



# CDFA Texas Webinar: Financing Programs to Support Rural Development

## Welcome

The Broadcast will begin at 10:30 AM (Central)

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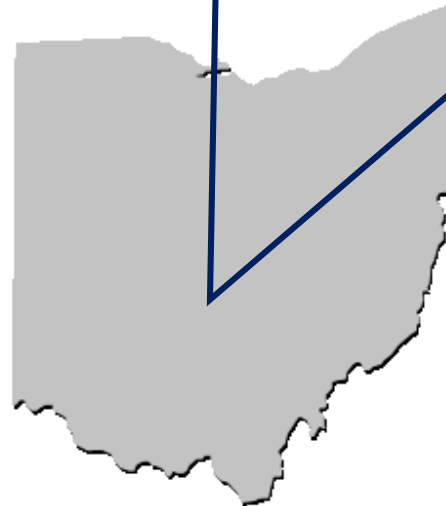
# CDFA Texas Webinar: Financing Programs to Support Rural Development

**Cayla Matsumoto**

**Director of Education**

**Council of Development Finance Agencies**

**Columbus, OH**



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## CDFA Texas Webinar: Financing Programs to Support Rural Development

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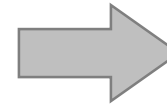


This webcast is designed to provide accurate and authoritative information in regard to the subject matter covered. It is available with the understanding that CDFA and the panelists are not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

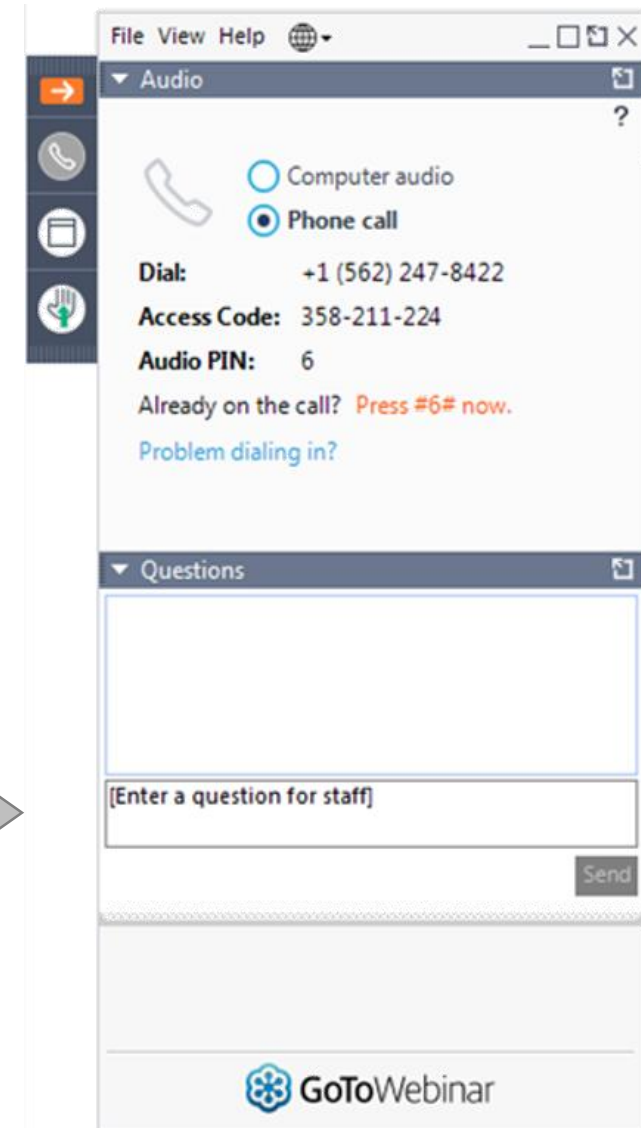
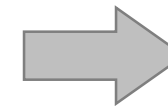


# CDFA Texas Webinar: Financing Programs to Support Rural Development

Using your telephone will give you better audio quality.



Submit your questions to the panelists here.





## CDFA Texas Webinar: Financing Programs to Support Rural Development

# Technical Difficulties?

Contact Candace Frank at  
614-705-1300 or  
[cfrank@cdfa.net](mailto:cfrank@cdfa.net)

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# CDFA Texas Webinar: Financing Programs to Support Rural Development

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Intro Rural Finance Course

November 15, 2017  
Atlanta, GA

⇒ Register



## Overview

The **Intro Rural Finance Training Course** focuses on how the development finance toolbox can be structured to support rural communities and help them with strategies to invest in infrastructure, redevelopment, and job creation. This course differs from other curriculums in that it focuses on designing programs targeted to serve rural communities.

Leaders in rural and agricultural development finance will discuss how to develop and establish long-term financing within rural communities. In addition, the course will highlight successful programs that are working throughout the country in communities with varying levels of capacity and size. Topics discussed during the course include targeted financing programs available at the federal, state, and local levels for rural communities, along with best practices for employing these financing programs.

This course qualifies for the CDFA Training Institute's **Development Finance Certified Professional (DFCP) Program**. Start down the road to personal and professional advancement today.

### 2017 National Development Finance Summit

This year, the **Intro Rural Finance Course** will be held in conjunction with the 2017 CDFA National Development Finance Summit which will take place in Atlanta, Georgia. The CDFA National Summit brings together the leaders and dealmakers in the development finance industry to discuss best practices, trends, and project financing solutions.

The CDFA National Summit is a dealmaking event at its core with a program built to encourage networking and individualized learning about all types of development finance tools and programs. At the CDFA National Summit, you will meet industry experts, connect with financing, learn about the latest approaches, and discover development finance solutions to bring to your local community.

⇒ Register



### Course Objectives

Understand the financing

### Topics Covered

Rural financing programs from federal

### Who Should Attend?

Bond issuers

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Texas

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## Upcoming Events

### CDFA Texas Webinar: Financing Programs to Support Rural Development

May 17, 2017

10:30 AM - 11:30 AM Central

Urban communities like Austin and Dallas are not the only places looking for help to fund economic development. Texas is filled with rural communities and small towns who are also in need of financing strategies. These areas face unique development financing challenges and needs such as downtown revitalization, food systems, infrastructure and energy finance. A number of creative and important financing tools exist to assist rural and small town development, and this webinar will explore the cutting-edge strategies driving development in the state, and how to access them.

⇒ Agenda & Speakers

⇒ Sponsor

⇒ Register

## Featured State Resources

### CDFA Texas Financing Roundtable Webinar: Financing Programs to Support Rural Development

Urban communities like Austin and Dallas are not the only places looking for help to fund economic development. Texas is filled...

### Tools for Port Authority Transportation Reinvestment Zones (TRZ) and TRZs for Multimodal Applications

Infrastructure Finance | Special Assessment Districts | Tax Increment Finance (TIF)  
Transportation reinvestment zone (TRZ) that allows local governments to set aside local match contributions for the...

### Bonds as a Bedrock of Development Finance

Bond Finance | Tax Credits  
Bond financing remains the bedrock development finance tool for economic development. Seth Crone with The Bank of New York Mellon...

### Creative Financing Strategies in Texas

Community Development | Economic Development | Tax Credits  
Unique development financing solutions are increasingly sought after to complete projects of all sizes, and it is often necessary...

### Creative Financing Strategies in Texas:

Economic Development | Historic Preservation | Infrastructure Finance | Tax Credits | Tax Increment Finance (TIF)  
Unique development financing solutions are increasingly sought after to complete projects of all sizes, and it is often necessary...

⇒ More Resources

## Texas Development Finance Headlines

### Two TX School District Bonds Pass

Adilene Reporter-News | May. 8 | Bond Finance | Community Development

## Featured State Programs

### Agricultural Loan Guarantee Program

Texas Department of Agricultural | Agriculture Finance | Access to Capital

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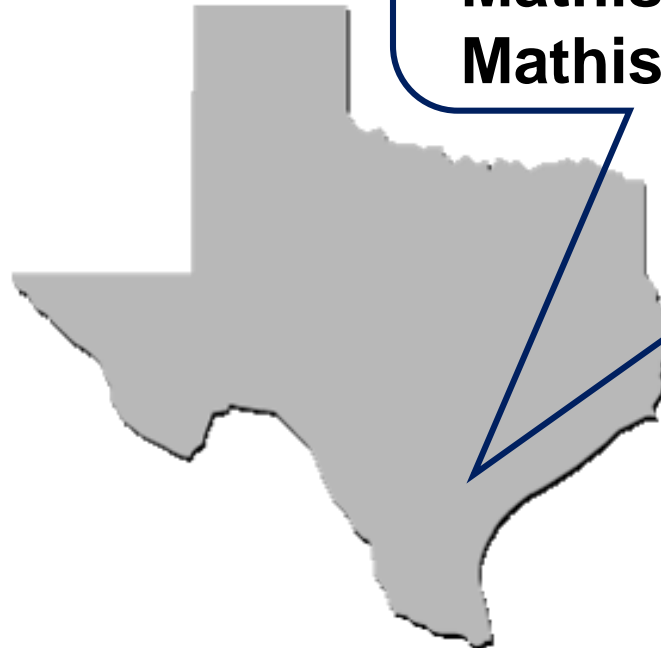
# CDFA Texas Webinar: Financing Programs to Support Rural Development

**Doug Dowler**

**Executive Director**

**Mathis Economic Development Corporation  
Mathis, TX**

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## **Need technical assistance?**

Consider CDFA's Research & Advisory Services – offering customized and tailored technical assistance for all of your development finance needs. Learn more at [www.cdfa.net](http://www.cdfa.net).





# CDFA Texas Financing Roundtable

May 17, 2017



# Financing Programs to Support Rural Development

- Urban communities are not the only places looking to fund economic development.
- Rural communities often struggle to reach the critical mass required to attract employers and sustain economic growth.

# Asset-Based Economic Development: Building Sustainable Small and Rural Communities

- What is Asset-Based Economic Development?
  - Asset-based economic development is a bottom-up approach to economic development that builds on existing local resources to strengthen local and regional economies.
  - Small towns and rural communities can build on their natural and working landscapes, local institutions, existing infrastructure, historic and cultural resources, industry clusters, and human capital.

# A. I. M.

## ASSESS – IMPLEMENT - MANAGE

- Assessing the current situation
- Implementing the necessary improvements
- Managing the improvements to meet your strategy

“The greatest thing a man can do in this world is to make the most possible out of the stuff that has been given him. This is success, and there is no other.”

-- Orison Swett Marden (1850-1924)  
Founder of Success magazine

# The Economic Developers Tool Box



## Landscape of Tools – 100s of Them

Tax-Exempt Bonds  
504 Loans  
Aggie Bonds  
Impact Investing  
P3s  
Historic Tax Credits  
Industrial Development Bonds  
Tax Abatements

Microlending  
Linked Deposit Programs  
CRA Requirements  
Seed & Venture Capital  
PACE  
Special Assessment  
EB-5  
Credit Enhancement

New Markets Tax Credits  
Grants  
Collateral Support  
Revolving Loan Funds  
501(c)3 Bonds  
Mezzanine Funds

Tax Incremental Finance

Taken from the "Unlocking the Development Finance Toolbox, -  
Why Bond Financing?"  
--Toby Rittner, DFCP

# ASSET-BASED ECONOMIC DEVELOPMENT

## Building on what you got

1. Industry and Industry Clusters
2. Natural Resources and Amenities
3. Existing Infrastructure, Historic, and Cultural
4. Adaptive Reuse of Underutilized Buildings and Sites





# FINANCING SMALL AND RURAL COMMUNITIES DEVELOPMENT

## Recommendation

- Use the tools in the Development Finance Toolbox
- Capitalize on the Assets you have
- Collaborate and Partner with Regional, State and Federal Funding Resources
- Seek Economic Development Finance Professionals

# FINANCING PROGRAMS TO SUPPORT RURAL DEVELOPMENT

THANK YOU

DOUGLAS R. DOWLER, EXECUTIVE DIRECTOR  
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MATHIS, TEXAS

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# CDFA Texas Webinar: Financing Programs to Support Rural Development

**Allen Lambright**

**Area Director  
U.S. Department of Agriculture  
McKinney, TX**

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United States Department of Agriculture



USDA Rural Development - Texas



## Rural Development

Committed to the future of rural communities.

- *Improving the quality of life*
- *Increasing economic opportunity*

## Rural Development

- Financing for
  1. Community Facilities
  2. Water and Sewer Systems
  3. Business Development
  4. Renewable Energy
  5. Housing
- Loans, Guarantees and Grants
- Technical Assistance
- Service Offered from Offices Throughout the State
- Experienced Staff





## Rural Development

# Highlights for Today

- Overview of funding
- Business Programs / Rural Energy for America
- *Water and Waste Disposal*
- *Community Facilities*
- *Economic and Community Development*



# Texas FY 2016

## Business Programs

- \$48,800,000

## Community Facilities

- \$73,016,500

## Water and Waste

- \$92,988,900

## Housing Programs

- \$688,733,130

**Total FY 2016  
\$903,529,530**



# Texas Estimate FY 2017

## Business Programs

- \*\*Not received

## Community Facilities

- \*\*Not received

## Water and Waste

- \*\*Not received

## Housing Programs

- \*\*Not received



## Rural Development

# **Business Program** – Renewable Energy for American Program

- Wind
- Biomass
- Geothermal
- Solar
- Grant or Loan Guarantee



## Rural Development

# **Business Program** – Renewable Energy for American Program

- Purchase Equipment
- Efficiency
- Construction / Improvements
- Audits / Permit Fees
- Retrofitting
- Grants – 25% of project cost
  - *NTE \$500,0000 – RE*
  - *NTE \$250,000 - EE*



## Rural Development

# Alcove Self Storage

- Hays County
- 400 Unit Storage Facility
- 63 KW solar array
- \$198,900 project
- \$49,725 grant



## Rural Development

# Young's Greenhouse

- Wichita County
- Solar Array
- Powers series of greenhouses
- Lettuce sold around the globe



## Other Business Programs

- For Profits
  - Guaranteed Loans up to \$25M
- Non-profits and Public Bodies
  - \*Revolving Loan Programs*
  - \*Small Business Development*
- Electric and Telephone Cooperatives
  - \*Rural Economic Development*
- Ag Producers and Cooperatives
  - \*Value-Added*
  - \*Small Minority Producers*





# Local Foods Initiatives

- Can go into ineligible for Business Loan Guarantees when using local food from within 400 miles



## Rural Development

# Community Programs – Community Facilities

- **Health Care** - *Hospitals, Clinics, Nursing Homes, Assisted Living*
- **Public Buildings** - *Courthouses, City Hall, Township Buildings, Airport Hangers*
- **Public Safety** - *Ambulances, Fire Trucks, Fire Stations, Sirens, Prisons*
- **Public Services** - *Libraries, Child Care, Community Centers*
- **Educational Services** - *Museums, Libraries, Private Schools*
- **Local Food Systems** - *Community Gardens & Kitchens, Food Pantries, Food Banks & Hubs, Greenhouses*





## Rural Development

### **Community Programs** – Community Facilities

- Facilities, equipment and related expenses
- Communities up to 20,000 people
- Public bodies and non-profits
- No maximum loan limits
- Guarantees up to 90%
- Below market rates
- Some Grants
- Combined financing options
- Significant Community Support



## Rural Development

# Community Programs – Community Facilities

- Memphis, Texas
- Early Warning System
- \$31,400 grant
- Strike Force County



## Rural Development

# Community Programs – Community Facilities

- Howardwick, Texas
- Pop 402
- Median age – 60
- No paved streets
- Also used by VFD to cut fire breaks and as a snow plow during winter



\$26,250 Grant to replace worn out maintainer

## Rural Development

# Community Programs – Community Facilities

- San Elizario, Tx
- Commercial Kitchen
- Community Garden
- Meal Services Training
- \$50,000 grant





## Rural Development

# Community Programs – Community Facilities

- Encinal, Tx
- New City Hall
- 6200 Sq feet
- \$1,513,000 loan
- Also houses Police, Economic Development Corporation and the Municipal Judge



## Rural Development

# Community Programs – Utilities

## Water, Waste and Storm Sewer Systems

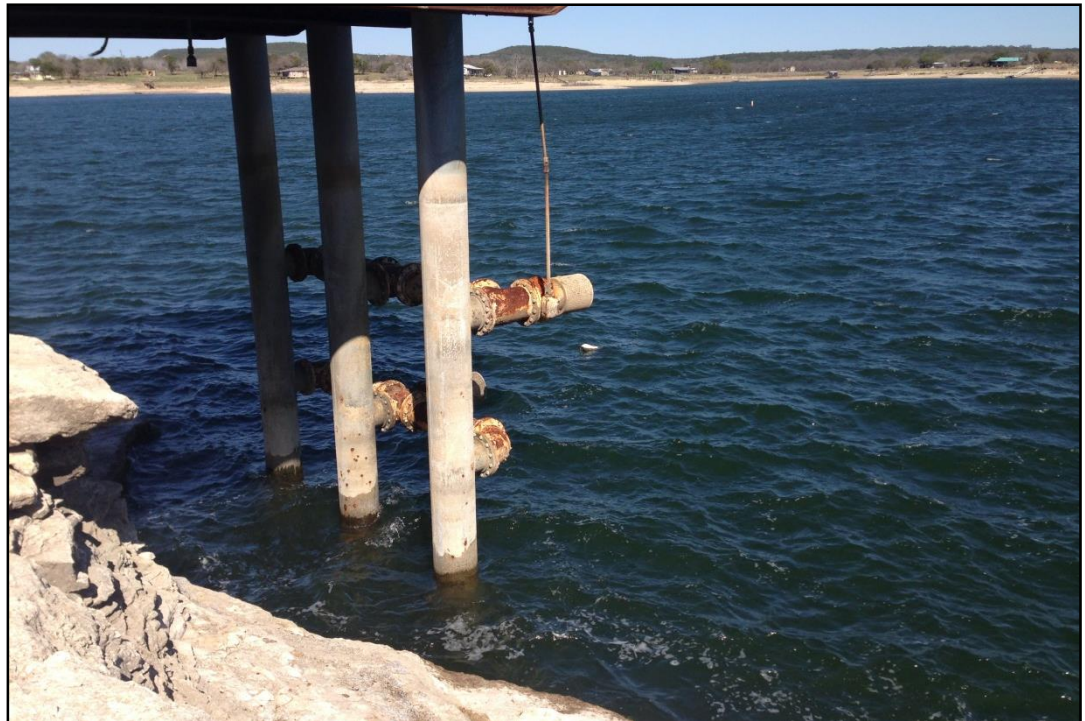
- Communities up to 10,000 population, including colonias
- Low interest rates
- 40 Year Term
- No loan limit
- Grant may be available
- May include all professional services
- Security depends on applicant
  - Bonds/Deed of Trust/Notes
- Extensive technical assistance



## Rural Development

# Community Programs – Utilities

- Possum Kingdom WSC
- Palo Pinto County
- Floating pump station
- \$195,000 grant
- ECWAG project





## Rural Development

# Community Programs – Utilities

- Westminster SUD
- Collin County
- 300 gpm well
- Distribution line
- \$1,610,100 loan



## Rural Development

# Community Programs – Utilities

- Electricity
- Telecommunication Services
- Broadband
- Distance Learning
- Telemedicine



## What else can we do?

- Guaranteed Home Loans
  - Work with Local Lenders
  - No Monthly Mortgage Insurance
  - No Maximum Purchase Price
- Direct Home Loans
  - Work with Rural Development
  - Low and Very Low Income Limits
  - Fixed Below Market Interest Rates
- Home Repair Loans and Grants
- Rental Housing
  - Guarantee MFH
- Farm Labor Housing





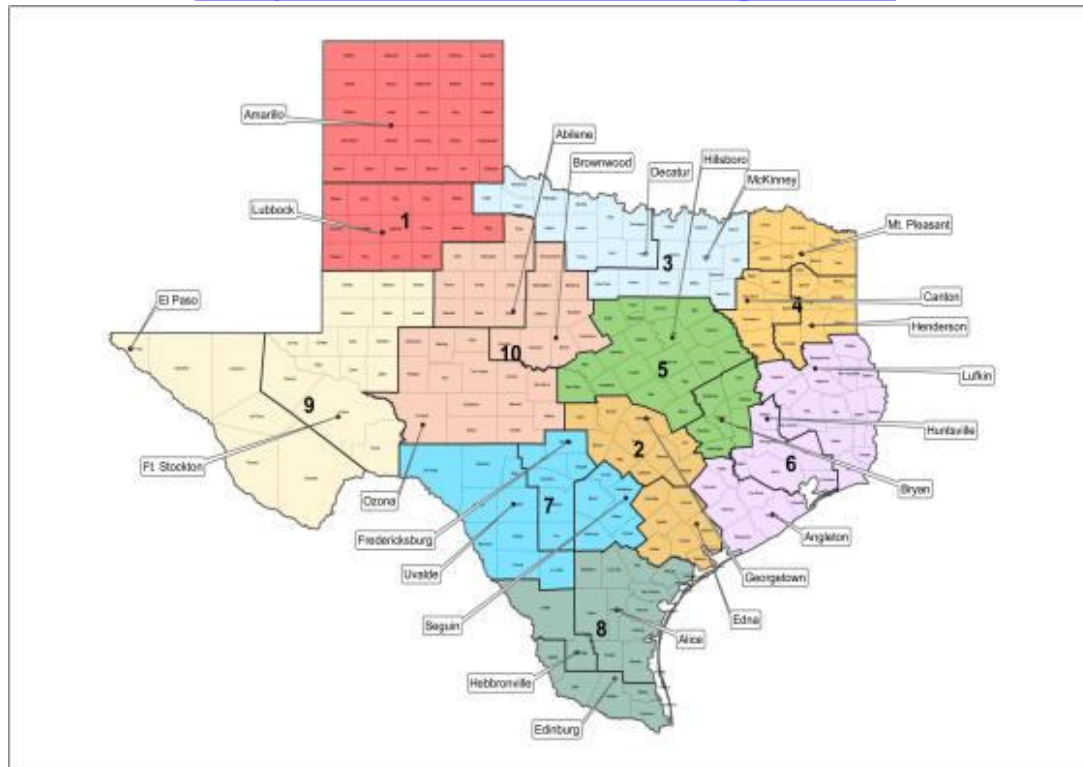
Rural Development

## Community Development

- Technical Assistance
- Community Needs Surveys
- Community Asset Surveys
- Target Strike Force / Persistent Poverty

## Rural Development

More Information Available at  
<http://www.rd.usda.gov/tx>



Eligible Area Maps at: <https://eligibility.sc.egov.usda.gov/>



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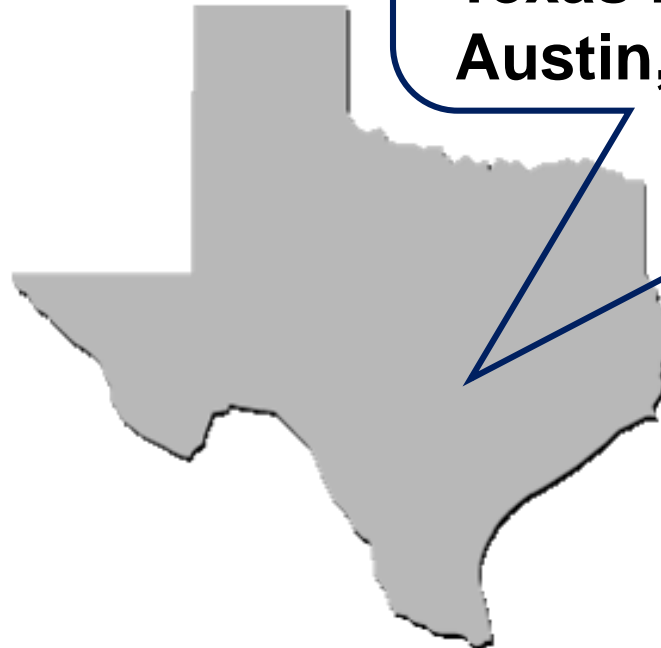
**Chris Reynolds**

**Program Specialist**

**Texas Department of Agriculture**

**Austin, TX**

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Chris Reynolds

Program Specialist for the Office of Rural Affairs

Trade & Business Development Division



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER



Grants & Services

Trade & Business Development

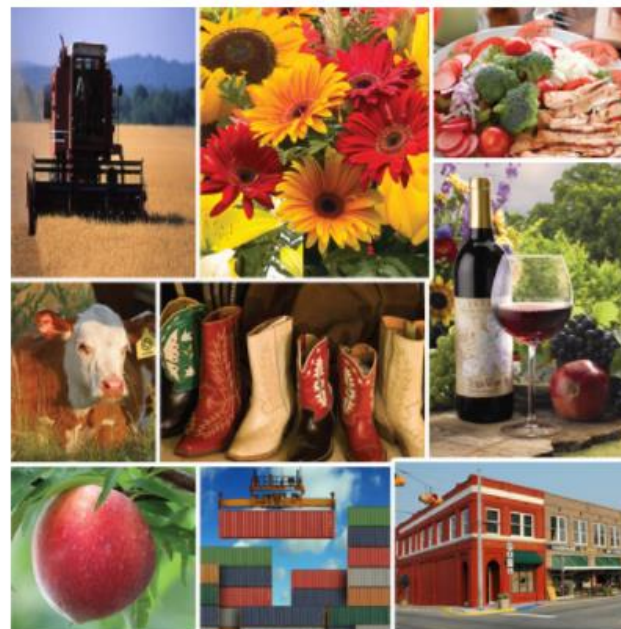
The Trade and Business Development Division supports the agency's mission by administering programs that empower rural communities, encourage healthy lifestyles, protect consumers and promote production agriculture. The Division is composed of three offices: the Office of Rural Affairs, Marketing and International Trade and Grants.

The [Office of Rural Affairs](#) is dedicated to enhancing the economic vitality and quality of life in rural Texas. Taking advantage of available federal funds and a statewide outreach network, this office provides rural communities the tools needed to attract and retain businesses, expand and improve public infrastructure, and secure quality health care. The office also provides financial assistance to agricultural producers, especially young farmers and ranchers, to expand their production capabilities.

[Marketing and International Trade](#) promotes Texas agriculture, businesses and communities on the state, national and international levels. Whether they're grown, sewn or served on a plate, the products promoted by this office find their way to more than 25 million Texans who shop, travel and dine out in support of Texas businesses and agriculture.

The [Grants Office](#) is responsible for administering numerous state and federal grants, loans and cooperative agreements available to farmers/ranchers, universities and schools, non-profits and private entities across the Lone Star State.

Please see the menus below to find information on specific programs.



I am interested in:

- ⑤ [Agriculture Financing](#)
- ⑤ [Community Development](#)
- ⑤ [Economic Development](#)
- ⑤ [GO TEXAN Products & Communities](#)
- ⑤ [Grants](#)
- ⑤ [International Trade](#)
- ⑤ [Rural Affairs](#)
- ⑤ [Rural Health](#)
- ⑤ [STAR Fund](#)

I am a/an:

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- ⑤ [Business](#)
- ⑤ [City/County/Community](#)
- ⑤ [Consumer](#)
- ⑤ [Disaster Assistance](#)
- ⑤ [Educational Institution](#)
- ⑤ [Financial Institution](#)
- ⑤ [Health Care Associate](#)
- ⑤ [Retiree](#)

Additional  
Information

- ⑤ [Trade & Business Development Staff List](#)
- ⑤ [List of All Programs](#)
- ⑤ [Upcoming Events](#)
- ⑤ [Resource Links](#)



# GRANTS OFFICE

## State Trade Expansion Program (STEP)

- Increase Small Business Exports
- Reimbursement of up to \$5,000



# GRANTS OFFICE

## Capital 4 Texas (C4T)

- Increase Small Business' Access to Capital through loan participation program
- Loans that assist with startup costs, working capital, equipment, inventory



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

# TEXAS AGRICULTURAL FINANCE AUTHORITY (TAFA)

## Young Farmer Grant

- Dollar-for-Dollar Matching Grant for 18-45 year olds
- Awards from \$5,000 to \$20,000





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# TEXAS AGRICULTURAL FINANCE AUTHORITY (TAFA)

## Agricultural Loan Guarantee Program

- Loan Guarantee for Lenders to extend credit to farmers and ranchers
- Guarantees up to \$750,000, borrowers get a rebate on a portion of the interest they pay





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# Texas Capital Fund (TCF)

Supports rural business development, retention and expansion by providing funds for public infrastructure, real estate development, or the elimination of deteriorated conditions.





TEXAS DEPARTMENT OF AGRICULTURE  
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# Texas Capital Fund (TCF) Economic Development Programs

## **Stimulate Development**

### **Downtown Revitalization Program**

Awards matching grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas.

### **Main Street Improvement Program**

Provides Texas Main Street communities with matching grants to expand or enhance public infrastructure in historic main street areas.





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## Downtown Revitalization (DRP) and Main Street (MS) Programs

- Awards from \$50,000 to \$250,000
- 8 x DRP and 4 x MS Awards Annually
- Applications due in October





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# Texas Capital Fund (TCF) Economic Development Programs

## Job Creation

### **Infrastructure Development**

Provides matching grants for infrastructure development to create or retain permanent jobs.

### **Real Estate Development**

Provides a zero-interest loan to fund real estate acquisition or improvements to create or retain permanent jobs.





# TCF Infrastructure Program

- Provides grants for Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.
- Awards from \$100,000 to \$1,500,000 based on # of jobs created/retained
- Funds for public/private infrastructure
- Encourages new business development and expansion
- Applications accepted on the 20<sup>th</sup> of each month

## Eligible Activities for Public/Private Infrastructure:

- Water & sewer lines and treatment plants
- Streets, curb & gutter, and sidewalks
- Harbor and channel dredging
- Rail Improvements
- Utilities





# TCF Real Estate Program

- Provides a zero-interest loan to fund real estate acquisition or improvements to create or retain permanent jobs in primarily rural communities and counties.
- Awards from \$100,000 to \$1,500,000 based on # of jobs created/retained
- For Acquisition, New Construction, Rehabilitation or Private Infrastructure
- 0% Interest Loan for up to 20 years
- Applications accepted on the 20th of each month

**Use of Funds: Improvements Owned by Applicant & Leased to Business**

**Projects include:**

- Building improvements/renovation
- Building construction (w/ walls & roof)
- Site Improvements
- Land acquisition





# TEXAS CAPITAL FUND (TCF)

## Small and Microenterprise Revolving Loan Fund (SMRF)

- Awards of \$100,000
- Partner with local Non-Profit Lender



**LEGISLATIVE REGIONS**

1. Barthen Williams  
2. Jami McCool  
3. Nelda Barrera  
4. Chandra Eggemeyer  
5. Daniel Kercheval  
6. Bill Dean  
7. Jami McCool  
8. Nelda Barrera  
9. Chandra Eggemeyer  
10. Michelle Bobo  
11. Carol Faulkenberry

1. Rob Barthen
2. Matt Williams
3. David Kercheval
4. Darrell Dean
5. Manuel Martinez
6. Kristin Lambrecht

7. Jami McCool
8. Nelda Barrera
9. Chandra Eggemeyer
10. Michelle Bobo
11. Carol Faulkenberry



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Thank you!



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# Questions & Answers

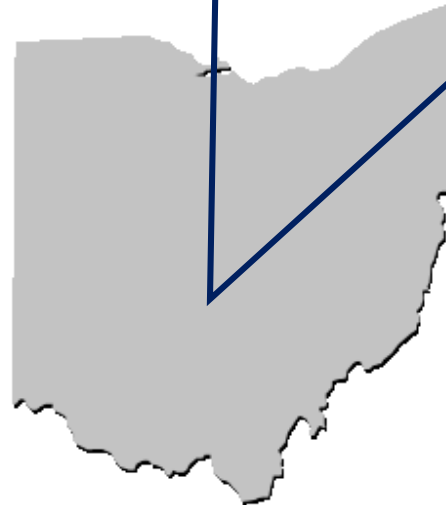




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### **Cayla Matsumoto**

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# CDFA Texas Webinar: Financing Programs to Support Rural Development

## Upcoming Events

### **Best of the Best Guidance on NMTC Applications Webinar**

May 24, 2017

1:00 – 2:30 PM Eastern

### **CDFA Summer School**

August 7-11, 2017

Minneapolis, MN

### **CDFA National Development Finance Summit**

November 15-17, 2017

Atlanta, GA

**Register online at [www.cdfa.net](http://www.cdfa.net)**

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State Programs Manager  
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