

US Department of Agriculture Rural Development



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Rural Development

State of Hawaii

Mission: To create economic opportunity and improve the quality of life for all rural Americans.

Program Delivery

- **State of Hawaii**
- **American Samoa**
- **Western Pacific:**
 - **Guam, CNMI, Republic of Palau, Federated States of the Micronesia, Republic of the Marshall Islands**



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Rural Development

State of Hawaii

Over 40 grant, direct and guaranteed loan, and technical assistance programs to finance housing businesses, and infrastructure in rural areas.

Program Areas:

- **Rural Housing Programs**
- **Rural Utility Programs**
- **Rural Business and Cooperative Programs**

<http://www.rurdev.usda.gov>



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Connecting Assets

Promoting the Rural Renaissance

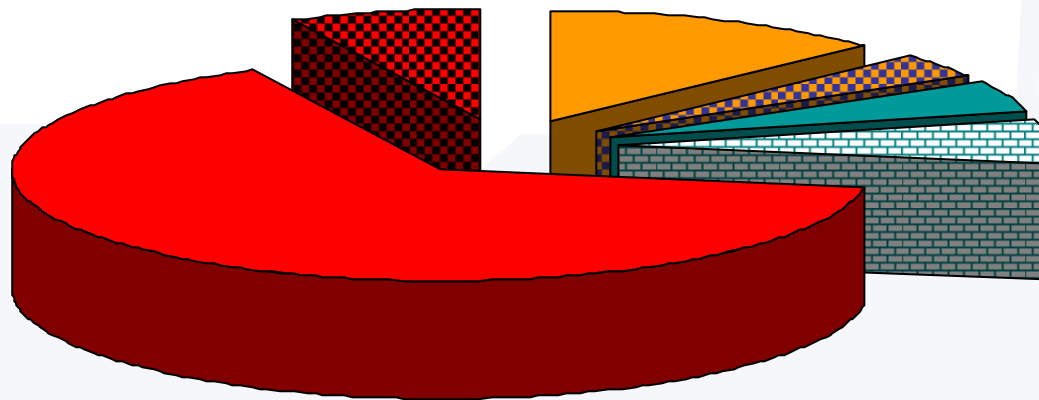
- **Public Safety and Services**
- **Community Connect/Broadband**
- **Distance Learning/Telemedicine**
- **Critical Access Hospitals**
- **Renewable Energy and Energy Efficiency**
- **Business Development and Expansion**
- **Housing Opportunity for All**
- **Safe Drinking Water**



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Program Activity FY 2008



- BP Loans
- BP Grants
- CP Loans
- CP Grants
- Housing Loans
- Housing Grants

Business Programs (BP) Loans - \$8,469,654
Community Programs (CP) Loans - \$2,946,000
Housing Programs Loans - \$42,504,252

Business Programs Grants - \$2,350,064
Community Programs Grants - \$4,064,748
Housing Programs Grants - \$4,756,392

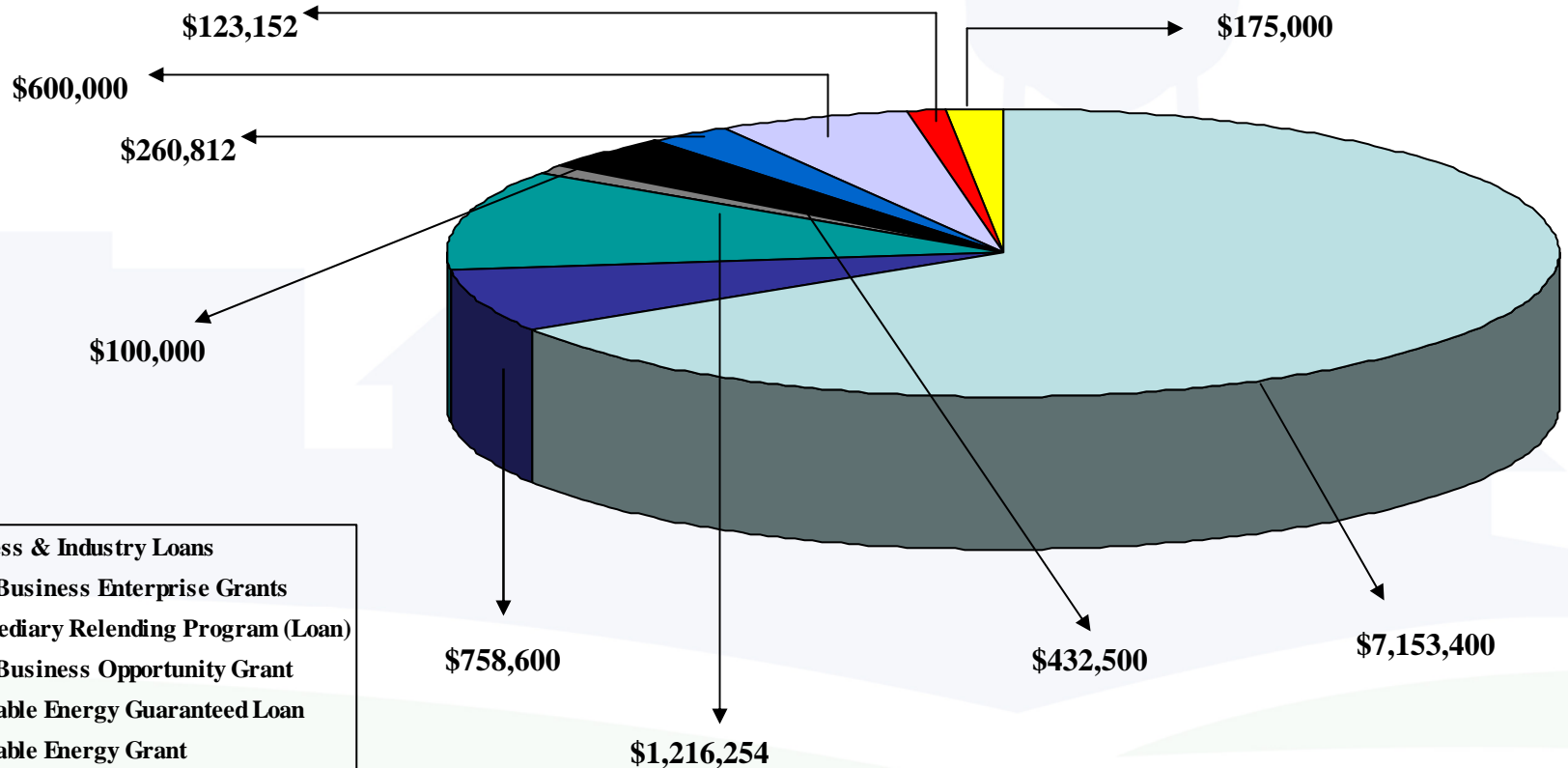
FY 2008 GRAND TOTAL - \$65,091,110



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2008 Rural Business Programs



TOTAL \$10,819,718

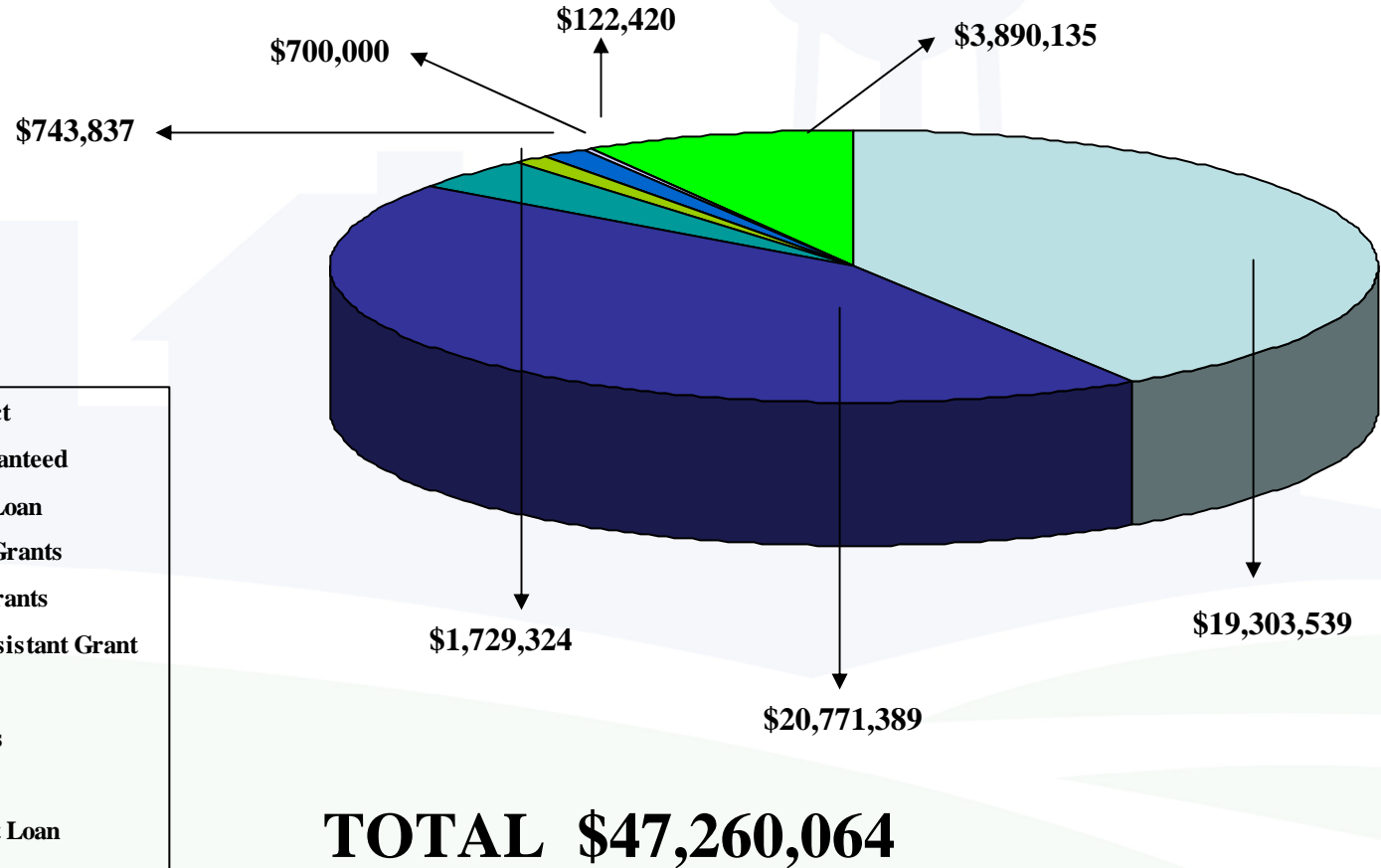
- Business & Industry Loans
- Rural Business Enterprise Grants
- Intermediary Relending Program (Loan)
- Rural Business Opportunity Grant
- Renewable Energy Guaranteed Loan
- Renewable Energy Grant
- Value Added Producer Market Grant
- Rural Economic Development Grant
- EZ/EC Annual Funding
- Small Minority Producer Grant



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2008 Rural Housing Programs



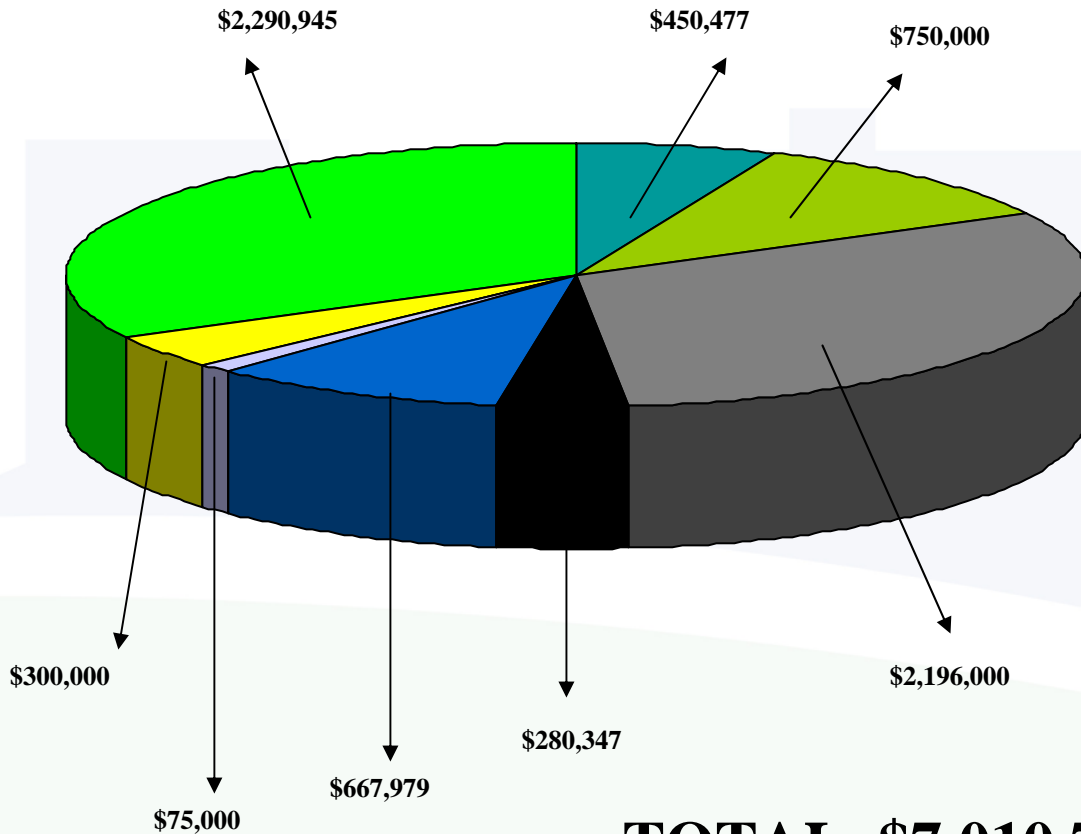
- Single Family Housing Direct
- Single Family Housing Guaranteed
- Single Family Housing 504 Loan
- Single Family Housing 504 Grants
- Mutual Self-Help Housing Grants
- Technical & Supervisory Assistant Grant
- Site Loans
- Housing Preservation Grants
- Labor Housing Loans
- Multi-Family Housing Direct Loan
- Rental Assistance (730 Units Assisted)



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2008 Community Programs



TOTAL \$7,010,748

- Water & Waste Loans
- Water & Waste Grants
- Distance Learning & Telemedicine Loan and Grant Program
- Community Facilities Guranteed Loans
- Community Facilities Direct Loans
- Community Facilities Grants
- Community Facilities Economic Impact Initiative Grant
- Community Facilities Economic Initiative Grant Technical Assistance
- Community Facilities Natural Disaster Grant
- Rural Community Development Initiatiaive
- High Energy Cost Grant



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HI Rural Development Activity 2003 – 2008

Fiscal Year	Business Programs	Community Facility Programs	Water & Environmental Programs	Electric & Tele-communication Programs	Housing Programs	Grand Total
2003	\$8,025,581	\$4,190,106	\$3,270,000	\$283,500	\$58,469,428	\$74,238,615
2004	\$10,382,616	\$5,069,049	\$2,487,000	\$1,230,429	\$68,179,786	\$87,348,880
2005	\$11,315,983	\$2,083,860	\$5,308,000	\$0	\$44,115,762	\$62,823,605
2006	\$7,348,074	\$38,364,832	\$0	\$431,999	\$39,492,074	\$85,636,979
2007	\$10,633,096	\$16,975,678	\$4,457,500	\$0	\$38,109,890	\$70,176,164
2008	\$10,819,718	\$5,892,292	\$667,979	\$450,477	\$47,260,644	\$65,091,110



6 Year Total - \$445,315,353

American Recovery and Reinvestment Act

(ARRA)

- http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills%26docid=f:h1enr.pdf



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USDA and ARRA

ARRA provided supplemental funding to several of USDA Rural Development's existing programs:

- **Community Facility Direct Loans, Grants, and Combinations (grant and loan)**
- **Water and Waste Direct Loans, Grants, and Combinations (grant and loan)**
- **Broadband Loans and Grants**
- **Business and Industry Guaranteed Loans**
- **Rural Business Enterprise Grants**



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Community Facilities

- **Programs designed to develop and improve essential community facilities and services for public use in rural areas.**
- **Direct and Guaranteed loans and grants are available**



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Community Facilities

- **Health care facilities include hospitals, nursing homes, assisted living, clinics and telemedicine.**
- **Public safety facilities include police, fire & rescue facilities, fire stations and prisons.**
- **Public service facilities include airports, community buildings, courthouses, public maintenance buildings, roads, bridges, libraries, schools and distance learning.**

Community Facilities

Eligible Organizations

- **Public Bodies - City, Town, County, District, etc.**
- **Federally Recognized Indian Tribes**
- **Community Based Non-Profit Corporations**



Community Facilities

Non-Profit Eligibility

- **Broadly based board representing community served**
- **Association with or controlled by a local public body**
- **Substantial public funding through taxes or other local government sources**



Community Facilities

- **Incorporated Cities and Towns with a Population of 20,000 less, and all other unincorporated areas**
- **Based on 2000 Census**

Community Facilities

Guaranteed Loans:

- **Negotiated between lender and borrower--interest rate can be fixed or variable. May be for 100 % financing.**

Direct Loans:

- **Term of up to 40-years--depending on the applicant entity and type of facility financed.**
- **Interest rate typically between 4.5% and 5%, Fixed.**

Community Facilities

Funds may be used for virtually any expense relating to the development or improvement of an eligible facility:

- Land purchase, construction costs, architectural fees, construction interest, equipment purchase, etc.**

Water and Environmental Programs

- **Water/Waste Program**

Also:

- **Electric Program**
- **Telecommunication Program**



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Water and Environmental Programs

- **Can be used for water, sewer, solid waste, and storm drainage projects.**
- **The most common uses are to restore deteriorating water supplies, or to improve, enlarge, or modify inadequate water or waste facilities.**

Water and Environmental Programs

- **Public bodies, non-profits, and Indian tribes eligible**
- **Must be in unincorporated rural areas, cities, and towns with population less than 10,000**



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Broadband Loans and Grants

To provide loans and loan guarantees to fund the cost of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.



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Broadband Loans and Grants

National Telecommunications and Information Administration Rural Development, and the Federal Communications Commission hosted a public meeting to discuss the broadband initiatives funded by ARRA, including the new Broadband Technology Opportunities Program, the new Rural Development Broadband Program, and the development of a National Broadband Plan. The public meeting agenda and information about the new program will be available at NTIA's website at <http://www.ntia.doc.gov/broadbandgrants/meetings.html>



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Broadband Loans and Grants

Hawaii contact is:

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Anchorage, AK 99516

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wes.lannen@wdc.usda.gov



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Business Programs

- **Rural Business Enterprise Grants (RBEG)**
- **Business and Industry (B&I) Guaranteed Loans**

Also

- **Intermediary Relending Program (IRP)**
- **Rural Business Opportunity Grant (RBOG)**
- **Rural Energy for America (REAP)**
- **Value-Added Producer Grants (VAPG)**



Rural Business Enterprise Grant

- To support the development of small and emerging private business enterprises in rural areas.
- **Eligibility--Public bodies and private nonprofit corporations serving rural areas.**

The end result of the project must finance or develop a small and emerging private business enterprise.



Rural Business Enterprise Grant

Eligible uses

- a) **Acquisition and development of land, easements, and rights-of-way.**
- b) **Construction, conversion, enlargement, repair or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities.**
- c) **Start-up operating costs and working capital.**
- d) **Technical assistance for private business enterprises (i.e., market research, product and/or service improvement, feasibility study, etc.).**



Rural Business Enterprise Grant

Eligible uses

- e) **Reasonable fees and charges for professional services for planning/development of the project.**
- f) **Refinancing of debts.**
- g) **Financial assistance to third parties through a loan.**
- h) **Training, when necessary, in connection with technical assistance.**
- i) **Create, expand, and operate rural distance learning networks or rural learning programs that provide educational instruction or job training instruction for potential employment or job advancement for adult students.**

Rural Business Enterprise Grant

Ineligible uses

- For agricultural production except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects.
- To finance comprehensive area-wide type planning.
- For loans by grantees when the rates, terms, and charges for those loans are not reasonable or would be for purposes not eligible under the program.
- To fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.

Business & Industry Guaranteed Loan Program

- To improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities.
- Achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits.



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Business & Industry Guaranteed Loan Program

Benefits to Businesses

- **Higher loan amounts, lower interest rates, and longer repayment terms assist businesses that may not qualify for conventional lender financing**
- **Assists a business in providing stability, growth, expansion, and rural employment**



Business & Industry Guaranteed Loan Program

Benefits to Lenders

- **Provides lenders with another tool to expand their loan portfolio**
- **Improves the economy and quality of life in rural communities**
- **Allows lenders to make loans above their legal lending limits**
- **Meets with the provisions of the Community Reinvestment Act**



Business & Industry Guaranteed Loan Program

Who May Borrow?

- **Individuals**
- **Public and private organizations**
- **Federally recognized Indian Tribal groups**



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Business & Industry Guaranteed Loan Program

Who May NOT Borrow?

- Charitable institutions
- **Businesses not owned or controlled by U.S. citizens (less than 51% ownership)**
- **Churches or church-sponsored organizations**
- Fraternal organizations
- Lending and investment institutions and insurance companies



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Housing Programs

- The basic objective of the Rural Housing Loan Program is to provide loans to assist eligible persons who will live in rural areas with an opportunity to own a home that would provide a decent, safe and sanitary living environment for its occupants.
- **Single Family Housing Direct Loan Program**
- **Single Family Housing Guaranteed Loan Program**



Housing Programs

- **Single Family Housing Guaranteed Loan Program**



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Housing Programs

- **Single Family Housing Direct Loan Program**



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Rural Business Opportunity Grant

Promotes sustainable economic development in rural communities with exceptional needs. This is accomplished by making grants to organizations to provide for economic development planning, technical assistance, or training.



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Rural Energy for America Program

- **Program designed to assist farmers, ranchers and rural small businesses with energy projects.**
- **Provides guaranteed loans and/or grants for renewable energy and/or energy efficiency projects.**

Value-Added Producer Grants

- **Program designed to assist producers to develop businesses that produce and market value-added agricultural products.**
- **Provides grants for planning or working capital purposes relating to the marketing of a value-added product.**

Small Minority Producer Grants

For cooperatives to assist small, minority agricultural producers

- **Governing board and/or membership is at least 75% minority**
- **Provide technical assistance to small, minority agricultural producers--market research; product and/or service improvement; legal advice and assistance; feasibility study, business plan, and marketing plan development; and training.**
- **Maximum grant--\$175,000—no matching required.**



SUMMARY

- **Federal funding is available; however, to get funding, one must submit an application.**



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FOR MORE INFORMATION

Visit our website at

www.rurdev.usda.gov/

