

USDA



State of New Mexico

OVERVIEW of AGENCY PROGRAMS



Committed to the future of rural communities.

U.S. Department Of Agriculture

Rural Development

Mission: To increase economic opportunity and improve the quality of life for rural Americans

We manage over 40 grant, direct loan, and guaranteed loan programs to finance housing, businesses, and infrastructure in rural areas.



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7 Priorities of Rural Development

- **Strategic Partnerships**
- **Capital Markets**
- **Regional Food Systems**
- **Regional Collaboration**
- **Community Building**
- **Alternative Energy**
- **Broadband and Continuous Business Creation**



Core Agencies

- **Rural Housing Service**
- **Rural Utilities Service**
- **Rural Business Service**



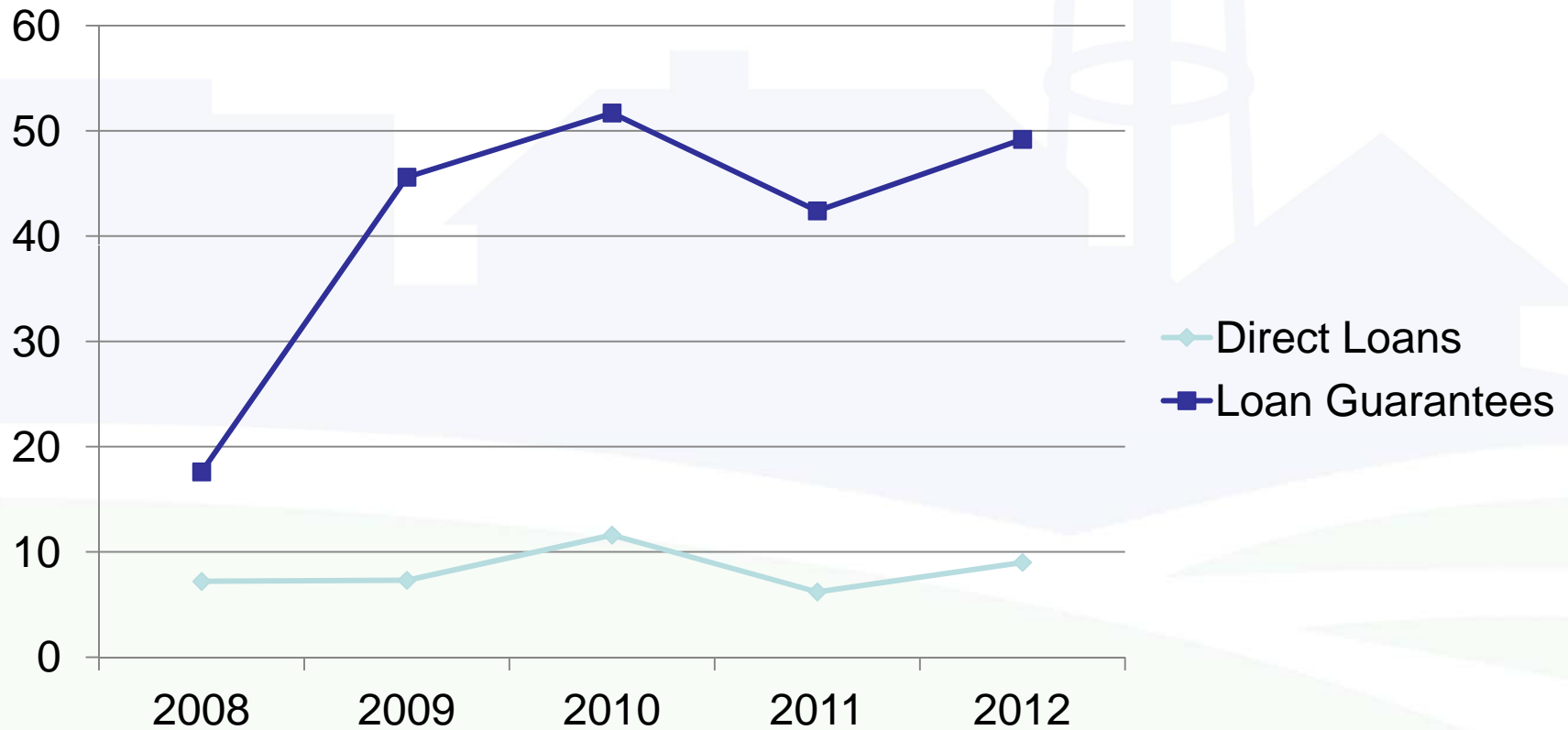
Single Family Housing

- Direct loans, ≈3.1% (1% with interest credit) over 33 yrs for low-income families in communities <10,000
- Loan guarantees to banks lending to moderate-low income individuals in communities <20,000
- Repair grants and/or loans for low income families in communities <10,000



The Vigil family received USDA RD funding to refurbish their home in Clayton.

Single Family Housing Production FY '08-'12 (in millions \$)



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Multi-Family Housing

- **Loan guarantees and direct loans for rental housing in communities <10,000**
- **Loans/grants for Farm Labor housing**
- **Housing preservation grants for the repair and rehabilitation of low income rental housing**
- **111 projects around the state with 4,091 units and 3,303 New Mexico families receiving rental assistance**



Community Facilities

Objective: to provide essential community facilities

Eligible Applicants: public bodies, counties, non-profits and tribes in communities <20,000

Uses: Build facilities and purchase equipment for fire & rescue, schools, hospitals, libraries, telecommunications

Assistance Type: Direct loan, loan guarantees or grant



Obligation Ceremony, Guadalupe County Hospital



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Community Facilities



Angel Fire Fire Station



Roy Ambulance

- Health Care Clinics
- Community Centers
- Administrative Buildings
- Non-Profit structures
- Educational facilities
- Farmer's markets, community gardens



Ledoux Fire Station Opening



Ledoux Fire Station



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A Sample of Recent Community Facility Projects

- **Acoma Multi Purpose Center (\$12 million loan/grant)**
- **Guadalupe County Hospital (\$9.4 loan)**
- **Taos County Judicial Complex (\$15 million loan)**
- **Bayard Library (\$370,000 loan/grant)**



Water and Wastewater

Objective: provide essential infrastructure for rural areas.

Eligible Applicants: public bodies, counties, non-profits and tribes in communities <10,000

Uses: Construct, repair, modify or improve water and wastewater systems

Assistance Type: Direct loan, loan guarantees or grant



Tucumcari Wastewater plant. Rural Development assisted with the upgrade and modernization of the facility.

Water and Wastewater

- **Loans at 3.5%, extended up to 40 yrs.**
- **Set aside provided for Colonias projects (≈\$8 million in grants)**
- **Set aside provided for Tribes (≈\$8 million in grants)**

Rural Utilities Service

Rural Broadband - Direct loans, loan guarantees and grants for broadband providers

Electric and Telecommunications

Direct loans and loan guarantees to public bodies, coops, non-profits and other utilities

Distance Learning and Telemedicine

Direct loans and grants to counties and incorporated entities operating schools, libraries or clinics



High school students in Roy engage in a history course from Clovis Community College using distance learning equipment.



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A Sample of Recent Utilities Projects

- **Kit Carson Broadband (\$65 million)**
- **Leaco Electric Coop (\$38 million)**
- **Ruidoso wastewater plant (\$9.7 million)**
- **Laguna water/wastewater project (\$26 million)**
- **Anthony water project (\$3.2 million Colonias Grant)**



Business and Co-op Programs

- **Rural Business Enterprise Grant (RBEG)**
- **Rural Cooperative Development Grant (RCDG)**
- **Value-added Producer Grant (VAPG)**
- **Business and Industry Loan Guarantees (B&I)**
- **Rural Energy for America Programs (REAP)**
- **Other business energy programs**



Rural Business Enterprise Grant (RBEG)



Solano
Welding
Manufacturing
in Harding
County. USDA
provided
RBEG funds
for welding
equipment.



- **Objective:** to finance and facilitate the development of small and emerging private business enterprises.
- **Eligible Applicants:** Public bodies, non-profits, tribes and cooperatives.
- **Uses:** Buy and develop land, construct buildings and plants, purchase equipment, provide training, establish a revolving loan fund.



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Rural Cooperative Development Grant (RCDG)

Objective: Develop new cooperatives and improve operations of existing cooperatives

Eligibility: Non-profits and institutions of higher education

Uses: Establish operating centers for the development of rural cooperatives.

Financing: Grants up to \$150,000



Value-Added Producer Grant (VAPG)

Objective: to assist independent producers to enter into activities that add value to their crops

Eligible Applicants: Independent producers, cooperatives, producer groups and majority-controlled producer-based ventures

Uses: Planning purposes such as feasibility studies or work plans (up to \$100,000); Working capital to help start the operations of a new venture (up to \$300,000)

Matching Requirements: Dollar for dollar



Value-Added Producer Grant (VAPG)

- **Commodity Processing**
 - Wine, Jam, Flour, Biomass
- **Non-Standard Production Method**
 - Organic, Free-Range, Natural
- **Commodity Segregation**
 - GMO, Variety Purity
- **On-Farm Renewable Energy**
 - Biomass, digesters
- **Locally-Produced Food Products**
 - Locally-grown (within 400 miles of farm)



Business and Industry Loan Guarantees (B&I)

Objective: to create jobs and stimulate rural economies by providing financial backing for rural businesses

Eligible Applicants: Businesses

Uses: Most business purposes except production agriculture

Terms: Loan terms are negotiated between the lender and the borrower. Government guarantees loan (60%-90%), up to \$10 million.



Rural Energy for America Program (REAP)

Objective: to reduce energy costs and consumption by businesses and agricultural producers

Uses:

- Renewable energy and energy efficiency (grants and loan guarantees)
- Renewable energy feasibility studies (grants)
- Energy audits (grants).

Eligible Applicants: Ag producers and small businesses.



Rural Energy for America Program (REAP)



Rocky Mountain Therapy, Raton. RD helped finance the 60 photovoltaic and 7 thermal solar panels that provide hot water and electricity to this facility.

- Grants are limited to 25% of eligible project cost, NTE \$500,000 grant for renewable energy and \$250,000 for energy efficiency projects
- Guaranteed loans and Guaranteed Loan/Grant combination are limited to 75% of eligible project cost, NTE \$25 Million loan



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Other Business Energy Programs

- **Biorefinery Assistance (9003)** – to assist in the development of new and emerging technologies for the development of advanced biofuels (guaranteed loans)
- **Repowering Assistance (9004)** – to assist biorefineries in replacing fossil fuels to produce heat and power (payments for the installation of new systems)
- **Payments for Advanced Biofuels (9005)** – to make payments to eligible producers in order to support and ensure an expanding production of advanced biofuels (direct payments)



A Sample of Recent Business Projects

- **Sapphire Energy algae to diesel plant (\$50 million Recovery Act loan guarantee)**
- **Taos Entrepreneur Network (\$50,000 grant to the Regional Development Corp.)**
- **New Solar Panels for Santa Fe Brewing Company (\$20,000 grant)**
- **Center for Southwest Culture Cooperative development in Truchas, NM (\$191,000 grant)**



Obama Admin. USDA RD NM Investments FY '09-'12

Program	Total
Business	42,821,798
Housing	280,563,599
Water/Wastewater/ Community Facilities	217,599,435
Broadband/Electric	486,515,647
Total	1,027,500,479



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Impacts of USDA Rural Development work in New Mexico FY '09-'12

- **72 water & wastewater systems funded**
- **4 child care centers, 3 libraries, 10 health care facilities funded**
- **1600 families receiving home loans and 211 receiving home repairs**
- **171,000 helped through Recovery Act**
- **16 Ambulances, fire trucks, and police vehicles for local communities**



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