


USDA
United States Department of Agriculture

USDA Rural Development

Advancing economic and community development in rural Oregon

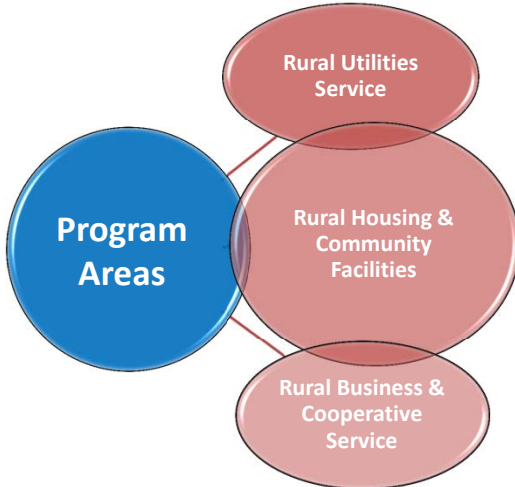
Vicki L. Walker, State Director



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USDA Rural Development



- Electric Program
- Water & Environmental Programs
- Telecommunications & Broadband Programs

- Homeownership Loans
- Home Repair Loans & Grants
- Mutual Self-Help TA Grants
- Multi-Family Housing Loans
- Housing Preservation Grants
- Community Facility Loans & Grants

- Business & Industry Guaranteed Loans
- Rural Business Enterprise Grants
- Rural Business Opportunity Grants
- Intermediary Relending Program
- Rural Energy for America Program
- Value Added Producer Grants
- Cooperative Development Assistance

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USDA Rural Development

2009 – 2012 Summary of Investments
\$2.4 billion for rural Oregon

- Home Ownership Loans: \$1.6 billion (10,500 loans)
- Water and Environmental Programs: \$105 million
- Community Facilities Program: \$30.5 million
- Telecommunications Program: \$67.3 million
- Electric Program: \$54.7 million
- Rural Business and Cooperative Programs: \$414.5 million

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USDA Rural Development



Mutual Self-Help Housing

Partner: **Community Home Builders**
(formerly Yamhill CDC)

Locations: Gervais, Lafayette, Carlton,
Amity, McMinnville, Sheridan

USDA grants: **\$1.8 million**
(technical assistance, multiple instances)

USDA mortgages: **62 homes**





USDA Rural Development

Confederated Tribes of Siletz Indians Housing Preservation

Location: **Siletz, Oregon**

Award Date: **October 2012**

USDA grant: **\$34,846**
(Housing Preservation Grant)

Other funding: Indian Housing Block Grant

Outcomes: Critical repairs to homes owned by low-income residents

Work done by local, tribal contractors



USDA Rural Development

Lake District Hospital

Location: **Lakeview, Oregon**

Completion: **April 2012**

USDA financing: **\$8.55 million direct loan**
\$10.5 million guarantee
(Community Facilities Program)

State of Oregon: **\$2.9 million loan**

Outcomes: 35,000 sq/ft addition
7.5 full-time and 35 construction jobs
Geothermal connections

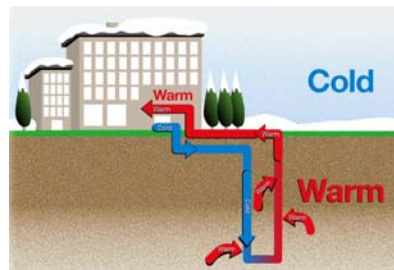


Lakeview Geothermal

USDA financing: **\$3.36 million direct loan**
(Community Facilities Program)

State of Oregon: **\$1 million grant**
(Dept. of Energy, building retrofits for schools)

Benefits: Heat for hospital, five schools



USDA Rural Development

Warm Springs Telecom

Location: **Warm Springs Reservation**

Grand Opening: **January 2012**

USDA funding: **\$2.7 million grant**
\$2.7 million loan
(Broadband Initiatives Program, Recovery Act)
\$123,900 grant
(Rural Business Opportunity Grant - feasibility)
\$199,000 grant
(Rural Business Enterprise Grant - planning)

New service: Broadband across 1,000 square-miles
233 anchor institutions
755 households

Outcomes: Business development
Online education and medical care
9th tribal telecom in the U.S.



USDA Rural Development

Miles Crossing Sanitary Sewer System

Completed: **2010**

USDA financing: **\$3.5 million loan**
\$4.5 million grant
(Water & Waste Disposal Program)

Other funding: Ratepayer dollars
Oregon Community Development Block Grant *(engineering design)*

Outcomes: Failing septic systems decommissioned
New development enabled, including a new school



USDA Rural Development

ORPET, LLC

The state's only plastic bottle recycling facility

Location: **Warren, Oregon**
Opened: **April 2012**
USDA financing: **\$4.9 million**
(B&I guaranteed loan)
Other funding : **\$1 million, State of Oregon**
(energy tax credits)
Outcomes: **50 permanent jobs**
93 construction jobs



USDA Rural Development

ZeaChem Biorefinery

Location: **Boardman, Oregon**
USDA financing: **\$198.5 million* guarantee**
(Biorefinery Assistance Program)
**conditional commitment*
Outcomes: **65 permanent jobs**
188 construction jobs
242 indirect jobs



USDA Rural Development

Dry Forest Investment Zone

USDA funding: **\$500,000**
(cooperative agreement, Sustainable Northwest)

- Outcomes:
- Business development
 - Woody biomass utilization
 - Sustainable forest stewardship
 - Local collaboration & capacity



Biomass Project Funding

Small Grants to Rural Entities:
(statewide since 2008 - multiple awards, various programs)

- 10 awards - \$193,000

Biofuel Producer Payments:
(statewide since 2009 - multiple awards)

- \$2.8 million

USDA Rural Development

Rural Energy for America Program (REAP)

USDA funding: **\$5.1 million in grants**
\$4.7 million loan guarantees
(2008-2012)

Partners: Oregon Department of Energy
Oregon Institute of Technology

- Outcomes:
- 97 on-farm, small business solar installations
 - 2 anaerobic digesters
 - 16 small wind projects
 - 36 energy efficiency projects



USDA Rural Development

Local & Regional Foods

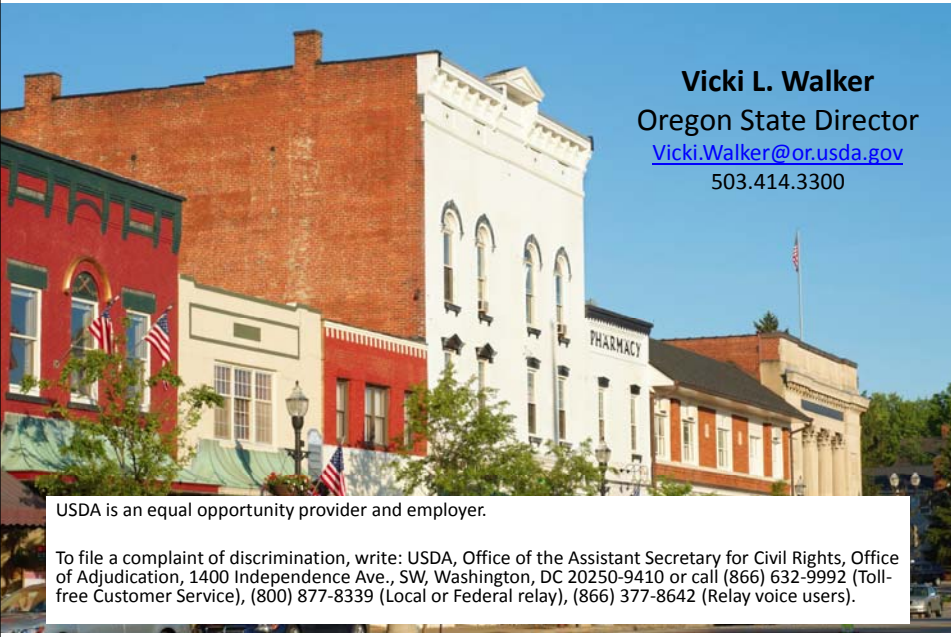

Ecotrust's Food Hub	\$12,500 <i>(FY 2007 Rural Business Enterprise Grant)</i>
	\$21,370 <i>(FY 2009 Rural Business Enterprise Grant)</i>
	\$249,340 <i>(FY 2010 Rural Business Opportunity Grant)</i>
Umpqua Indian Foods	\$96,500 <i>(Rural Business Enterprise Grant)</i>
The Rogue Initiative for a Vital Economy, Farmer Incubator	\$152, 556 <i>(Rural Business Enterprise Grant – Recovery Act)</i>
Oregon Cheese Guild	\$74,700 <i>(Value Added Producer Grant)</i>



USDA Rural Development

**Oregon Rural Development Council
(ORDC)**

A broad-based, neutral and inclusive
collaboration among local, state, Federal,
nonprofit and private entities connecting rural
Oregon to resources and technical assistance



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USDA RURAL DEVELOPMENT OREGON INVESTMENTS FY 2009-2012

Program	— FY 2009 —		— FY 2010 —		— FY 2011 —		— FY 2012 —	
	# funded	\$ obligated	# funded	\$ obligated	# funded	\$ obligated	# funded	\$ obligated
HOUSING		\$410,629,768		\$497,982,829		\$396,680,763		\$447,043,678
Single Family Housing (SFH)		\$383,720,188		\$466,312,265		\$370,675,344		\$423,321,307
SFH 502 Guaranteed Loans	2,133	\$349,173,225	2,678	\$424,333,972	2,314	\$354,135,760	2,688	\$411,504,141
SFH 502 Direct Loans	263	\$33,183,902	264	\$41,355,136	99	\$15,038,763	83	\$11,065,989
SFH 504 Repair Loans	26	\$192,863	20	\$131,429	39	\$222,992	14	\$80,989
SFH 504 Repair Grants	70	\$402,402	39	\$224,288	73	\$455,623	36	\$183,994
Self-Help 523 Technical Assist. Grants	1	\$597,136	--	\$137,490	1	\$655,050	1	\$416,500
533 Housing Preservation Grants	3	\$170,660	39	\$129,950	3	\$167,156	2	\$69,694
Multi-Family Housing (MFH)		\$17,909,580		\$31,670,564		\$26,005,419		\$23,722,371
Rental Housing 538 Guaranteed Loans	--	--	--	--	--	--	--	--
Rental Housing 515 New Construction Loans	--	--	1	\$1,000,000	--	--	--	--
Rental Housing 515 Subsequent Loans	1	\$1,322,580	1	\$938,626	1	\$2,125,000	--	--
Rental Housing 515 Deferral Loans	1	\$305,140	6	\$3,312,432	1	\$462,934	--	--
Rental Housing 515 Prepayment Equity Loan	--	--	1	\$354,607	3	\$1,169,372	3	\$1,625,250
Rural Rental Housing 515 Assumptions	1	\$498,532	9	\$4,563,655	2	\$1,047,998	9	\$6,970,657
Farm Labor Housing 514 Loans	--	--	2	\$2,986,723	2	\$1,962,934	--	--
Farm Labor Housing 516 Grants	--	--	2	\$2,278,055	3	\$1,765,349	1	\$634,377
Section 521 Rental Assistance	3,788	\$15,233,328	4,181	\$16,127,200	4,170	\$17,401,944	3,457	\$14,436,432
Voucher Program	28	\$550,000	29	\$109,266	19	\$69,888	16	\$55,655
COMMUNITY & UTILITY		\$98,715,187		\$88,214,054		\$58,682,385		\$11,908,164
Water & Waste Disposal Guaranteed Loans	--	--	--	--	--	--	--	--
Water & Waste Disposal Direct Loans	5	\$26,209,380	7	\$32,955,000	3	\$8,018,242	2	\$2,797,300
Water & Waste Disposal Grants	5	\$19,066,607	9	\$10,630,090	3	\$2,024,140	1	\$2,004,320
Household Water Well System Grants	--	--	--	--	--	\$300,000	--	--
306C Water & Waste Disposal Grants	2	\$754,626	--	--	--	--	--	--
Emergency Community Water Assist. Grants	1	\$122,968	--	--	--	--	--	--
Predevelopment Planning Grants	2	\$30,000	2	\$24,640	--	--	--	--
Community Facility (CF) Guaranteed Loans	2	\$12,389,000	--	--	--	--	--	--
CF Direct Loans	4	\$9,085,000	1	\$1,726,600	3	\$2,898,334	1	\$3,639,250
CF Direct Grants	3	\$127,690	4	\$205,000	5	\$151,800	1	\$56,900
CF Economic Impact Initiative Grants	--	--	4	\$159,000	3	\$101,500	--	--
Electric Loans & Grants	2	\$23,490,000	1	\$10,000,000	2	\$21,244,000	--	--
Telecommunication Loans & Grants	7	\$7,439,916	14	\$32,513,724	7	\$23,944,369	3	\$3,410,394
BUSINESS & COOPERATIVE		\$42,455,421		\$70,030,443		\$58,720,237		\$243,347,358
B&I Guaranteed Loans	20	\$35,327,116	30	\$63,059,617	24	\$43,845,108	7	\$9,206,184
Intermediary Relending Program (IRP) Loans	2	\$1,050,000	--	--	3	\$677,000	1	\$400,000
Rural Business Enterprise Grants (RBEG)	37	\$1,866,669	50	\$1,417,893	32	\$867,392	15	\$347,000
Rural Economic Development (RED) Loans	--	--	2	\$1,100,000	--	--	1	\$184,000
RED Grants	--	--	--	--	1	\$300,000	1	\$300,000
Rural Microentrepreneur Assist. Program (RMAP) Loans	--	--	2	\$500,000	--	--	--	--
RMAP Lender Grants	--	--	2	\$125,000	--	--	--	--
Rural Business Opportunity Grants (RBOG)	2	\$210,000	2	\$299,340	2	\$108,300	--	--
Value-Added Producer Grants (VAPG)	--	--	10*	\$1,664,688*	--	--	24*	\$1,534,580*
<small>* Allocated funds from 2009, 2010, and 2011 were announced/ obligated in later years. FY 2012 funding has not yet been awarded, as of publication.</small>		<small>(announced in 2010*)</small>				<small>(announced in 2012*)</small>		<small>(2010 & 2011 funding)</small>
Rural Energy for America (REAP) Grants	53	\$1,662,711	46	\$1,621,523	39	\$1,499,561	23	\$343,611
REAP Guaranteed Loans	1	\$2,227,140	1	\$81,093	3	\$10,850,000	--	--
9005 Advanced Biofuel Producer Payments	4	\$111,785	7	\$1,825,977	8	\$572,876	7	\$66,563
9003 Biorefinery Guaranteed Loan Program	--	--	--	--	--	--	1	\$232,500,000
		OREGON FY 2009		OREGON FY 2010		OREGON FY 2011		OREGON FY 2012
TOTAL INVESTMENTS		\$542,800,376		\$656,227,326		\$514,083,385		\$702,299,200

To learn more about USDA Rural Development programs and activities in Oregon, please visit http://www.rurdev.usda.gov/OR_Home.html.

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USDA RURAL DEVELOPMENT – OREGON BUSINESS & COOPERATIVE PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
B&I Guarantee Business & Industry Guaranteed Loan	Provide an incentive for business lending that will save and create jobs (typically for larger businesses)	USDA guarantees business loans made by commercial lenders	Banks, credit unions and other commercial lenders who make loans to rural businesses	Unincorporated areas and cities with populations of <50,000; not in the urbanized edge of larger cities	Real estate, equipment, working capital and refinancing for nonfarm businesses	80% guarantees for loans of \$200,000 to \$5 million; 70% on loans ≤ \$10 million	Negotiated by business and lender; fixed or variable rates, usu. near prime; no balloons	Lender-driven; have a bank willing to make the loan; USDA only guarantees it; business with strong equity and collateral	Year-round
IRP Intermediary Relending Program	Capitalize locally-run revolving loan programs for small businesses unable to qualify for bank financing	USDA loans money to a local revolving loan fund for relending to nonfarm businesses	Nonprofit groups, tribes and public bodies who will make loans to rural businesses	Unincorporated areas and cities with populations of ≤25,000	To set up a loan program that makes business loans for nonfarm, rural businesses	\$200,000 to \$750,000 loans to relenders to make loans up to \$150,000 to businesses	1%, 30 years to relender to make loans at near-prime to rural businesses	Limited funding; these loans tend to go only to loan funds that will serve the neediest areas	Year-round with a quarterly national competition
RBEG Rural Business Enterprise Grant	Support economic development projects that will assist specific small and emerging private businesses	USDA makes grants to local economic development groups to assist private business development	Nonprofit economic development groups, tribes, and public bodies (cities/counties)	Unincorporated areas and cities with populations of <50,000; not in the urbanized edge of larger cities	To do a feasibility study, provide technical assistance to businesses, provide job training, set up a revolving loan fund, or develop infrastructure	In fiscal year 2012, grants between \$20,000 and \$30,000 will be emphasized	Grant	Limited funding; grants tend to go only to the neediest areas; cannot be used for regional planning or business attraction	Once-a-year competition at state level
RBOG Rural Business Opportunity Grant	Support economic development planning	USDA makes grants to support general economic growth and planning	Nonprofit economic development groups, tribes, and public bodies	Same as above	Regional planning, area economic strategy development, technical assistance for businesses and local leadership development	<\$50,000	Grant	Limited funding; grants tend to go only to projects helping the neediest areas	Once-a-year competition at national level
VAPG Value-Added Producer Grant	Support producers in ventures that will increase the return on their agricultural commodities	USDA provides matching grants for value-added ventures	Farmers, ranchers, foresters, fishers, co-ops, producer groups, joint ventures	No rural area requirement	Grants for planning or working capital to operate value-added ventures; minimum 1:1 match required	≤\$100,000 (planning); ≤\$300,000 (working capital)	Grant	Application requirements are complex; consult with USDA well in advance of the deadline	Same as above
SSDPG Small Socially Disadvantaged Producer Grant	Foster the business success of co-ops of small-scale, minority agricultural producers	USDA makes grants for technical assistance projects	Co-ops with ≥75% small-scale, women- or minority-owned operations	Unincorporated areas and cities with populations of <50,000; not in the urbanized edge of larger cities	Feasibility or market studies, product improvement, training or legal advice	≤\$175,000	Grant	Preference for experience and projects that help the most farmers and smaller, poorer communities	Same as above
RCDG Rural Cooperative Development Grant	Support centers to assist cooperatives	USDA makes grants to centers for rural cooperative development	Universities and nonprofit economic development groups	Same as above	To operate centers that assist rural cooperatives	\$250,000 to ≤\$300,000	Grant	Limited funding; grants tend to go to projects helping the neediest areas	Same as above
RED Loan Rural Economic Development Loan	Promote community or business development projects to improve the local economy	USDA loans certain utilities money to relend for local community or business projects	Electric and telephone utilities financed by USDA's Rural Utilities Service	Same as above	The RED Loan is re-loaned by the co-op to a nonfarm business for real estate and equipment	\$1 million loan maximum	Loan is 0%, 10 years; re-loaned at 0%, 10 years	Requires a community-oriented utility co-op willing to borrow and relend on the project's behalf	Year-round with a quarterly national competition
RED Grant Rural Economic Development Grant	Promote specific community development projects to improve the rural economy	USDA makes grants to certain utilities to capitalize a revolving loan fund for community projects	Electric and telephone utilities financed by USDA's Rural Utilities Service	Same as above	To set up a revolving loan fund; at first, loans must be for community, education or health care projects	\$300,000 grant maximum	Grant	Requires a community-oriented utility co-op willing to oversee a loan fund; requires 20% match	Year-round with a quarterly national competition

BUSINESS & COOPERATIVE PROGRAMS (CONTINUED)

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
REAP Grants for Renewables and Energy Efficiency Rural Energy for America Program	Finance renewable energy generation systems or energy efficiency improvements	USDA makes grants to small, rural businesses and farmers	Rural small businesses (using SBA definition) and agricultural producers	Unincorporated areas and cities with populations of <50,000; not in the urbanized edge of larger cities	Renewable energy systems (wind, solar, biomass, biofuel, digesters, geothermal and micro-hydro) or energy efficiency installations	< \$20,000 for renewable or efficiency (25% of project cost or less)	Grant	Application requirements are complex, so consult with USDA well in advance of the deadline; grants ≤ \$20,000 are strongly favored	Applications invited annually in the spring; award via national competition
REAP Loan Guarantees Rural Energy for America Program	Provide an incentive for business lending for renewable energy or efficiency improvements	USDA guarantees business loans made by banks to small businesses and agricultural producers	Banks and other commercial lenders who make loans to rural businesses	Same as above	The guaranteed loans may be used for the purchase and installation of renewable energy systems or efficiency improvements	60% to 85% loan guarantees on \$5,000 to \$25 million loans	Negotiated by business and lender; fixed or variable rates, usu. near prime (no balloons)	The program is lender-driven; must have a bank loan that USDA guarantees; may be combined with a REAP grant	Year-round
REAP Grants Feasibility Studies Rural Energy for America Program	Pay part of the cost of a feasibility study for a renewable energy project	USDA makes grants to small rural businesses and farmers	Rural small businesses (using SBA definition) and agricultural producers	Same as above	Grants to help cover the cost of obtaining a feasibility study from an independent consultant	≤ \$50,000	Grant	Competitive national awards	Once-a-year competition at national level
REAP Grants Energy Audit or Renewable Energy Assistance Rural Energy for America Program	Offset the cost of providing energy project technical assistance to farmers and small, rural businesses	USDA makes grants to programs providing rural businesses with energy audits or other energy technical help	State or local governments, tribes, colleges, or electric coops and publicly owned utilities	Same as above	To defray part of the cost of conducting detailed energy studies for rural businesses (the business is expected to pay 25% of cost)	≤\$100,000	Grant	Very competitive; experienced multi-county or statewide programs favored; cost per audit of ≤\$2,000	Once-a-year competition at national level
\$9005 Advanced Biofuel Payment	Provide an incentive payment to producers of advanced biofuels	USDA makes a payment based on the production level of the producer	Rural producers of non-cornstarch ethanol or biodiesel	Producers in unincorporated areas and cities with populations of <50,000; not in the urbanized edge of larger cities	Incentive payment may be used by the producer as desired	Funds are shared among all enrolled producers per BTU	Incentive payment	Enroll in the program during the annual sign-up period	Once-a-year sign-up at the State Office

More information on all of these programs is available online at http://www.rurdev.usda.gov/OR_Home.html. Or, contact a specialist directly:

All Programs	<i>Statewide</i>		Lisa Siesennop	Program Director	503-414-3367	Lisa.Siesennop@or.usda.gov
All Programs	<i>Statewide</i>		John Holman	Program Technician	503-414-3369	John.Holman@or.usda.gov
Energy Programs	<i>Statewide</i>		Don Hollis	Energy Coordinator	541-278-8049 x129	Don.Hollis@or.usda.gov
IRP, Revolving Loans	<i>Statewide</i>		Paul Cormier	Program Specialist	503-414-3365	Paul.Cormier@or.usda.gov
VAPG, Coops, RCDG	<i>Statewide</i>		Martin Zone	Program Specialist	503-414-3361	Martin.Zone@or.usda.gov
Redmond Area	<i>B&I Statewide, all business programs in Crook, Deschutes, Harney, Hood River, Jefferson, Klamath, Lake, Sherman & Wasco</i>		Curt Dixon	Area Specialist	541-923-4358 x125	Curt.Dixon@or.usda.gov
Roseburg Area	<i>Coos, Curry, Douglas, Jackson & Josephine Counties</i>		Deanna Quimby	Area Specialist	541-673-0136 x120	Deanna.Quimby@or.usda.gov
Tangent Area	<i>Benton, Clackamas, Clatsop, Columbia, Lane, Linn, Lincoln, Marion, Multnomah, Polk, Tillamook, Washington & Yamhill Counties</i>		Tom Simonson	Area Specialist	541-967-5925 x 142	Tom.Simonson@or.usda.gov
Pendleton Area	<i>Baker, Gilliam, Grant, Malheur, Morrow, Umatilla, Union, Wallowa and Wheeler</i>		LaDonn McElligott	Area Specialist	541-963-4178 x103	LaDonn.McElligott@or.usda.gov

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USDA RURAL DEVELOPMENT – OREGON COMMUNITY FACILITY PROGRAMS

USDA Program Administered in OREGON	Purpose <i>What is the program's goal?</i>	Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
Community Facility Direct Loans	To assist in the development of essential community facility projects in rural areas	USDA makes a direct loan to an eligible applicant	Public bodies (e.g., cities, towns, districts, authorities, the State), nonprofits, federally-recognized Native American tribes	Cities, towns and rural areas with populations of < 20,000	Fire, rescue, public safety, health services, and other facilities deemed necessary for the beneficial and orderly development of a rural community	No limit, but loans are usually less than \$5 million	Long-term fixed rate at or below market rate for public bodies; sliding scale for low-income communities	Priority is given to critical access hospitals and other health services, public safety, child care and day care; may be combined w/ a loan guarantee	Year-round
Community Facility Loan Guarantees	To assist in the development of essential community facility projects in rural areas	USDA guarantees up to 90% of the loan made by a rural lender for essential community facilities; a 1% loan guarantee fee applies; the community works through a lender to apply	Banks and other lenders who make loans to rural communities and nonprofit or faith based organizations	Cities, towns and rural areas with populations of < 20,000	Critical access hospitals and other health services, fire and rescue, public safety, recreational facilities, and other essential community facilities benefiting rural residents	No limit, but loans are usually less than \$5 million	Negotiated by applicant and lender; fixed or variable rates; up to 40 years (no balloon) to repay	Locate a bank willing to make the loan (USDA guarantees the bank loan); may be combined with a direct loan	Year-round
Community Facility Grants	To assist in the development of essential community facility projects in rural areas	USDA makes a grant to a low-income community on a sliding scale for up to 75% of the project's cost	Public bodies (e.g., cities, towns, districts, authorities, the State), nonprofits or federally recognized tribes	Cities, towns and rural areas with populations of < 20,000	Fire, rescue, public safety, health services, and other facilities necessary for beneficial and orderly development of a rural community	Usually under \$50,000	Grant	Priority is given to fire, rescue, public safety, health services, renewable energy projects, and very low-income rural areas	Year-round
Economic Impact Initiative Grants (EII)	To assist in the development of essential community facility projects in rural areas	USDA makes a grant for up to 75% of the project's cost	Public bodies (e.g., cities, towns, districts, authorities, the State), nonprofits or federally recognized tribes	Cities, towns and rural areas < 20,000 population; "not employed" rates > 19.5%	Fire, rescue, public safety, health services, and other facilities necessary for beneficial and orderly development of a rural community	Usually under \$50,000	Grant	Priority is given to fire, rescue, public safety, health services, and renewable energy; also for very low-income, very rural areas	Year-round
Rural Community Development Initiative (RCDI)	To develop the capacity of rural communities to conduct housing, community facility, or community economic development projects	USDA makes a grant to an intermediary for up to 50% of the project's cost; the intermediary provides financial and technical assistance to recipients	Private nonprofits, including faith-based or community organizations, and public intermediaries, including federally recognized tribes	Cities, towns and rural areas with populations of < 50,000	Grants/matching funds are used to provide new or expand existing programs to undertake housing, community facilities, or community and economic development projects	\$50,000 to ≤\$300,000	Grant	Funding is limited; highest priority projects are areas with populations of < 10,000 and median household incomes of < \$30,000	Once a year; announced in the Federal Register and on grants.gov

More information on all of these programs is available online at http://www.rurdev.usda.gov/OR_Home.html. Or, contact a local specialist directly:

Roseburg Area	Deanna Quimby	Area Specialist	541-673-0136 x 120	Deanna.Quimby@or.usda.gov
Tangent Area	Drew Davis	Program Specialist	503-414-3336	Drew.Davis@or.usda.gov
Redmond Area	Pam Swires	Area Specialist	541-923-4358 x137	Pam.Swires@or.usda.gov
Pendleton Area	LaDonn McElligott	Area Specialist	541-963-4178 x 103	LaDonn.McElligott@or.usda.gov
Portland State Office	Sam Goldstein	Program Director	503-414-3300 x3	Sam.Goldstein@or.usda.gov
	Rachel Reister	Program Specialist	503-414-3330	Rachel.Reister@or.usda.gov



WATER & ENVIRONMENTAL PROGRAMS

USDA Program Administered in OREGON	Purpose <i>What is the program's goal?</i>	Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
WWD Direct Loans Water and Waste Disposal	To develop or improve water and waste disposal projects	USDA makes direct loans for projects modest in size, design and cost	Public bodies, e.g., municipalities, counties, districts or authorities; nonprofits, federally recognized Native American tribes	Incorporated and unincorporated areas with service area populations of <10,000	Water, sewer, solid waste or storm wastewater disposal facilities; professional service fees; interest during construction; initial operating costs	\$250,000 to \$5 million	Terms up to 40 years; interest rates at or below market on a sliding scale for low-income communities	Comply with NEPA; submit complete preliminary engineering and environmental reports	Year-round
WWD Loan Guarantees Water and Waste Disposal	To develop or improve water and waste disposal projects	USDA guarantees a bank loan; work through a lender to apply	Same as above	Same as above	Same as above	\$250,000 to \$5 million	Rate negotiated with a private lender; terms to 40 years; no balloon	Same as above	Year-round
WWD Grants Water and Waste Disposal	To finance water and waste projects in financially needy communities in rural areas	Grant to reduce end-user costs for services of comparable systems	Same as above	Incorporated and unincorporated areas with service area populations of <10,000; MHI ≤ \$41,230 (based on the 2000 Census)	Water, sewer, solid waste or storm wastewater disposal facilities; professional service fees	\$50,000 to \$2 million; used in combination with the direct loan	Grant	Same as above	Year-round
ECWAG Emergency Community Water Assistance Grants	To assist rural areas that have a significant decline in water quality or quantity	Grant of up to 100% of project cost	Same as above	Incorporated and unincorporated areas with service area populations of <10,000	Water system improvements to alleviate unanticipated source or distribution problems and restore safe drinking water	\$150,000 for distribution; \$500,000 for source	Grant	Priority is given to rural areas < 5,000 and very low-income communities; submit preliminary engineering and environmental reports	Year-round
Section 306 C WW Grant Native American Water and Waste Disposal Grant	To finance water and waste disposal facilities in low-income rural communities with high unemployment and health risks	Grant of up to 100% of project cost	Federally recognized Native American tribes and service areas	Rural area with population of < 10,000; per capita income of < 70% of national average; ≥ 125% of national unemployment rate	Construct, enlarge, or otherwise improve community water or sewer disposal systems in which the design has a residential component	\$1 million maximum	Grant	Priority is given to rural areas < 5,500 and very low-income communities; submit preliminary engineering and environmental reports	Year-round
PP Grant Predevelopment Planning Grant	To assist in developing applications for RD financial assistance	Planning grant of up to 75% of project cost	Public bodies, nonprofits, federally recognized Native American tribes	Small communities with MHI < 80% of statewide non-rural average	Costs associated with developing complete applications for RD loans/grants	\$15,000 to \$25,000 maximum	Grant; requires > 50% non-federal financing	Priority is given to rural areas with populations of < 1,000	Year-round
WW SEARCH Grant Water and Waste	To assist in developing applications for RD financial assistance	Grant of up to 100% of project cost	Same as above	Rural area with population of < 2,500	Costs associated with developing complete applications for RD loans/grants	\$30,000	Grant	Priority is given to financially distressed areas	Year-round

Related programs (Administered by USDA Rural Development/Rural Utilities Service in Washington, D.C.) - http://www.rurdev.usda.gov/UWEP_HomePage.html

- Individual Household Water Well Program:** Grants to private nonprofits to establish lending programs that provide low-cost loans to individuals living in eligible rural areas for the construction of water wells
- Solid Waste Management Grant:** For nonprofit organizations to provide technical assistance to help communities protect water resources from contamination associated with landfills serving rural areas
- Water and Waste Revolving Fund Program:** For nonprofit organizations to establish lending programs to help eligible entities finance pre-development costs of water and wastewater projects or short-term small capital improvement projects that are not part of the regular operations and maintenance of the current water and wastewater system
- Water and Waste Technical Assistance and Training Grant:** For nonprofit organizations to provide technical assistance and/or training to associations on a wide range of issues relating to delivery of water and waste disposal services
- Circuit Rider-Technical Assistance for Rural Water Systems:** To provide technical assistance for the operation of rural water systems (terms established in service contract issued through RD Procurement)



USDA RURAL DEVELOPMENT – OREGON SINGLE FAMILY HOUSING PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
Single Family Home Ownership Direct Loans Section 502	Help rural residents purchase safe, well-built, affordable homes	Direct loan from USDA; payment assistance available; insurance and real estate taxes included with the monthly payments	Both families and individuals can apply at their Rural Development Area Office	Rural areas with populations of 25,000 or less	Buy, build, improve, repair or rehabilitate a rural home as the applicant's permanent residence	Up to 100% of market value or cost, whichever is less; loan amortized for 33/38 years; applicant may be eligible for payment assistance (subsidy) on the loan	Loans written at current RD rate for 33 or 38 years; eligible applicants can qualify for payment assistance to reduce interest rate and monthly payment	Applicant(s) should attend a Home Buyer Education Class before looking for a home	Year-round
Single Family Home Ownership Guaranteed Loans Section 502	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders	Loan from conventional lender with a guarantee by USDA	Families or individuals can apply with a lender	Same as above	Purchase a new or existing home or refinance an existing 502 Direct loan	Area market value, no ceiling on loan amount	30-year fixed rate; interest rate negotiated between lender and borrower; can finance 102% market value to cover closing costs, necessary repairs and 2% guarantee fee	Lender-driven; have a bank willing to make the loan; USDA only guarantees the loan	Year-round
Single Family Home Ownership Direct Repair Grants Section 504	Help very-low-income homeowners remove health and safety hazards	Grant	Applicants must be 62 or older and can apply at their Rural Development Area Office	Same as above	Repair or replace a failing roof; heating system; structure; or water and sewage disposal, including connect fees and similar uses	Lifetime grant limit of \$7,500	Only available to very-low income applicants 62 years or older who cannot afford to repay a loan	Write a good repair list, have contractors bid on that same repair list	Year-round
Mutual Self-Help Housing Technical Assistance Grants Section 523	Assist lower income families in building their own homes	Technical assistance grant for an entity to oversee a self help construction project	Nonprofits and public bodies can apply to the National Rural Development Office	Same as above	Identify and supervise small groups of families to build each other's homes	Grant agreement	Grant	Grantees must work hand in hand with the Area Office to qualify and supervise applicants	Quarterly

More information on all of these programs is available online at http://www.rurdev.usda.gov/OR_Home.html. Or, contact a local specialist directly:

Roseburg Area	Jennifer Bacigalupo	Area Specialist	541-673-0136 x102	Jennifer.Bacigalupo@or.usda.gov
Tangent Area	Corey Johnson	Area Specialist	541-967-5925 x 133	Corey.Johnson@or.usda.gov
	Sheila Raber	Area Specialist	541-967-5925 x 132	Sheila.Raber @or.usda.gov
	Faith Harris	Area Specialist	503-414-3337	Faith.Harris@or.usda.gov
Redmond Area	Todd Woolery	Area Specialist	541-923-4358 x134	Todd.Woolery@or.usda.gov
Pendleton Area	Patty Good	Area Specialist	541-963-4178 x102	Patty.Good@or.usda.gov
Portland State Office	General Assistance		866-923-5626 x 1	
	Rod Hansen	Program Director	503-414-3353	Rod.Hansen@or.usda.gov
	Kate Bateman	SFH Specialist	503.414.3393	Kate.Bateman@or.usda.gov

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MULTI-FAMILY HOUSING PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
Rural Rental Housing Direct Loans Section 515	Provide safe, well-built, affordable rental housing for very low- and low-income individuals and families	Beneficiaries are the very low-, low-, and moderate-income tenants who reside in a rental facility owned and operated by Rural Development borrowers	Individuals, nonprofits, public bodies, corporations, trust partnerships, LPs, and LLCs may apply	Rural area with population of 25,000 or less	New construction or rehabilitation of rural rental housing	Up to 100% of the total development cost (nonprofits); 97% (for-profits); 30-year term w/ up to 50-year amortization; loans to for-profit groups with Low-Income Housing Tax Credits cannot exceed 95% of total development cost	Loan made at note rate; Interest Credit Agreement reduces this to an effective rate of 1% for the life of the loan; 30-year term; amortization is 50 years or the remaining economic life of the security, whichever is less	Application requirements can be complex, so consult with USDA well in advance of the application deadline	Annual competition at the state level for new construction; National competition for preservation
Rural Rental Housing Guaranteed Loans Section 538	Develop, acquire, and/or rehabilitate affordable rural rental housing; revitalize-repair-transfer of existing direct section 515 facilities	USDA guarantees multi-family loans made by banks	Individuals, partnerships, LLCs, trusts, state and local agencies and federally recognized Native American tribes may apply	Same as above	New construction or substantial rehabilitation of rural rental housing	Up to 90% loan-to-value (for-profit entities); up to 97% loan-to-value (nonprofits); repayment terms are 25 to 40 year amortization	Negotiated by applicant and lender; fixed rates, typically near prime	Lender-driven; a bank must be willing to make the loan; applicants must demonstrate market and financial feasibility	After NOFA publication until all funds are expended
Housing Preservation Grants Section 533	Repair and rehabilitate housing owned or occupied by very low- and low-income rural families	Grant to non-profits to repair, rehab or replace owner-occupied homes and/or repair/rehab rental units	Public bodies and nonprofit organizations may apply to the Rural Development State Office	Same as above	Operation of a program to finance the repair and rehab of single family or rental properties	Grant agreement	Grant	Applicants should be familiar with the criteria, ranking and scoring information in the NOFA	After NOFA publication
Farm Labor Housing Loans & Grants Sections 514 & 516	Provide capital financing for the development of housing for domestic farm laborers	USDA loan for the development of farm labor housing	Individuals; public, private nonprofit organizations; broad-based nonprofit organization limited partnership with nonprofit general partner (not eligible for grants); nonprofit organization of farm workers; or federally recognized Native American tribes may apply	No population restriction	New construction or substantial rehabilitation of rental housing	Combined loan/grant funding of up to 102% of total development cost; maximum grant portion is 90% of total development cost	514 Loan 1% for 33 years 516 Grant As long as there is a need for the housing; subject to restrictive use provisions	Application requirements can be complex, so consult with USDA well in advance of application deadline	Annual competition at the national level

More information on all of these programs is available online at http://www.rurdev.usda.gov/OR_Home.html. Or, contact a local specialist directly:

Roseburg Area	Jay DeLapp	Area Specialist	541-776-4267 x113	Jay.DeLapp@or.usda.gov
	Raquel O'Connor	Area Specialist	541-673-0136 x 112	Raquel.Oconnor@or.usda.gov
Tangent Area	Ester Salinas	Area Specialist	541- 967-5925 x 144	Ester.Salinas@or.usda.gov
Redmond Area	Preston Hiatt	Area Specialist	541-923-4358 x124	Preston.Hiatt@or.usda.gov
Pendleton Area	Tina Campbell	Area Specialist	541-278-8049 x125	Tina.Campbell@or.usda.gov
Portland State Office	Rod Hansen	Program Director	503-414-3353	Rod.Hansen@or.usda.gov
	Diana Chappell	MFH Specialist	503-414-3351	Diana.Chappell@or.usda.gov
	Sherryl Gleason	MFH Specialist	503-414-3352	Sherryl.Gleason@or.usda.gov
	Ramona Mitchell	MFH Specialist	503-414-3310	Ramona.Mitchell@or.usda.gov
	Janet Darling	MFH Specialist	503-414-3328	Janet.Darling@or.usda.gov



United States Department of Agriculture

Rural Communities and Economic Development Committee Testimony

Vicki L. Walker, State Director

United States Department of Agriculture (USDA), Rural Development

Hearing Room C, Oregon State Capitol

May 9, 2013

Good afternoon, Chair Roblan and Committee members. Thank you for inviting me here today to testify about the programs and accomplishments of the United States Department of Agriculture (USDA) through its Rural Development agencies in Oregon.

When I served in the State Legislature, I was not fully aware of the tremendous resources the federal government delivered to rural Oregon through USDA. It is my intention today to make sure this committee, other members of the legislature and those listening today are informed about the full range of opportunities our programs offer. More importantly, I would like to work with you to find new ways our many state and private partners can leverage our funding to enhance economic opportunity in rural communities.

What you see on the screen is a photo of Maupin, Oregon, in beautiful southern Wasco County. A couple of years ago, the only grocery store in town—the only grocery store for 40 miles—was slated to close. When a willing buyer stepped up to purchase the Maupin Market, USDA partnered with the Mid-Columbia Economic Development District, the Small Business Administration, and a local lender to help with the financing. Through our Intermediary Relending Program, USDA provided seed capital to the Economic Development District to operate a revolving loan fund that, in turn, provided a low-interest loan to help with the purchase and renovation of this essential small business. It is just one small grocery store in a remote rural area, but it is a great example of how a little strategic assistance and leveraged funding can help a rural community continue to meet the needs of residents and visitors and remain viable into the future.

As those of you on this committee understand, we need vibrant rural communities in order to develop and sustain the resources, conditions, and quality of life that allow for the success of many sectors, such as green industry, technology, manufacturing, local and exported food, and recreation. It's also important to recognize that the proximity of well-tended rural landscapes have attracted a talented, skilled and creative workforce to the state overall. Simply put, what goes on in the countryside creates opportunity within Oregon's urban communities.

Too often, we hear about there being "two Oregons:" downtown versus down on the farm; hubs of activity compared to the laid-back boondocks; or worse, the concept that urban centers of commerce are somehow compensating for their country cousins. I completely reject such notions. Not only does rural Oregon embody the core values that make Oregon a fantastic place to live, but it is also critical to

recognize how our metropolitan populations rely on their rural partners. In many ways, rural and urban Oregon are mutually dependent, and our economic fates, no matter where we live and work, intertwine. In fact, scholars at Oregon State University have done significant work to document the many nuanced facets of this interdependence, as described in the really terrific book *Toward One Oregon*, published by OSU Press in 2011.

USDA also understands that a strong overall economy requires a healthy rural economy. Under the leadership of President Obama and Agriculture Secretary Tom Vilsack, USDA is committed to across-the-board efforts to create an environment of rural success and prosperity through a suite of federal programs and assistance.

USDA Rural Development Programs and Assistance

As you know, President Obama appointed me to serve as the State Director for USDA Rural Development in 2009. In this capacity, I oversee the Oregon operations of three USDA agencies:

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

Together, these three agencies comprise USDA's Rural Development mission area, which is dedicated to improving the quality of life and economy in rural America. In all, USDA Rural Development administers more than 40 programs that are very different from the farm, food safety and forestry programs that most people think of when referencing USDA. Unlike the other USDA agencies, Rural Development's role is to support economic development, housing, and infrastructure build-out.

Our loans, loan guarantees and grant programs support essential public facilities and services, such as water and sewer systems, health clinics, emergency service facilities, and electric and broadband service. We provide low-interest loans and grants for home ownership and home repairs. We promote economic development by supporting loans to businesses through banks, credit unions and community-managed lending pools. We offer technical assistance to help agricultural producers, cooperatives, and rural small businesses get started, improve the effectiveness of their operations, and access new markets. I will not attempt to describe each of our many programs here. Instead, I will focus on a few examples of our work. More detailed information is provided in your handouts and on our website. Also, my staff and I are always available to help you navigate our different program options.

Since President Obama took office, USDA Rural Development has invested over \$2.4 billion in rural Oregon (fiscal years 2009–2012). Some highlights include:

- Home Ownership Loans: \$1.6 billion (10,500 loans)
- Water and Environmental Programs: \$105 million
- Community Facility Assistance: \$30.5 million
- Telecommunications Programs: \$67.3 million
- Electric Programs: \$54.7 million
- Rural Business and Cooperative Programs: \$414.5 million

Housing Programs

As I mentioned, USDA Rural Development has made or guaranteed more than 10,500 home loans totaling \$1.6 billion over the past four years in Oregon alone. While most of these loans were for the purchase of existing homes, some were made through local self-help programs, like the one administered by Community Home Builders (formerly known as Yamhill CDC). Since 2008, USDA's Mutual Self-Help Program has provided Community Home Builders \$1.8 million in technical assistance funds to develop home sites and supervise construction of 62 homes built with labor by the families in the program. By contributing their own sweat equity, these homeowners reduced their mortgages by as much as 65 percent. The remaining balance was then covered under a USDA Rural Development home loan.

On top of that, we offer repair assistance to help homeowners, including fixed-income seniors, make critical repairs so they can safely remain in their homes. For example, the Housing Preservation Grant program is helping the Confederated Tribes of Siletz in your district, Mr. Chair, repair siding and roofing on aging homes owned by low-income tribal members.

In addition to our single family housing assistance, there are more than 200 USDA-financed multi-family rental complexes offering affordable housing to seniors, disabled residents, families and farm workers statewide. Nearly 5,000 Oregon households living in these apartments receive USDA rental assistance to keep their housing costs at or below 30 percent of their take-home pay. Last year, our rental assistance amounted to \$14.5 million in the state. Senators Prozanski, Close and Baertschiger, I recently visited USDA multi-family facilities in Veneta, Cottage Grove, , Brownville, Harrisburg, Junction City and as far south as Grants Pass though we have facilities all over the state. It is my goal to ensure we provide safe, secure and affordable housing for Oregon's rural residents.

Community Facilities

Next, let's look at USDA's recent work in Lakeview as an example of our Community Facilities Program and how we plan ahead when developing these projects. Nearly \$20 million in USDA financing allowed Lake District Hospital to expand its facilities and services as the only critical access hospital serving 45,000 rural residents in Southern Oregon. With the renovations, the hospital added modern emergency, imaging, pharmacy, surgery, laboratory and cardio pulmonary departments. In fact, the hospital's chief of staff has told me that that these improvements help with the recruitment of talented young doctors, which is often difficult in remote rural areas. He also told me they have seen an increase in the birth rate, so we are truly helping these communities grow and prosper. In addition to helping attract new talent to the region, our USDA investment leveraged additional financial investments, including the passage of a bond measure, the backing of what was then known as South Valley Bank, and a \$2.9 million loan from the State of Oregon.

While planning the project, we worked closely with the community to make the hospital upgrades compatible with a future geothermal heating installation and included geothermal connections at the hospital. Today, we are working with the City of Lakeview to develop the geothermal resource to heat not only the hospital but also five local schools. For this phase of the project, USDA's \$3.36 million investment leveraged \$1 million in Oregon Department of Energy Recovery Act funding to prepare the

schools to hook into the same geothermal system. This has been a fantastic project in Senator Whitsett's district.

Broadband Infrastructure

USDA is also doing a great deal of work to bring broadband infrastructure to rural areas. As the Rural Communities and Economic Development Committee, you also have a deep understanding of how important broadband access is to rural businesses trying to compete in a global economy, to patients and caregivers seeking for medical expertise from urban areas, and to rural residents who want to access college courses and worker training.

I am particularly proud of the work we have done with the Confederated Tribes of Warm Springs in Senator Ferrioli's district. We began work on the project in 2007 by first providing a planning grant and, later, funding for a feasibility study. Because of this early work, the Confederated Tribes were ready when additional broadband funding became available through the Recovery Act. USDA provided \$5.4 million in loans and grants for a state-of-the-art fiber and fixed wireless network that will eventually offer everyone on the 644,000-acre reservation with telephone and broadband services. Until now, about one-third of those living on the reservation have not had access to basic phone or Internet service. In a region with extremely high unemployment levels, this development is significant.

It is important to note that through this effort, the Confederated Tribes of Warm Springs formed a tribally owned telecommunications company. Warm Springs Telecom is now the ninth tribal telecom in the United States. Not only does this project create jobs on the reservation with the telecom company, but it also creates opportunities for tribal members and businesses to use the network to expand their for-profit ventures and for the tribal government to do further economic development.

Water and Wastewater Systems

While we are talking about infrastructure, I want to mention USDA's significant role in upgrading rural water and wastewater systems. Miles Crossing on the North Coast in Senator Betsy Johnson's district is a good example. The 900 residents of this small community were dealing with failing septic systems. There was no sewer system and, making matters worse, much of the community is located on low-lying, wet ground, creating an environmental hazard. To resolve the problem, each resident would have had to install an expensive new septic system at about \$25,000 each. Yet this would have been a temporary solution at best due to the topography, soils and high water table. USDA provided loans and grants for the installation of a low-maintenance, energy-efficient vacuum sewer system that pipes wastewater across Youngs Bay to the City of Astoria for processing. In addition to USDA funding, the Oregon Community Development Block Grant funded the engineering design, and ratepayers began incremental rate increases when planning first began in order to cover the costs of hooking into the system without sudden sticker shock.

Chair Roblan, we have nearly completed our sanitary project in Netarts, the northern tip of your district. Not to be forgotten, Senator Prozanski, we are also completing a wastewater project in Sutherlin and have recently completed water and waste projects in Lowell.

Job Creation

Since we are talking about the northwest part of the state, I would like to mention a terrific economic development project that supports Oregon's iconic Bottle Bill. Oregon has required a deposit on cans and bottles since 1971, which has reduced litter and increased recycling. Until last year, however, there was no Oregon-based facility to recycle plastic bottles. For years, we had been shipping the plastic to China for processing. U.S. manufacturers then had to buy the processed raw materials back from overseas at market rates and pay for shipping, which is totally inefficient.

Working with Pacific PET Recycling and the Oregon Beverage Recycling Cooperative, USDA Rural Development was able to provide a guarantee on a \$4.9 million loan for the purchase of recycling equipment and development of a recycling facility in Warren, Oregon. The Port of St. Helens also provided support, as did the State of Oregon with more than \$1 million in energy tax credits.

The facility opened last April, creating 50 new family-wage American jobs with benefits and plans to grow in the future. Mr. Chair and members of the Committee, nothing delighted me more than to take those jobs back from China and bring new employment to this timber-dependent community.

Bio-based Economic Development

The ORPET project shows how we can maximize the value of recycled products as a raw material. USDA is also very involved with expanding the bio-based economy to help turn plant-based materials into new products. I'm sure you are all aware of the planned ZeaChem biorefinery in Boardman in Senator Hansell's district. They are currently operating a 250,000-gallon demonstration facility at the site. USDA Rural Development has issued a conditional commitment of a \$198.5 million loan guarantee for the construction of a 25-million-gallon refinery that will use agricultural residue and woody biomass from the nearby Greenwood Resources poplar farm that you see along I-84 to produce advanced biofuels and high-value bio-based chemicals. Not only will this project create a number of good-paying jobs, but it will also provide a new market for agricultural products and agricultural residues.

Renewable Energy Jobs

Another resource to which USDA is helping add value is biomass from Oregon forests. Let me be clear that the agencies I represent are not involved in making or administering forest management policy. What we can do, however, is help communities and entrepreneurs develop their capacity to explore new business models, conduct market and feasibility studies, and expand the commercialization of new technologies.

In 2009, for example, USDA provided \$500,000 to Sustainable Northwest to advance economic development solutions in the Dry Forest Zone in 12 Oregon counties, as well as three counties in Northern California. The funding is allowing Sustainable Northwest and their partners to support forest-based small business development and emerging collaborative groups at multiple scales. For instance, one of the involved organizations, Wallowa Resources in Enterprise (Senator Hansell's district), has been developing and testing business models to create sustainable jobs through the commercial development and utilization of biomass generated from forest stewardship activities.

In 2011, through our Rural Business Enterprise Grant program, we provided the Klamath Tribes with a \$99,000 grant to evaluate the feasibility of a tribal forest restoration enterprise that can generate fee-for-service work in federal, state and private forests. Through the Advanced Biofuel Producer Payment Program, we have provided more than \$2.8 million to expand production of advanced bio-based fuels. Here in Oregon, this includes the production of wood pellets. We have also provided funding for the installation of biomass energy systems. Through our Community Facilities Program, we helped fund the biomass heating system at the Grant County Regional Airport in John Day in Senator Ferrioli's district that burns locally produced wood pellets and saves the facility an estimated \$30,000 per year. We have also funded biomass installations at agricultural operations and rural businesses through the Rural Energy for America Program.

Let me talk specifically about the Rural Energy for America Program (REAP) for a moment, because this has been an excellent resource here in Oregon. Over the past four years, the program has provided more than \$5.1 million in small grants to help rural businesses, farmers and ranchers install renewable energy and energy efficiency projects across the state. In addition to biomass projects, we have provided matching grant funding for 36 energy efficiency projects, 2 anaerobic digesters, 16 small wind installations, and 97 solar projects that help rural businesses and agricultural producers control costs and generate extra income from the power they sell back to the grid. USDA has also provided REAP funds to our partners, including the Oregon Department of Energy and Oregon Institute of Technology to assist rural businesses with the planning and development of energy projects.

Local and Regional Food Systems

In addition to renewable energy and the bio-based economy, USDA is very committed to and actively supports local and regional food systems. Mrs. Obama has been a strong proponent in bringing fresh, local food into our nation's schools, raising awareness, and enlisting our agency's support to address food deserts in our nation's urban and rural communities.

Among our large body of work in this arena, our financial support for the Food Hub website operated by Ecotrust in Senator Burdick's home city, provides benefits across rural Oregon and the Northwest. If you are not familiar with Food Hub, it is an online marketplace that connects farmers, ranchers, fishers, bakers, dairies, food processors and others directly with the buyers who are seeking fresh, local and regional options. Food Hub provides a central nexus, or hub, for everyone from small food producers to large volume buyers, to access the markets they seek. Back in 2007, USDA Rural Development provided Ecotrust with a small grant of just \$12,500 for the initial planning. In 2009, we provided a slightly larger grant for ongoing development. Then, in 2012, USDA Rural Development provided an even larger grant of nearly \$250,000 to expand Food Hub across the region, and today there are more than 4,500 registered buyers and sellers doing commerce through the site. In fact, Oregon's Farm to School program has incorporated Food Hub into their program to help school food service directors source and serve healthy local foods for school meals. Overall, this project is creating significant economic activity moving forward. Food Hub sellers report that they employed 23 percent more full-time employees and 38 percent more part-time employees in 2012 than in 2010. All of this started with USDA Rural Development's small grant of \$12,500 that can be replicated as a model across the country

USDA has funded too many local food projects to account for here, but some other examples are a Rural Business Enterprise Grant to Umpqua Indian Foods in Senator Kruse's district to conduct feasibility studies for expanding tribally owned food processing facilities. We have funded business training for emerging food businesses and producers, such as the Southern Oregon Farmer Incubator administered by The Rogue Initiative for a Vital Economy (THRIVE). And, Senator Close, we have even funded a business training program for emerging food businesses in your district.

Through our Value Added Producer Grant program, we have provided feasibility studies, planning, marketing and working capital support to a variety of producers. One such grant to the Oregon Cheese Guild supported an integrated marketing effort for cheese makers statewide. Given the time, I could describe many more examples of Oregon business efforts receiving support through USDA's Know Your Farmer, Know Your Food (KYF) initiative started by the former Deputy Secretary, Kathleen Merrigan. The best way for you to learn more is to visit the USDA's website and visit the KYF Compass that provides a comprehensive overview of our local food efforts across the nation.

Strengthening Collaborations for Rural Oregon

Food is something that has always brought people together; that is why I baked for my legislative colleagues. Short of baking our way to success, I'd like to ask you all to consider how we, as decision makers and supporting organizations, bring rural communities together with the resources they need. In my remarks, I hope you noticed how our projects often leverage local, regional, national and private resources. The longer I serve as the State Director for Rural Development, the more I am convinced that our collective ability to assist rural communities is dependent upon the continued and enhanced coordination among all of the federal, state and local agencies, nonprofits, foundations and private entities with a mission to assist rural Oregon.

Currently, I am working with our partners to re-energize the Oregon Rural Development Council to foster this sort of multi-lateral collaboration. The Oregon Rural Development Council (ORDC) was established in the early 1990s as part of a national initiative creating State Rural Development Councils to promote rural program and policy coordination. As such, the ORDC is comprised of representation from broad-based interests including federal, state, and local government, tribes, nonprofits, education, and business sectors. The ORDC is politically neutral, serves as a convener to address rural needs and issues, and develops inclusive partnerships. ORDC's meetings have helped leverage millions of dollars for infrastructure, economic development, and community projects in Oregon over the years.

ORDC activities contributed to the original State Community Economic Revitalization Teams. One ORDC convening resulted in the development of a long-range water resources plan, which was later moved forward and has evolved into the Oregon Integrated Water Resources Strategy adopted in 2012. Other ORDC forums served as opportunities for federal agencies to market business programs and led to support for many rural projects such as the replacement of septic tanks around Garrison Lake in Port Orford. There are many examples of how the ORDC has fostered meaningful collaborations in the past. Over the past five years, however, the ORDC has been less active, due to a lack of funding. In the interim, there have been a number of valuable and effective efforts to help rural communities advance important projects, such as the Governor's Regional Solutions Teams. I am a big fan of the Regional Solutions Teams, and I have directed my staff to participate in their meetings and prioritize our funding

for Regional Solutions projects to the maximum extent possible. In fact, we are currently on the project team for a Regional Solutions Team effort in Curry County to address the need for improving the stock of manufactured housing.

In addition, many of you remember the Office of Rural Policy created by Governor Kulongoski's executive order in 2004. That office did a great job analyzing and gathering data and assessing the challenges in rural Oregon. Unfortunately, that office saw its demise in subsequent years due to funding cuts.

I believe there is a need for a broad-based, neutral collaboration among a diverse range of partners and service providers operating at all levels. The Oregon Rural Development Council will help us marshal resources and foster a higher level of collaboration that involves federal funders on behalf of rural Oregon. In turn, this will add value to the many local and regional working groups currently active, such as the Regional Solutions Teams. Now is a time when everyone is doing more with less. Collaboration can help maximize limited resources, develop new strategies for the future, and plan ahead. More than that, however, the ORDC can help us all come together to develop multilateral efforts that include the capacity building, studies, leadership development, strategic planning and other assistance that our small and rural communities need. Doing so, we can help rural Oregon make sustainable progress—progress to build on in the future—and become empowered to plan and develop effective projects, like the ones I have discussed today as well as the important projects that groups like the RSTs are now working to get funded.

And, no, Mr. Chair and members of the Committee, I am not about to ask you for money. I do, however, want you to be aware that in June, the ORDC is planning to hold a politically neutral partner convening to chart a new course for the future. The convening will be held in Corvallis on June 22 at the Regards to Rural Conference held by the nonprofit Rural Development Initiatives. I have the honor of serving on the ORDC's Executive Committee, and in that role, I will keep you all apprised of the ORDC's plans for moving forward and for serving the communities you represent.

In summary, I want you to know that rural Oregon is alive and well, and that I have taken the same approach as I did here when I served in this august body to meet the needs of my constituents. I just returned from a visit to Burns, Oregon, to meet with community leaders and the Burns Paiute Tribal Council to explore economic development opportunities, and I will continue to reach out to our rural communities, week in and week out.

I am committed to moving rural Oregon forward, as are President Obama and Secretary Vilsack. I invite you to join us in bridging the gap, real or perceived, between the "two Oregons" because I am confident you will like what you see.

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