




USDA
Rural Development

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State Network Council Meeting
Critical Access Hospital Program
Wichita, Kansas
November 30, 2007

Gary L. Smith
Director, Business & Community Programs




USDA Rural Development

- Business Programs
- Community Facilities
- Infrastructure
- Housing




USDA Rural Development

- **Business Programs**
 - Business and Industry (B&I)
 - Guaranteed Loan Program
 - Renewable Energy / Energy Efficiency (RE/EE)
 - Guaranteed Loan / Grant / Combo Program
 - Rural Business Enterprise Grant (RBEG)
 - Grant Program




USDA Rural Development

- **Business Programs (Cont.)**
 - Rural Business Opportunity Grant (RBOG)
 - Grant Program
 - Rural Economic Development Loan & Grant (REDLG)
 - Direct Loan / Grant Program
 - Intermediary Re-Lending Program (IRP)
 - Grant Program




USDA Rural Development

- **Community Facilities**
 - Community Facilities (CF)
 - Guaranteed Loan / Direct Loan / Grant Program
 - Economic Impact Initiative (EII)
 - Grant Program
 - Rural Community Development Initiative (RCDI)
 - Grant Program



USDA Rural Development

- Infrastructure
 - Water and Waste Disposal Program (WWD)
 - Guaranteed Loan / Direct Loan / Grant
 - Emergency Community Water Assistance Grants (ECWAG)
 - Grant Program
 - Solid Waste Management Grants (SWM)
 - Grant Program



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- Housing
 - Single-Family Housing
 - Guaranteed Loans, Direct Loans, Home Repair Loans and Grants, Site Loan Programs
 - Multi-Family Housing
 - Guaranteed Loan and Direct Loan Program
 - Housing Preservation Grants
 - Grant Program



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**Community Facilities Program
(CF)**



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Community Facilities Program

- **Program Purpose:**
 - Enhance / improve 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 Program

- **Direct Loan Program**
 - Interest Rates
 - Market 4.625%
 - Intermediate 4.500%
 - Poverty 4.500%
 - Terms
 - Up to 40 years



Community Facilities Program

- **Guaranteed Loan Program**
 - Interest Rates
 - Set by Lender
 - Terms
 - Set by Lender



Community Facilities Program

- **Guaranteed Loan Program**
 - Benefits to Businesses
 - Larger loan amounts
 - Lower interest rates
 - Longer repayment terms
 - Lender may be more willing to lend
 - Assists business in providing stability, growth, expansion, and rural employment



Community Facilities Program

- Guaranteed Loan Program**
- Benefits to Lenders:
 - Another tool to expand their loan portfolio.
 - Increase earnings through participation in the secondary market.
 - Is a “risk sharing” tool available to lenders
 - To make loans above their legal lending limits.



Community Facility Program

- Eligible Types of Projects:
 - Dental Clinic
 - Outpatient Clinic
 - Library
 - Museum
 - Outdoor Theater
 - Public School
 - Natural Gas Distribution
 - Animal Shelter
 - Street Improvements
 - Police Station
 - Mobile Communications Center
 - Shelter for At-risk youth
 - Food Storage and Distribution Center
 - Bridge
 - Airport improvements
 - Railroad facility
 - Off Street Public Parking



Community Facility Program

• Eligible Types of Projects:

- Renewable Energy Projects
- Energy Efficiency Projects



Community Facility Program

Eligible Categories

Local Hospital

- Hospitals/Admin. Buildings
- Physicians Clinics
- Out-Patient Care
- Migrant Health Centers
- County Health Department Facilities



northeast Kansas



Community Facility Program



City Hall & Library Remodel
south-central Kansas



Municipal Natural Gas System
central Kansas



Community Facility Program

Eligible Categories



Rural fire truck,
west central Kansas



Fire department truck
and equipment,
southeast Kansas



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Community Facility Program

Eligible Categories

- Ambulance,
Fire, Police,
Rescue
Building



Rural fire station,
north central
Kansas



Rural fire station,
northeast Kansas



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Community Facility Program

“Before & After”



Former Library



Former City Hall



New City Hall / Library



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Rural Economic Development Loan and Grant Program (REDLG)



Rural Economic Development Loan & Grant Program

- Purpose
 - Loans to eligible utilities to make a pass-thru loan to a rural business. Grants to establish revolving loan funds to initially make loans to eligible rural projects
- Eligible Area
 - Rural areas with population up to 2,500.



Rural Economic Development Loan & Grant Program Cont.

- Eligible Entities
 - Electric and Telephone Rural Utility Service Borrowers (also includes some previous Electric Utility borrowers).
- Eligible Ultimate Loan Recipients
 - Any legal entity, including individuals, public bodies, and federally recognized Indian Tribes.



Rural Economic Development Loan & Grant Program Cont.

- Term
 - Maximum of 10 years.
- Type of Projects
 - Agricultural processing, fire trucks, health care facilities, grocery stores, hotels, manufacturing, retail enterprises, implement dealers, recreation facilities, etc.



Rural Economic Development Loan & Grant Program

Eligible Types of Projects

- Hospital Improvement
- Hospital Equipment
- Library
- Fire / Emergency Vehicles
- Supply Store
- Implement Dealer
- Hotels
- Grocery Store
- Community College Improvements
- Livestock Handling Equipment
- Feed Mill
- Seed Company
- Industrial Building
- Repair Shops
- Furniture Business



Rural Economic Development Loan Program



2007 Farm Bill Proposals

U.S. Department of Agriculture

"We need farm policy that recognizes the tremendous potential of American agriculture. These proposals do just that. We listened to the people and now deliver our proposals for America's farm bill."

- Mike Johanns, Secretary of Agriculture



Title VI: Rural Development Programs

All funding reflects 10-year totals unless otherwise noted




Title VI: Rural Development

- Consolidate rural development programs to increase flexibility and efficiency
- Provide \$1.6 billion in loans to complete the rehabilitation of all 1,283 certified Rural Critical Access Hospitals



2007 Farm Bill
Per Senate Markup 11/16/2007

- \$50 Million for Rural Hospitals with 100 acute beds or less
- \$25 Million for Rural Hospitals with 50 acute beds or less.



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2007 Farm Bill
Per Senate Markup 11/16/2007


- Funding has not been finalized
 - Direct & Guaranteed Loans



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Title IX:
Energy Programs

All funding reflects 10-year totals unless otherwise noted



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Title IX: Energy

- **Provide \$500 million to create a Bioenergy and Bioproducts Research Program**
 - Increase cost-effectiveness through cooperation between university and Federal scientists
- **Provide \$500 million for rural alternative energy and energy efficiency grants**
 - Directly assists farmers, ranchers, and rural small businesses



Title IX: Energy

- **Provide \$2.1 billion in loan guarantees to support cellulosic ethanol projects in rural areas**
- **Provide \$150 million for biomass research competitive grants, focusing on cellulosic ethanol**



Challenges For FY 2008

- Make better use of CF Guaranteed Program
- Increase program level of activity
- Best utilization of all CF Programs
- Deliver funding awarded to the Agency in the 2007 Farm Bill final version



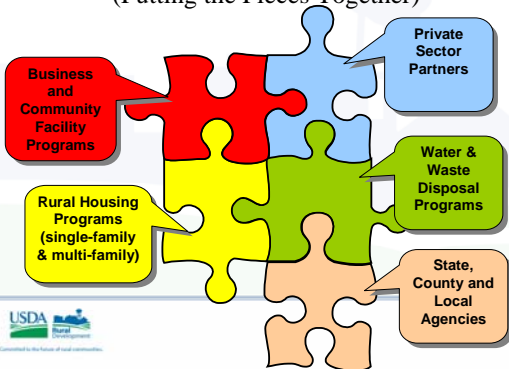
Hospitals Funded By USDA Rural Development

- 1999-2007
 - 12 Hospitals
 - \$1,575,000 RED Grant
 - \$2,050,000 RED Loan
 - \$12,300,000 Direct CF



USDA Rural Development Programs

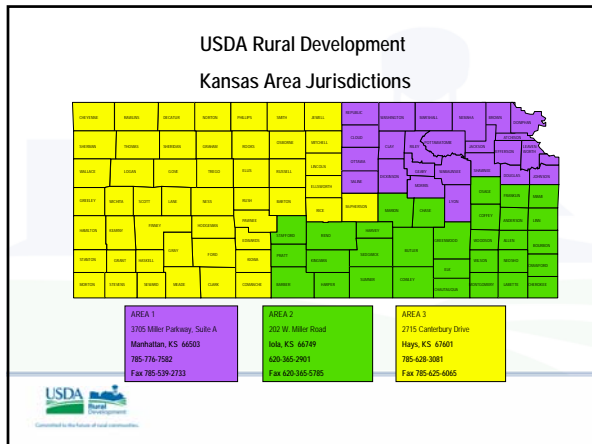
(Putting the Pieces Together)



Websites

- **Current solicitation, forms, and program information**
 - <http://www.rurdev.usda.gov/rbs/farmbill>
 - <http://www.rurdev.usda.gov/ks>
- **Other supportive programs**
 - <http://www.rurdev.usda.gov/rbs/busp/bprogs.htm>





**USDA Rural Development
Area Offices**

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|---|--|
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