

Part 1980 - GENERAL

Subpart K - Strategic Economic and Community Development

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PART 1980 - LOANS AND GRANTS

Subpart K - Strategic Economic and Community Development

§ 1980.1001 Purpose.

The purpose of this subpart is to give priority to Projects that support implementation of strategic economic development and community development plans on a Multi-jurisdictional basis for applications submitted for the programs identified in § 1980.1002. *The intent of requiring multi-jurisdictional planning is to encourage strategic regional development plans because research and practice have proven that leveraging resources and assets can increase the success of economic development strategies within a region. This is especially true for small, rural places that are best positioned to grow when they share resources among multiple jurisdictions. Rural Development seeks to implement this subpart while continuing to support our smallest and most under-resourced areas. Therefore, all applications for the Regional Development Priority (subpart K) will be reviewed based on the requirements of the subpart as well as the unique needs of the applicant. For instance, in applications where only one governing body is applying, the application will be reviewed to see if the entity oversees areas that would meet the definition of multi-jurisdictional. An example of this would be a tribe whose development plan covers a reservation that contains multiple towns or villages. Independently each town or village would be considered one jurisdiction, thus meeting the requirements of multi-jurisdictional. A tribe may also apply with a non-tribal unit, such as a town, county, or state, and each would be considered one unit and thus the application would meet the requirements of multi-jurisdictional.*

§ 1980.1002 Programs.

The Agency may elect to reserve funds from one or more of the programs listed in paragraphs (a) through (h) of this section.

- (a) Community Facility Loans (7 CFR 1942, subpart A).
- (b) Fire and Rescue and Other Small Community Facilities Projects (7 CFR 1942, subpart C).
- (c) Community Facilities Grant Program (7 CFR 3570, subpart B).
- (d) Community Programs Guaranteed Loans (7 CFR 3575, subpart A).

§ 1980.1002 (Con.)

- (e) Water and Waste Disposal Programs Guaranteed Loans (7 CFR 1779).
- (f) Water and Waste Loans and Grants (7 CFR 1780, subparts A, B, C, and D).
- (g) Business and Industry Guaranteed Loanmaking and Servicing (7 CFR 4279, subparts A and B; 7 CFR 4287, subpart B).
- (h) Rural Business Development Grants (7 CFR 1980, subpart E).

§ 1980.1003 Applicability of Program Regulations.

Except as supplemented by this subpart, the provisions of the programs identified in § 1980.1002 are incorporated into this subpart.

§ 1980.1004 Funding.

Unless the Agency publishes a notice that indicates otherwise, the Agency will reserve funds according to the procedures specified in paragraphs (a) through (c) of this section for each of the programs identified in § 1980.1002 each fiscal year.

(a) Individual program basis. The Agency will reserve funds on an individual program basis.

(b) Percentage of funds. The Agency will reserve 10 percent of the funds made available in a fiscal year to each program identified in § 1980.1002 unless the Agency specifies a different percentage. If the Agency specifies a different percentage, the Agency will publish a notice indicating the percentage. The Agency may reserve the same or different percentages for each program in a single fiscal year.

(1) The amount will be up to 10 percent of each identified program. In some years, the Agency may elect to set the percentage at zero (0) percent; that is, not set-aside any funds for one or more programs.

(2) The National Office will determine percentage amount for each program and will publish notice in the Federal Register addressing each program.

§ 1980.1004(b) (Con.)

(3) Unless the National Office publish such a notice, then 10 percent of the funds for each program will be set-aside.

(c) Unobligated funds. If a program's funds reserved under this subpart remain unobligated as of June 30 of the fiscal year in which the funds are reserved, the Agency will return such remaining funds to that program's regular funding account for obligation for all eligible Projects in that program.

§ 1980.1005 Definitions.

In addition to the definitions found in the regulations for the programs identified in § 1980.1002, the following definitions apply to this subpart. If the same term is defined in any of the regulations for the programs identified in § 1980.1002, for purposes of this subpart, that term will have the meaning identified in this subpart.

Adopted. Means that a Plan has been officially approved for implementation by the appropriate entity or entities in the Jurisdiction(s) affected by the Plan (for example, a State, Indian Tribe, county, city, township, town, borough, etc.).

Agency. Means the Rural Business-Cooperative Service, the Rural Housing Service, or the Rural Utilities Service, or their successor agencies.

Carried out solely in a rural area means either *(the project must meet one or the other of the following definitions):*

(1) The Project is physically located in a rural area; *This definition of "carried out solely in a rural area" focuses on the physical location of the project and without regard as to who will benefit from the project. For example, a hospital built entirely in a rural area would meet this criterion regardless if it provides health care services to non-rural residents; or*

§ 1980.1005 (Con.)

(2) All of the beneficiaries of the services provided by the Project either reside in a rural area (for individuals) or are located in a rural area (for businesses). The definition of "carried out solely in a rural area" focuses on who benefits (individuals or businesses) from the project and not the project's physical location. For example, consider a project designed to provide water to only residents of a rural area, where part of the project is located in a non-rural area and part of the project is located in a rural area. While this water project would not meet the "location" definition of "carried out solely in a rural area", it does meet the "beneficiaries" definition because the beneficiaries of the services (in this case, the individuals) all reside in a rural area. If, however, some of the beneficiaries reside in a non-rural area, then this project would not be an eligible project under definition of "carried out solely in a rural area."

Investment means either monetary or non-monetary contributions to the implementation of the Plan's objectives.

Jurisdiction means a unit of government or other entity with similar powers. Examples include, but are not limited to: city, county, district, special purpose district, township, town, borough, parish, village, State, and Indian tribe. An Indian tribe may have multiple jurisdictions within the tribal land holdings and these may count as individual units.

Multi-jurisdictional means at least two Jurisdictions. In working with Federally recognized Indian Tribes examples of multi-jurisdictional include: two or more Indian Tribes, two or more towns or villages within one Indian Reservation, an Indian Tribe and a non-tribal jurisdiction, multiple chapters or districts within an Indian Reservation, an Indian Tribe and one or more State government and combinations of two or more Alaska Native Village Corporations, Alaska Native Regional Corporations, Alaska Native Villages and the Burroughs of Alaska.

Philanthropic organization means an entity whose mission is to provide monetary, technical assistance, or other items of value for religious, charitable, scientific, literary, or educational purposes.

§ 1980.1005 (Con.)

Plan means a comprehensive economic development or community development strategy that outlines a region's vision for shaping its economy, and includes, as appropriate and necessary, consideration of such aspects as natural resources, land use, transportation, and housing. Such Plans bring together key community stakeholders to create a roadmap to diversify and strengthen their communities and to build a foundation to create the environment for regional economic prosperity. To be acceptable under this subpart, the Plan must be vetted and supported by the Jurisdictions affected by the Plan and must **contain at a minimum the following:**

- (1) A summary of the economic conditions of the region;
- (2) An in-depth analysis of the economic and community strengths, weaknesses, opportunities, and threats for the region, to include consideration of such aspects as the environmental and social conditions;
- (3) Strategies and implementation Plan to build upon the region's strengths and opportunities and to resolve the weaknesses and threats facing the region;
- (4) Performance measures that evaluate the successful implementation of the Plan's objectives; and
- (5) Support of key community stakeholders. *Acceptable forms of supporting documentation showing this support include, but are not limited to, memos of understanding with authorizing signatures, letters of support, and cooperative agreements between the applicant and key entities.*

Project means the eligible proposed use(s) for which funds are requested as described in the application material submitted to the Agency for funding under the underlying program.

§§ 1980.1006 - 1980.1009 [Reserved]

§ 1980.1010 Project eligibility.

In order to be eligible to receive funds under this subpart, the Project must meet the following:

§ 1980.1010(Con.)

(a) **The Project must meet the Project eligibility criteria of the applicable program identified in § 1980.1002;** *Meaning first, the project must first meet the criteria of the underlying program for which it is applying. Second, the project must meet the requirements of this subpart to be eligible for priority due to its role in furthering a regional development plan.*

(b) **The Project must be Carried Out Solely in a rural area;** *Rural area is defined by underlying program's definition of rural area. As a result different rural area definitions will apply. When reviewing 6025 applications be sure that the correct rural area definition is being used. If an applicant's application or Form RD 1980-88 does not provide sufficient information to determine whether the project meets this criterion, you may ask the applicant to provide such information in order for them to be considered for Section 6025 priority.); and*

(c) **The Project must support the implementation of a Plan on a Multi-Jurisdictional basis.** *Multi-jurisdictional means 2 or more jurisdictions. An Indian tribe may have multiple jurisdictions within the tribal land holdings and these count as individual units.*

§§ 1980.1011 - 1980.1014 [Reserved]

§ 1980.1015 Applications.

In addition to the application material specific to the applicable program identified in § 1980.1002, each applicant seeking funding under this subpart must provide the information specified in paragraphs (a) through (d) of this section.

(a) Applicant. The applicant must submit:

- (1) Name of the applicant;
- (2) Telephone number of the applicant;
- (3) Email address of the applicant; and
- (4) A statement indicating whether or not the applicant is or includes one of the following:

§ 1980.1015(a)(4) (Con.)

- (i) State government;
- (ii) County government;
- (iii) Municipal government; or
- (iv) Tribal government.

(v) *This information is needed because the authorizing statute requires such entities applying for Section 6025 priority to include an indication of consistency with an adopted regional economic or community development plan.*

(b) **Plan.** Each application must include the following information:

- (1) The name of the Plan the Project supports;
- (2) The date the Plan became effective;
- (3) The dates the Plan is to remain in effect;

(4) Contact information for the entity(ies) approving the Plan, including name(s), telephone number(s), and email address(es);

(5) *As found in the most current version of the Plan, the name and description of each objective that the Project will directly support; Applicants may provide this information by submitting copies of the relevant pages from the Plan or providing their own descriptions. This information is particularly important because this area is one of five criteria, as set by the authorizing statute, by which the Agency will evaluate and score the Plan for purposes of assigning Section 6025 priority points. You may wish to advise potential applicants that failure to provide this information or failure to provide sufficient detail may result in a lower Section 6025 priority score.*

(6) **A description of the service area of the Plan;** *As an alternative to providing a description, the applicant has the option of submitting an excerpt from the Plan that describes the Plan's service area. A description of the service area is necessary because the criterion for collaboration is based, in part, on the collaboration of stakeholders within the service area of the plan.*

(7) **Documentation that the Plan was developed through the collaboration of multiple stakeholders in the service area of the Plan, including the participation of combinations of stakeholders;** *Acceptable forms of supporting documentation showing this support include, but are not limited to, letters of support, memos of understanding with authorizing signatures, letters of support, and cooperative agreements between the applicant and key entities.*

(8) **Documentation that the Plan demonstrates an understanding of the applicable region's assets that could support the Plan;**

(9) **Documentation indicating whether or not the Plan includes monetary or non-monetary contributions from Federal agencies other than the U.S. Department of Agriculture;** *If the applicant's plan includes other Federal agencies, statements from those Federal agencies attesting to their support (monetary or non-monetary) should be included in order to receive the maximum number of points.*

(10) **Documentation indicating whether or not the Plan includes monetary or non-monetary contributions from one or more Philanthropic organizations.** *If the applicant's plan includes support from Philanthropic organizations, statements from those organizations attesting to their support (monetary or non-monetary) should be included in order to receive the maximum number of points.*

(11) **Documentation that the Plan contains:**

(i) **Clear objectives and**

(ii) **The ability to establish measurable performance measures and to track progress towards meeting the Plan's objectives;**
and

(12) **If available, a web site address link to the Plan.**

§ 1980.1015 (con.)

(c) Project. Each application must include the following information:

(1) The name of the Project;

(2) Sufficient detail to allow the Agency to determine that the Project has been Carried Out Solely in a rural area as defined in § 1980.1005 *You may wish to advise potential applicants that failure to provide this information or failure to provide sufficient detail may result in a lower Section 6025 priority score.*;

(3) A detailed description of how the Project directly supports each objective identified under paragraph (b)(5) of this section; *You may wish to advise applicants that failure to provide sufficient information to demonstrate direct support of the objective(s) may result in a lower Section 6025 priority score. and*

(4) If the application is from an applicant that includes a State, county, municipal, or tribal government, a letter from the appropriate entity(ies) indicating that:

(i) The Project is consistent with the Plan and

(ii) The Plan has been Adopted.

(d) Agency coordination. To help ensure coordination among the programs included in this subpart, the Agency is requiring applicants provide the Agency the information in paragraphs (d)(1) through (3) of this section.

(1) Program areas. Identify the program area(s) (i.e., Community Facilities, Water and Waste, Rural Business and Cooperative Development) from which funds are being sought.

(2) Multiple applications. If the applicant is submitting in the same fiscal year more than one application for funding under this subpart, identify in each application the other application(s) by providing:

(i) *Name*. The name(s) of the Project(s);

(ii) *Program area(s)*. The program area(s) for which funds are being sought; and

(iii) Submittal date. The date that each application was submitted to the Agency.

(3) Form 1980-88. If an application does not know if they will be submitting two or more program applications during the same fiscal year for Section 6025 priority, the applicant does not need to fill out Block V.B when submitting this form the first time in a fiscal year. However, if the applicant does submit at a later date another program application for Section 6025 priority, they must fill out Block V.B to show each prior program application submittal. To illustrate, suppose the applicant submits a Water and Waste Disposal grant application for a water treatment facility on December 14, 2015 for Section 6025 priority and at that time the applicant does not plan on submitting another program application for Section 6025 priority. However, in early 2016, the applicant decides to submit a Rural Business Development Grant (RBDG) application for a drug store project and submit that application on February 22, 2016. Block V.B in this form would look something like this:

| | | |
|---|---|--|
| <p>1a. Project Name: Drug store</p> | <p>2a. Program Area(s) for which Section 6025 priority is requested (check all that apply): Business and Cooperative Development <input checked="" type="checkbox"/> Rural Community Facilities: <input type="checkbox"/> Rural Utilities: <input type="checkbox"/></p> | <p>3a. Date application submitted: February 22, 2016</p> |
| <p>1b. Project Name: Water treatment facility</p> | <p>2b. Program Area(s) for which Section 6025 priority is requested (check all that apply): Business and Cooperative Development <input type="checkbox"/> Rural Community Facilities: <input type="checkbox"/> Rural Utilities: <input checked="" type="checkbox"/></p> | <p>3b. Date application submitted: December 14, 2015</p> |

(4) Previous applicants. If the applicant has previously submitted one or more applications for funding under this subpart, the applicant must provide in the current application the following information for each previous application:

§ 1980.1015(d)(4) (Con.)

- (i) The date the application was submitted;
- (ii) The name of the Project;
- (iii) The program area(s) from which funds were sought;
- (iv) Whether or not the Project was selected for funding; and
- (v) If the Project was selected for funding,
 - (A) The name(s) of the specific program(s) that provided the funding;
 - (B) The date and amount of the award; and
 - (C) Whether any of the funding came from the funds reserved under this subpart.

§§ 1980.1016 - 1980.1019 [Reserved]

§ 1980.1020 Scoring.

The Agency will score each eligible application seeking funding under this subpart as described in this section.

(a) Underlying program scoring. The Agency will score each application using the criteria for the applicable program identified in § 1980.1002. The maximum number of points an application can receive under this paragraph is based on the scoring criteria for the applicable underlying program, including any discretionary points that may be awarded.

Projects that support strategic economic and community development plans can receive priority as provided for in § 1980.1025 over and above the points awarded via the underlying program's scoring criteria. Section 6025 projects will be scored first according to the underlying programs criteria. Secondly, they will be scored according to the criteria in § 1980.1020(b). For 6025 projects, the total points will be the sum of both scores. In years, when the Agency sets-aside funding for 6025 projects, 6025 projects will compete against each other based on the total score. In years, when there is not a set-aside, the additional 6025 points may provide an advantage to 6025 projects because those other projects, which do not support a strategic economic development plan are "limited" to the points awarded for the underlying program. See section § 1980.1025 for more information.

(b) Section 6025 scoring. The Agency will score each application using the criteria identified in paragraphs (b)(1) and (2) of this section. The maximum number of points an application can receive under this paragraph is 20 points.

(1) Project's direct support of a Plan's objectives. The Agency will score each application on the basis of the number of a Plan's objectives the Project directly supports. The maximum score under this paragraph is 10 points.

(i) If the Project directly supports implementation of 3 of the Plan's objectives, 10 points will be awarded.

(ii) If the Project directly supports implementation of 2 of the Plan's objectives, 5 points will be awarded.

(iii) If the Project directly supports implementation of less than 2 of the Plan's objectives, no points will be awarded.

(2) Characteristics of a Plan. The Agency will score the Plan associated with a Project based upon the characteristics of the Plan, which are identified in paragraphs (b)(2)(i) through (v) of this section. Applicants must supply sufficient documentation that demonstrates to the Agency the criteria identified in paragraphs (b)(2)(i) through (v) of this section. The maximum score under this paragraph is 10 points.

(i) Collaboration. If the Plan was developed through the collaboration of multiple stakeholders in the service area of the Plan, including the participation of combinations of stakeholders, such as State, local, and tribal governments, nonprofit institutions, institutions of higher education, and private entities, two points will be awarded. *Acceptable forms of supporting documentation showing this support include, but are not limited to, letters of support, memos of understanding with authorizing signatures, and cooperative agreements between the applicant and key entities.*

(ii) Resources. If the Plan demonstrates an understanding of the applicable regional assets that could support the Plan, including natural resources, human resources, infrastructure, and financial resources, two points will be awarded.

§ 1980.1020(b)(2) (Con.)

(iii) Other Federal Agency Investments. If the Plan includes Investments from Federal agencies other than the U.S. Department of Agriculture, two points will be awarded. *If the applicant's plan includes other Federal agencies, statements from those Federal agencies attesting to their support (monetary or non-monetary) should be included in order to receive the maximum number of points.*

(iv) Philanthropic organization Investments. If the Plan includes Investments from Philanthropic organizations, two points will be awarded. *If the applicant's plan includes support from Philanthropic organizations, statements from those organizations attesting to their support (monetary or non-monetary) should be included in order to receive the maximum number of points.*

(v) Objectives and performance measures. If the Plan contains clear objectives and the ability to establish measurable performance measures and to track progress toward meeting the objectives, two points will be awarded.

(c) Total score. The Agency will sum the scores each application receives under paragraphs (a) and (b) of this section in order to rank applications. *Additional information on how a 6025 application will be scored is identified in § 1980.1025(b) and (c).*

§§ 1980.1021 - 1980.1024 [Reserved]

§ 1980.1025 Award process.

(a) Unless RD indicates otherwise in a notice, the award process for the applicable underlying program will be used to determine which Projects receive funding under this subpart.

(b) In years when funding is made available under this subpart, Projects not receiving funding under this subpart are eligible to compete for funding under the applicable underlying program. The scores for such Projects when competing for underlying program funding will not include the score assigned to the application under § 1980.1020(b).

(1) *In a year in which the Agency sets aside funds from an underlying program, Section 6025 projects will compete among themselves for the set-aside funds up through June 30.*

(2) *When competing for such funds, the Section 6025 project's score will be the sum of the score based on the underlying program's scoring criteria plus the score based on the scoring criteria specific to the project's support of a strategic economic or community development plan.*

(3) *If a Section 6025 project does not receive set-aside funds, it will be eligible to compete (after June 30) for any remaining funds available under that program's general fund using the project's score based solely on the underlying program's scoring criteria.*

(c) In years when funding is not made available under this subpart, Projects are eligible to compete for funding for the applicable underlying program. The scores for such Projects when competing for underlying program funding will include the score assigned the application § 1980.1020(b) as described in a notice published in the Federal Register.

(1) *In a year in which the Agency does not set-aside funds from an underlying program, Section 6025 projects will be able to compete against all other projects (Section 6025 projects and non-Section 6025 projects) for the program's general funds throughout the year.*

(2) *In this scenario, the score that a Section 6025 project will use to compete against all other projects will be the sum of the score based on the underlying program's scoring criteria plus the score based on the scoring criteria specific to the project's support of a strategic economic or community development plan. This gives Section 6025 projects more potential points than non-Section 6025 projects, because the latter projects can only receive points based on the underlying program's scoring criteria.*

§ 1980.1025 (Con.)

(d) *The following illustrates the scores that will be used for competing Section 6025 projects:*

| <i>Time Period</i> | <i>Set-aside Funds Available</i> | <i>No Set-aside Funds Available</i> |
|------------------------------------|---|---|
| <i>Oct 1 through June 30</i> | <i>Underlying program score plus 6025 score</i> | <i>Underlying program score plus 6025 score</i> |
| <i>June 30 through Sept 30</i> | <i>Underlying program score</i> | |

§ 1980.1026 Evaluation of Project information.

To assist the Agency in evaluating the effectiveness of this subpart, each applicant that receives funding under this subpart must submit to the Agency all measures, metrics, and outcomes of the Project that are reported to the entity(ies) who are monitoring Plan implementation. This information will be submitted for as long as the Plan is in effect

§§ 1980.1027 - 1980.1100 [Reserved]

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