000 for Two Year Grant Period
- Includes Seminar Travel Scholarship Funds
- Primary Purpose Areas are to Increase Organizational Capacity, and to Support Economic Development and Housing Programs
- Awarded Through a Competitive Process with 1:1 Match Requirement
- CDCs Needs to Meet Government Grant Monitoring and Compliance Requirements.
- Quarterly Financial and Semi-Annual Progress Reports Required

Capacity Building Grants

Rural LISC's Capacity Building Grants are:

- Available to all program and development partners:
- Presented in two-year grant periods that include scholarship funding to attend Rural LISC's Annual Seminar for the ED and another Senior Staff Member or Board Chair

These grants are critical to increasing the capacity of local partners in a variety of areas, including:

- Launching new initiatives
- Board development
- Organizational advancement
- Succession planning
- Expanding project development skillsets

Healthy Housing Grants

Rural LISC's Healthy Housing Grants are:

- Available to All Partners; One Year Grants
- Limited Funding; Average Grant is \$15,000
- Funded by Private or Government Funds
- Type of Grant Purpose/Use
 - New Construction; Rehabilitation of Existing Structures
 - Manufacturing Housing
 - Housing Counseling; Providing Healthy Environments

Creative Placemaking Grants

Rural LISC's Placemaking Grants are:

- Available to All Partners; One Year Grants
- Limited Funding; Average Grant is \$12,500
- Type of Grant Purpose/Use
 - Community Cultural Development
 - Physical Transformation in Culturally Relevant Ways
 - Formation of Arts and Cultural Economic Clusters

Other Small Grants

Rural LISC's Other Small Grants are:

- Network Partner Seminar Scholarship Grants and Other Small Grants for Pre- Approved Training Events
- Need Based Grants, Usually Awarded When a Natural Disaster or Emergency Declared

Catalyzing Economic Development



Catalyzing Economic Development

In order to build economic pathways for the economically vulnerable in rural America, we need an expanded set of tools and focused partnerships.

Catalyzing Opportunity in America's Rural Communities

Utilizes tested comprehensive community development model, harnesses our ability to build partnerships and leverages our 37-plus years of innovation in deploying capital to foster economic viability in underserved regions, urban and rural. In order to achieve these goals, LISC will focus on three broad categories of work:

Workforce Development: Develop and connect talent to regional opportunity.

Small Business Development: Foster a robust & accessible entrepreneurial ecosystem.

District Development: Build and reposition the physical infrastructure

Workforce Development

Rural LISC is committed to preparing residents for stable, quality jobs that pay family-sustaining wages, while at the same time building the pipeline of skilled workers that businesses and employers need in order to thrive, grow and contribute to the local economy. Rural LISC will do this by:

Growing the Capacity of 20 workforce development partners across rural America;

Launching **Financial Opportunity Centers (FOCs)** in rural Hawaii, Appalachia and other rural sites;

Investing in three **ACT+ (Addiction, Care, Treatment & More)** pilot sites.

RURAL LISC

Small Business Development



Small Business Development

By 2021, Rural LISC's Core and Small Business Lending will encompass 20% of core LISC Lending activity.

Small Business Development

Rural LISC will focus funding and programming towards strengthening services, training, and financing for small businesses and entrepreneurs in rural America, including providing:

- Working capital
- Equipment purchase funds
- Business acquisition funds; and
- Providing capital to startups, minority-, women- and veteran-owned businesses and businesses in low-income communities.

Rural LISC's portfolio of partners will be comprised of **50% economic development focused entities**, to include small business, entrepreneurship and business coaching.

District Development



District Development

In order to be sustainable, the work also needs to build off the regional economy; we cannot create a separate economy for each of our communities.

District Development

Rural LISC believes creating opportunities in economically isolated communities is achievable when sectors come together to build strong districts that attract and accelerate the growth of businesses that create family-sustaining wage jobs. Our focus is:

- Rural Innovation Hubs
- Broadband as a critical infrastructure component
- Cohesive Economic Development.

Disaster Recovery



Disaster Recovery

When natural disasters strike—as they increasingly have—there are profound differences between response and recovery in rural areas and urban ones.

Disaster Recovery

Texas: Comprehensive recovery/resiliency “deep dive”

Working with Communities Unlimited on:

- Water/sewer infrastructure; and
- Economic development

Working with two new Partners on housing rehabilitation/replacement:

- Legacy Community Development Corp. in:
 1. Nome in Jefferson County and
 2. Orangefield in Orange County
- Covenant Community Capital in:
 1. Patton Village in Montgomery County
 2. Shepherd in San Jacinto County
 3. Fort Bend County
 4. Hardin County

Florida: Working with *Rural Neighborhoods* to support short-, mid- and long-range housing rehabilitation and development plans, esp. migrant/farmworker housing.

Puerto Rico: Working with *PathStone* to support small business recovery and housing rehab. And several national partners on more than 15 baseball field renovation efforts.

Hawaii: Working with Hawaiian Community Assets (HCA) to provide additional housing counseling capacity to navigate FEMA; add a photovoltaic battery system to increase HCA's energy resiliency; and assist HCA as they responds to flooding caused by Hurricane Lane that passed through the islands in August 2018.

North and South Carolina: Working with our Carolinas-based Partners - Wilson Community Improvement Association and Santee-Lynches – to respond to the September 2018 flooding and devastation caused by Hurricane Florence.

California: Working with Community Housing Improvement Program, Inc. (CHIP) to respond to the devastation caused by the Camp Fire in Paradise, CA. CHIP lost a 36-unit affordable rental housing community in the November 2018 fire.

Healthy Housing



Healthy Housing

In partnership with the Wells Fargo Housing Foundation, Rural LISC launched the Healthy Housing Initiative in 2015, offering critical funding for housing-related programs and projects.

Healthy Housing Initiative

Repayable Investments (Project Specific): Rural LISC continues to provide financial investment in housing development including pre-development recoverable grants. These funds are limited and available on a competitive basis. Repayable Investments average between \$15,000 and \$20,000 with a maturity date of 18 months from disbursement.

Healthy Housing Investment: A Wells Fargo Housing Foundation grant leveraged with HUD Section 4 funds helped Rural LISC to administer a Healthy Housing program which has granted \$1.7 million in over 100 separate grants to 50 Rural LISC Partner CBOs for various housing projects

RURAL LISC

Farmworker Homeownership: A relatively new initiative for Rural LISC, Wells Fargo Housing Foundation has approached LISC to assist in developing a program that funds housing counseling services to farmworker households that wish to attain homeownership. The program will initially target the states of California and Washington.

Lending



Lending

One of Rural LISC's roles is to finance projects in the rural communities in which we work, or utilize LISC affiliates to bring New Markets or LIHTC equity to projects.

Lending

Historically, Rural LISC's lending has been "with, through and to" our network of 88 community development partners. This network includes real estate developers, CDFIs, and other grass roots community services or community problem solving organizations. We lend to their development projects; co-lend or participate in a loan originated by a partner; or lend to or invest in a project in a partner's community that they support.

Rural LISC makes use of the full suite of traditional LISC loan fund capital, though most of our lending recently has been construction or mini-permanent loans.

We finance a range of projects including:

- Affordable homeownership housing
- Rental housing
- Mixed-use developments
- Commercial projects
- Community facilities

Native American Initiative



Native American Initiative

Focuses on building the capacity of Native Community Development Financial Institutions, Tribally Designated Housing Entities, and other federal and tribal agencies, as well as community-based organizations, and increasing access to capital, resulting in improved housing conditions on reservations where housing is often substandard and overcrowded.

RURAL LSC

Native American Initiative

Our first effort was to develop a four-part **Leadership Series** in 2018-19 focused on bringing partners and stakeholders together for a solution-oriented conversation **on manufactured housing and its use in Indian Country**. The series outcomes include:

- Increased use of manufactured housing in the continuum of affordable housing development in Indian Country;
- Creation of a website/tool kit to collect documents and best practices for the use of manufactured housing;
- Identification of affordable financing products and capital to support Native CDFIs in mortgage financing locally; and
- Publishing a white paper outlining the solutions-oriented approaches identified.

A second four-part Leadership Series focused on Capacity Building is planned for 2019-20.

RURAL LSC

Rural eNews and Annual Seminar



Rural eNews and Annual Seminar

"At this Seminar, more than others I have attended, the exchange between presenters and the highly-informed audience was very enlightening and highlighted the broad range of approaches and creativity being brought to bear in rural communities."

– Rural LISC Seminar Participant

Rural eNews

Rural LISC compiles a monthly newsletter known as *Rural eNews* that features information of interest to community development corporations, Native American groups, and other rural stakeholders working to improve rural America.

The e-newsletter features funding opportunities, training and conference information, and general reports, news articles and data about rural America. The newsletter is distributed to more than 2,500 rural organizations and stakeholders each month.

Rural LISC Annual Seminar

The Rural LISC Annual Seminar draws more than 250 community leaders from across the country, who come together and share best practices, network and collectively dialogue on the critical issues facing small communities in rural America.

To date, 28 Seminars have been held, alternatively between:

- *Washington, D.C.* – where in 2018, as in other years, 250 **attendees converged on Capitol Hill attending 117 meetings** to advocate for critical rural programs, and
- *a Rural location* – hosted by a partner organization and featuring a tour of local developments. **In 2019, we were in Monticello, NY where RUPCO, Inc. hosted a tour of their incredible work in and around Kingston, NY.**

RURAL LISC



www.lisc.org/rural

  Also follow us on Facebook + Twitter



CDFA-ARI Rural Finance Webinar Series

Panelist

Thank you

for joining the conversation today. Send us your questions and comments!



Davy Carter

Regional President
Centennial Bank

See all of CDFA's resources online at www.cdfa.net/resources

Centennial Bank

Small Business Lending

SBA

EIDL

- Directly through the SBA
- 30 year fixed rate and ammo
- “disaster” loan
- Specific Allowed Used
- Loan amount based on historical revenue (we think)

Paycheck Protection Program “PPP”

- SBA via the banks
- Loan amount based on historical payroll
- “Forgiveness” provisions
- Very specific allowed uses

“PPP”

- Have less than 500 employees?
- In business before February 15, 2020?
- Did you have paid employees before February 15, 2020?
- Loan amount = 2.5 times average monthly payroll
- 75% of proceeds must be spent on payroll for forgiveness
- Other allowed uses: utilities, rent and mortgage obligations incurred before February 15th

Guidance and Implementation

- Rush by SBA to get this implemented with pressure from Government
- Lots of confusion.
- No clear guidance yet on forgiveness procedures
- Can't have EIDL and PPP for the same purpose
- Enhanced Unemployment Benefits
- Reduced staff = reduced PPP forgiveness

QUESTIONS?



CDFA-ARI Rural Finance Webinar Series

Panelist

Thank you
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and comments!



Martin Walke

Vice President
Louisiana Public Facilities Authority

See all of CDFA's resources online at www.cdfa.net/resources

LPFA Revolving Loan Program
in conjunction with
USDA Rural Development Loan Program

- USDA approves a loan for a political subdivision of the State or a non-profit entity (i.e. water system, wastewater treatment)
- USDA loan is closed when project is completed; does not finance construction
- LPFA created an interim loan program for the construction phase of these projects
- Commercial bank lends 60% of the USDA approved loan; LPFA lends 40% of the USDA approved loan amount for $\frac{1}{2}$ of the interest rate of the bank
- Lowers the cost of interest on the project
- Maximum amount of LPFA participation in the loan cannot exceed \$2,000,000

Louisiana Small Business Loan Portfolio Guaranty Program

- Loan Amount & Use – provide up to \$100K to small business to meet operational needs for the business that the business could have met had the disaster (COVID-19) not occurred; amount based on borrower's ability to repay the loan
- Eligibility & Terms – interest rate will not exceed 3.50% fixed per year, term not to exceed 5 years; no payment due 1st 6 billing cycles with 1% offset to banks.
- www.ledbizloan.com

Delta Regional Authority – Louisiana

Total DRA Projects: 265

Investments

DRA Investment: \$36,203,147

Public Investment: \$167,124,474

Private Investment: \$829,902,500

Outcomes

Jobs Created & Retained: 10,216

Individuals Trained: 8,218

Families Affected: 183,258

Louisiana Governor, States' Co-Chairman

John Bel Edwards

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Louisiana Designee & Alternate

Leslie Durham





CDFFA-ARI Rural Finance Webinar Series

Thank you

for joining the conversation today. Send us your questions and comments!

Questions?



CDFA-ARI Rural Finance Webinar Series

Upcoming Events



 **Intro PACE
Finance WebCourse** [Register >>>](#)

April 22-23, 2020
12:00 - 5:00 PM Eastern

Thank you

for joining the conversation today. Send us your questions and comments!

Next webinar in CDFA-ARI Rural Finance Webinar Series

May 6, 2020

Intro Tax Increment Finance WebCourse

May 20-21, 2020

CDFA Federal Financing Webinar Series: Federal Financing for Community Facilities

June 18, 2020

Register online at www.cdfa.net



CDFA-ARI Rural Finance Webinar Series

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