



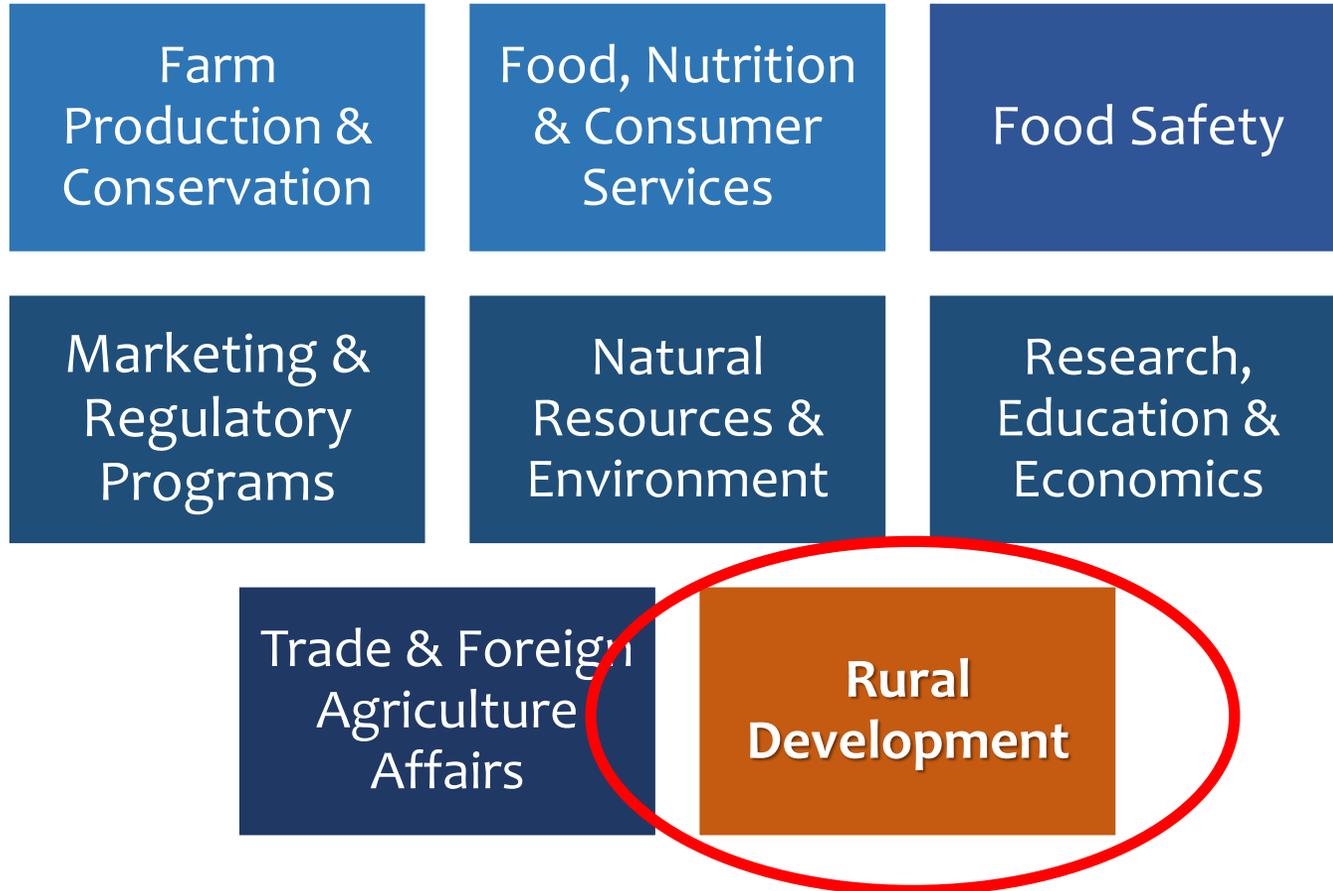
USDA Rural Development 2019 Policy & Priorities Outlook

AMERIND/NAIHC Convention May 2019

Overview

- RD Structure
 - RD Leadership
 - The RD Innovation Center
 - Farm Bill 2018
 - FY 19 Appropriations
 - CICD's National Native Homeownership Coalition
 - Program Highlight: Multi Family Housing
 - Program Q&A
- 
- A decorative graphic in the bottom right corner of the slide, featuring a stylized American flag with blue wavy stripes and a field of white stars on a dark blue background.

One USDA - Eight Mission Areas



We are committed to helping improve the economy and quality of life in rural America. Through our programs, we help rural Americans in many ways.

USDA Rural Development – One RD

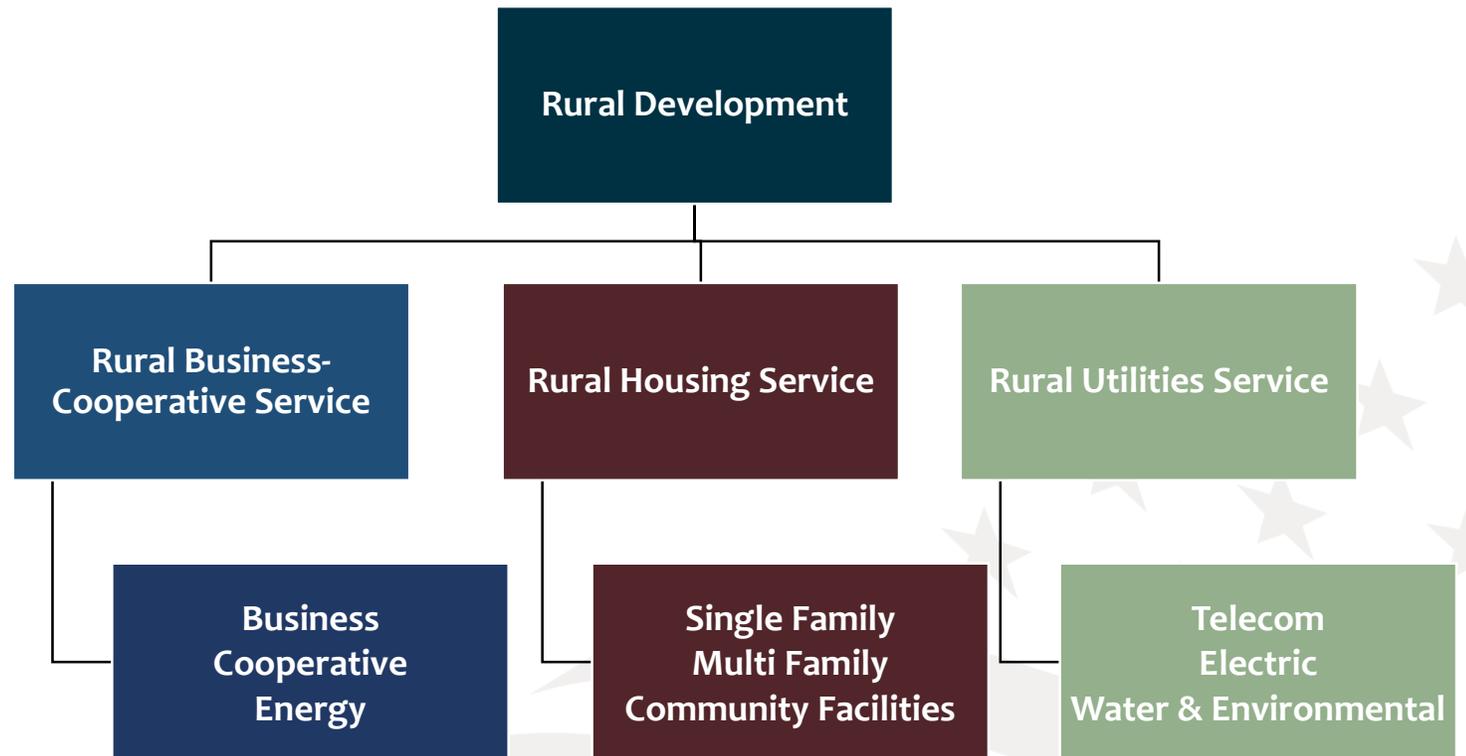
Leadership

- Assistant to the Secretary for RD
- Administrators
- State Directors

Offices

- 47 State Offices
- 400 Area Offices
- National Office in DC

OneRD – Three Agencies



Getting to Know RD's Leadership

Assistant to the Secretary for Rural Development

- Joel Baxley (acting)

Administrators

- Rich Davis (RHS - acting)
- Chad Rupe (RUS - acting)
- Bette Brand (RBS)

State Directors (47)

- www.rd.usda.gov/about-rd/leadership/state-directors

- SFH – Roger Glendenning
- MFH – Joyce Allen
- CF – Rich Davis (Joseph Ben Israel)
- WEP – Edna Primrose
- Telecom – Chad Parker
- Electric – Chris McLean
- Business & Energy – Mark Brodziski
- Coop – Andy Jermolowicz (acting)
- Innovation Center – Jacki Ponti-Lazaruk
- Business Center – Angilla Denton

USDA's Strategic Goals

1. **Ensure USDA programs are delivered efficiently, effectively, and with integrity and a focus on customer service.**
2. Maximize the ability of American agricultural producers to prosper by feeding and clothing the world.
3. Promote American agricultural products and exports.
4. Facilitate rural prosperity and economic development.
5. Strengthen the stewardship of private lands through technology and research.
6. Foster productive and sustainable use of our National Forest System lands.
7. Provide all Americans access to a safe, nutritious and secure food supply.



“To expand rural business opportunity and rural quality of life with access to capital; improve infrastructure, broadband access and connectivity; and support workforce availability”

The RD Innovation Center

- Secretary Perdue created the Rural Development Innovation Center to identify and develop new tools to better serve rural communities in achieving prosperity.
- The Innovation Center is hard-wired into USDA's structure with a mission to identify best practices and bring continuous improvement in program delivery to enhance the quality of life in rural communities.
- The Center works to transform rural communities through strategic partnerships, data analytics and evaluation, and regulatory reform.
- RD also consolidated its Administrative functions under a new Business Center



2018 Farm Bill

- 5-year legislation that provides authorization for many USDA services and programs.
- RD and much of USDA receives its program authority under the Farm Bill
- 2018 Farm Bill signed into law on December 20th, 2018
- Handout

<https://www.congress.gov/bill/115th-congress/house-bill/2/text/enr>



FY 19 Funding Available

- SFH Direct Loans - **\$1 billion**
- SFH Guaranteed Loans - **\$24 billion**
- SFH Repair Grants - **\$33.6 million**
- SFH Repair Loans - **\$28 million**
- MFH HPG - **\$15.9 million**
- MFH Direct Loans - **\$40 million** (rehab)
- MFH Guaranteed Loans - **\$230 million**
- Rural Broadband Pilot Loan & Grant Program - **FY 18 \$600 million & FY 19 \$550 million (combined \$1.15 billion)**
- Community Facilities
 - Direct Loans - **\$2.8 Billion**
 - Guaranteed Loans - **\$195 million**
 - Grants - **\$37.2 million**
 - TCU Grants - **\$6.4 million**
 - RCDI - **\$4 million**
- Water & Environmental Programs
 - Direct Loans - **\$1.4 Billion**
 - Guaranteed Loans - **\$675 million**
 - Grants - **\$572.8 million**
 - 306c - **\$25.5 million**
 - RAVG - **\$23.1 million**

National Native Homeownership Coalition

- Federal Reserve Bank of Minneapolis
 - Center for Indian Country Development
- Involved in Lending Systems Workgroup
 - Legal Infrastructure
 - Leasing and Titling
 - Loan Products
 - Great opportunity to build partnerships with lenders, TDHEs, BIA Realty and LTRO Staff (and other partners)
- Tribal Leaders Handbook on Homeownership

www.minneapolisfed.org/indiancountry/native-homeownership



Multi Family Housing Programs

- Section 515 Direct Loans
- Section 538 Guaranteed Loans
- Section 533 Housing Preservation Grants
- Section 514/516 Farm Labor Housing Direct Loans & Grants



Programs Q & A



Contact Info

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USDA Rural Development

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Rural Development

U.S. DEPARTMENT OF AGRICULTURE

Highlighted RD Programs for Tribal Communities

Rural Housing Service Programs

- Homeownership for Individuals and Families (502 and 523)
- Rehabilitation of Existing Housing in the Community (504 and 533)
- Certified Packaging for TDHEs/Tribes
- Rental Housing in Tribal Communities
- Other Funding Related to Housing: Site Loan and RCDI
- Providing Essential Community Facilities in Tribal Communities

Rural Utilities Service Programs

- Water & Waste Disposal Grants to Alleviate Health Risks—Tribal/Colonias
- Water and Waste Disposal Loans and Grants
- Telecom
- SUTA

Other

- Rural Business Development Grants & REDI



Homeownership for Individuals and Families

502 Direct Home Loan

- RD makes direct loan to new homebuyers for a home.
- Applicants must meet income eligibility requirements—low and very low income.
- Home must meet property requirements; and
- Home must be in eligible rural area—Tribal Trust lands are eligible.
- Applications accepted year round.
- Benefits of program: fixed low interest rate—as low as 1% with subsidy, extended payback term (33-38 yrs.), no down payment required, lend up to 100% of value of home.



Homeownership for Individuals and Families

502 Guaranteed Home Loan

- Applicant/borrower works directly with approved guaranteed lender to obtain loan.
- Typical loan is 30 yr. terms with fixed interest rates.
- Applicants must meet income eligibility requirements—below moderate income by area.
- Home must be in an eligible rural area.
- Applications accepted year round.
- Benefits of program: no down payment required, lend up to 100% of value of home, no maximum purchase price for a home, loan guaranteed by USDA 90%—attractive to lenders.



Homeownership for Individuals and Families

Single Loan Close (Construction-to-Permanent Loan) - Available for 502 Guaranteed Loans

- Allows approved lenders to close a new construction loan and receive a conditional loan guarantee before construction begins.
- Home must be in an eligible rural area.
- Benefits of this type of loan:
 - Lenders can immediately package loan or sell to a participating investor.
 - Builders have a reduced risk to investing capital into construction because loan fully funded at closing.



Homeownership for Individuals and Families

523 Self-Help Programs (“Sweat Equity”)

Grant Program:

- Grant recipient supervises very low and low income individuals and families to construct/repair their own homes.
- Purchase price of home reduced by owner/builders labor aka “sweat equity” put into home—building cost of home typically covered by 502 loan.

Loan Program:

- Funds available to acquire and develop sites for housing constructed by self-help method.
- Indian tribes are eligible applicants for self help grants and site development loans..



Innovation – Native CDFI Housing Relending Pilot



www.usda.gov/media/press-releases/2018/05/31/usda-announces-pilot-program-increase-homeownership-opportunities

Rehabilitation Funding For Existing Homes

533 Housing Preservation Grant Program

- Grants for the repair or rehabilitation of housing occupied by low and very low income people.
- Eligible applicants include Federally recognized Indian tribes (or Tribal Housing Authority).
- Project must be in eligible area—most Tribal Trust lands are eligible.
- Applications are accepted on annual basis through a Notice of Funding Availability in Federal Register.



Rehabilitation Funding For Existing Homes

504 Loan & Grant Programs

- Loan Program: This program assists very-low-income homeowners with a loan to repair, improve or modernize their home.
 - Max. Loan: \$20,000; Grant/Loan Combo: Max: \$27,500
 - Interest Rate Fixed: 1%--Repayment over 20 years
 - Loans less than \$7,500 secured by note only
- Grant Program: One time grants to individuals (62+) very-low-income homeowners to remove health and safety hazards in their home.
 - Max. Grant: \$7,500
 - May submit an application year round.

See HB 1-3550, Chapter 12.

<https://www.rd.usda.gov/publications/regulations-guidelines/handbooks>



Certified Packaging For RD Housing Programs

- Certified packagers increase awareness of RD homeownership opportunities and assist with the application process.
- Package high quality loan files to submit to RD local offices for review/approval
- Something for Tribes/ TDHEs to consider:
 - Tribal Homeownership activities may already include credit counseling and gathering documentation to determine repayment ability
 - Packaging the loan to Rural Development allows a fee to be collected for the service
 - TDHEs/Tribes know their area and housing opportunities
 - Increases homeownership opportunities for Tribal members both on and off Tribal land

Certified Packaging For RD Housing Programs

502 Direct Program	Packaging Type	Permissible Packaging Fee
	Certified Packaging Body Via an Intermediary	Up to \$1,500 split between certified packager and intermediary.
	Certified Packaging Body <u>without</u> an Intermediary	Up to \$1,250
	Approved Non-Certified Application Packager	Up to \$350
504 Direct Loan	Packaging Type	Permissible Packaging
	Public and private non-profit organization (tax exempt)	Up to \$500

Rental Housing for Individuals and Families

Multifamily Housing Loan Guarantee Program

- Qualified private-sector lenders provide financing to qualified borrowers. Eligible borrowers include Federally recognized Indian tribes.
- Min. Term: 25 yrs.; Max Term: 40 yrs.; Interest rate fixed for life of the loan guarantee.
- Housing must be in eligible area—Tribal trust lands are eligible.
- Rent must be affordable (low and moderate income).
- Benefits: USDA guarantees up to 90% of loan—attractive to lenders, cap on rent.



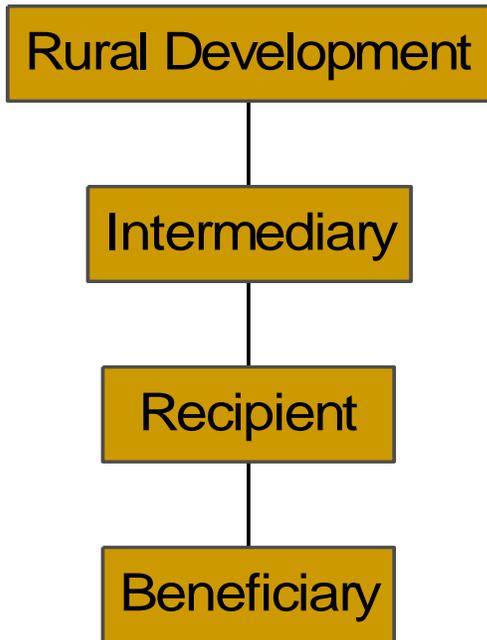
Other Funding Related to Housing—Site Loans

524 Site Loans

- Loans made to acquire and develop sites for low or moderate income families.
- Loan applicant may be private or public non-profit organization or a Federally Recognized Indian Tribe.
- Can be used on Tribal Trust Lands.
- Loan needs to be paid back within two years, but some flexibility.
- Benefits: Lower cost of construction, working with one lender that is invested in the success of the project.



Other Funding Related to Housing - RCDI Grant



Provides financial and technical assistance to develop the capacity and ability of eligible applicants in housing, community facilities, or community and economic development. May be used to provide homeownership education. Dollar for dollar match requirement.

Intermediary: A private, nonprofit or public (including tribal) organization. Must have been organized for a minimum of 3 years. Expertise in providing technical assistance to the types of recipients in their proposal.

Recipient: The entity that receives the technical assistance from the intermediary. Eligible recipients are nonprofit organizations, low-income rural communities or federally recognized tribes.

Beneficiary: Entities or individuals that ultimately receive benefits from technical assistance provided by the recipient.

Electronic Applications are due **June 5th** – Paper Applications are due **June 10th**

Financing Essential Community Facilities

Community Facilities Programs

- Great program to think about as a complement to housing projects within community.
- Program can be used to fund: community centers, health care, public safety and educational facilities.
- Eligible applicants include Federally recognized Indian tribes.
- Project must be in eligible area—most Tribal Trust lands are eligible.
- Direct Loans, Loan Guarantees and small grants.
- Low interest, long term financing. Current interest rate: 4.25% through June 30th
- CF TAT Grants – Electronic Applications are due: **June 10th** – Paper Applications are due **June 17th**
- For details talk to a local community programs loan specialist.



Youth and Community Center
Nisqually Tribe, WA

Financing Water & Waste Disposal Infrastructure

Water & Waste Disposal Grants to Alleviate Health Risks “Native American 306c Set Aside”

- Funding for construction of basic water and/or waste disposal systems.
- Eligible applicants include Federally recognized Indian tribes.
- Project must be in eligible area—most Tribal Trust lands are eligible.
- Applicants must meet per capita income and unemployment rate guidelines.



Pueblo Place Housing Project--Jemez Pueblo

Financing Water & Waste Disposal Infrastructure

Water & Waste Disposal Loan & Grant

- Funding for clean and reliable drinking water systems, waste disposal and storm water drainage to household and businesses in eligible areas.
- Eligible applicants include Federally recognized Indian tribes.
- Project must be in eligible area—most Tribal Trust lands are eligible.
- Long-term, low interest loans available—useful life of the facility financed up to 40 yrs.
- If funds are available a grant may be combined with a loan to keep user costs reasonable.
- SEARCH and Pre-development & Planning (PPG) Grants



ReConnect Broadband Pilot & Telecom Programs

ReConnect Broadband Pilot Program

- \$1.15 billion loan, loan/grant and grant program – Application Window/System Opens 4/23/19
- Must serve areas where at least 90 percent (%) of the households currently lack sufficient broadband access. Sufficient access to broadband means any rural area that has fixed, terrestrial broadband service delivering at least 10 megabits per second (Mbps) downstream and 1 Mbps upstream.
- May 31st – Grant only applications due. June 21st - Grant/loan applications due. July 12th loan only applications due. More info: www.usda.gov/reconnect

Community Connect Grant Program: www.rd.usda.gov/programs-services/community-connect-grants

- Service area must have no access to broadband - Applications due April 15th

Distance Learning and Telemedicine Grant Program

- Regular Program Applications due May 15, 2019 - Opioid Project Applications due April 15, 2019
- <https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

Rural eConnectivity Toolkit : https://www.rd.usda.gov/files/508_RDeConnectivityToolkit121918.pdf

SUTA – What is it?



Substantially Underserved Trust Areas Provision (2008 Farm Bill)

- Programs covered: Electric Loans, Telecom and Broadband Loans, WEP Loans and Grants and High Energy Cost Grants
- At the discretion of Administrator, RUS can modify certain loan terms or application requirements:
 - Interest rates as low as 2%, extended amortization period, and/or priority processing
 - Waiver of certain documentation requirements regarding non-duplication of service
 - Waiver of matching funds or credit support requirements for loans
 - Providing the highest priority for funding to eligible projects that will serve trust areas

Projects financed using SUTA:

- **FY 2015 -- Mescalero Apache Telecommunications (NM) \$5.4 million**
- **FY 2016 -- Sacred Wind Communications (NM) \$13.8 million**

Rural Economic Development Innovation Initiative (REDI)

- USDA RD and four partners accepted applications from rural communities and regions for technical assistance to implement economic development planning projects.
- Four Partners include: National Association of Counties (NaCO), Rural Community Assistance Partnership (RCAP), McClure Engineering Company & Purdue University Extension/Community & Economic Development Initiative of Kentucky
- Successful applicants will receive free technical assistance to develop and implement rural economic development plans. Rural communities with 50,000 or fewer people are eligible to apply.
- Applications will be scored, reviewed and selected on a competitive basis over the next month.
- The application deadline was **April 5, 2019!**
- **REDI Fact Sheet:** https://www.rd.usda.gov/files/fact-sheet/REDI_Fact_Sheet0215.pdf
- **REDI Webinar Recording:** <https://www.youtube.com/watch?v=KSABGodTkVk&feature=youtu.be>