



# Kansas

Committed to the future of rural communities.



## *Program Information Guide*

## Greetings From State Director Banks:

USDA Rural Development is pleased to present this Program Information Guide, covering the Agency's community and economic development programs. We hope you find this information helpful.

During Fiscal Year 2004, USDA Rural Development in Kansas administered an all-time record of nearly \$152 million in financial assistance to our State. In addition to an impressive 28% funding increase compared to last year, this level of Agency programming represents the fourth consecutive year of + \$100 million of program delivery for Kansas. These taxpayer dollars were administered for projects that positively affect the daily lives and pocketbooks of rural Kansans.

Rural communities require strong coalitions and strategic partnerships to prosper. Rural residents need affordable homes and essential community facilities. Rural workers need good jobs and rural businesses need economic stimulus to compete and expand. Rural Kansans need dependable water and utility services, along with improved infrastructure support to enjoy an improved quality of life.

USDA Rural Development has proudly served rural America for 70 years, fulfilling our important mission of "to improve the quality of life for and enhance economic opportunities of rural Americans". USDA Rural Development greatly appreciates the continued support of the Kansas Congressional Delegation, allowing the Agency to touch the lives of thousands of Kansans each and every day.

USDA Rural Development looks forward to the future and the many opportunities that are available to rural Kansas. I promise that our Agency will continue to aggressively commit our resources to serve Kansas and its rural citizens. To learn more about the Agency's programs, I invite you to visit our USDA Rural Development website at <http://www.rurdev.usda.gov/ks/>



CHUCK BANKS  
STATE DIRECTOR



**George W. Bush**  
President of the United States

*"We'll press on to turn our recovery into lasting growth and opportunity that reaches every corner of America. By the courage and by the enterprise of the American people, this great nation will prosper."*

**Gilbert Gonzalez**  
Acting Under Secretary for  
Rural Development

*"USDA Rural Development in Kansas has completed another stellar year of investments that will help increase economic opportunity and improve the quality of life in rural Kansas. Our team of rural development professionals is committed to the future of rural communities."*



## USDA Rural Development Fiscal Year 2004 / Kansas

### Rural Housing Programs

Guaranteed 502 Loans	\$47,440,284	735
Direct 502 Loans	\$14,868,696	237
504 Repair Loans and Grants	\$654,515	148
Housing Preservation Grants	\$138,000	3
Self-Help Housing Grants (for 44 homes)	\$719,400	3
<b>Total Single Family Housing</b>	<b>\$63,820,895</b>	<b>1126 Loans/Grants</b>
515 Rental Housing Loans	\$1,190,280	4
Rental Assistance (3861 units in 402 projects):		
Usage	\$8,301,092	
Obligations:		
Renewal	\$6,891,698	
<b>Total Multifamily Housing</b>	<b>\$16,383,070</b>	
<b>Total Rural Housing Programs</b>	<b>\$80,203,965</b>	<b>1130 Loans/Grants</b>

### Business and Community Programs

Water and Waste Disposal Direct Loans	\$8,326,800 \	12 Projects
Water and Waste Disposal Grants	\$7,066,745 /	
Broadband Loans	\$19,601,000	3 Projects
Electric and Telephone Loans	\$15,679,000	2 Projects
Distance Learning and Telemedicine Grants	\$198,000	1 Projects
Public Television Grant	\$1,470,000	1 Projects
<b>Total Rural Utility Service</b>	<b>\$52,341,545</b>	<b>19 Projects</b>
Business & Industry Guaranteed Loans	\$10,088,000	5 Projects
Rural Business Enterprise Grants	\$375,000	5 Projects
Rural Economic Development Loans & Grants	\$2,766,000	10 Projects
Value-Added Product Development Grants	\$891,783	7 Projects
Renewable Energy/Energy Efficiency Grants	\$17,935	2 Project
Rural Business Opportunity Grants	\$92,173	1 Project
<b>Total Rural Business &amp; Cooperative Service</b>	<b>\$14,230,891</b>	<b>30 Projects</b>
Community Facilities Loans	\$5,133,409	
Community Facilities Grants	\$44,600	
<b>Total Rural Housing Service</b>	<b>\$5,178,009</b>	<b>9 Projects</b>
<b>Total Business and Community Programs</b>	<b>\$71,750,445</b>	<b>58 Projects</b>
<b>Total Kansas Agency Funding</b>	<b>\$151,954,410</b>	

# Housing Programs



## **Single Family Housing Guaranteed Loan Program**

**Purpose** – Financing for construction of a single family residence, or purchase of an existing single family residence.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Borrowers** – Individuals and families.

**Type of Assistance** – Guaranteed loans up to 102% of appraised value.

**Eligible Income** – Applicants cannot exceed the moderate income level (115% of the median income) for county.

**Term** – 30 years for guaranteed loans. Fixed rate determined by approved lender. No down payment required. No Private Mortgage Insurance (PMI) is required. No maximum loan amount.

### ***What can the Program do for You?***

- Provides financing for income eligible families who otherwise would not be able to purchase a home, bridging the affordability gap for homeownership
- Utilizes locally approved lenders
- Reduces borrower's monthly mortgage payments because of lower costs associated with the loan.

Examples:



Lisa Taggart and her children, Phillip and Amanda, are pictured outside their home in Wamego, Kansas. Kristi Lloyd, USDA Rural Development Specialist from the Manhattan Office (right), is pictured with the Taggart family.



This Home in Lyons, Kansas was purchased with a loan under the Agency's Guaranteed Loan Program.

## Single Family Housing Direct Loan Program

**Purpose** – New construction of a single family residence, or purchase of an existing single family residence.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Borrowers** – Individuals and families.

**Type of Assistance** – Direct loans.

**Eligible Income** – Applicants must be very low or low income (80% of the median income) for the county.

**Term** – Up to 33 years. No down payment required.

### *What can the Program do for You?*

- Provides 100% financing income eligible families that otherwise would not be able to purchase a home, bridging the affordability gap for new home construction
- Provides subsidized loans for eligible borrowers to lower their monthly house payments
- Utilizes USDA Rural Development partners with assistance programs that helps make homeownership more affordable

Examples:



Barry Logan and Lisa Drake are pictured with their children in front of their home in northeastern Kansas. Their home was financed under USDA Rural Development's Direct Loan Program



The Tim Zorn family, previously living in an unheated school bus (also shown), was able to purchase a home in south central Kansas through the Agency's Direct Loan Program

## Single Family Home Repair Grant & Loan Program

**Purpose** – Funding to remove health and safety hazards for owner-occupied single family residences. Funds may also be used for general repairs and improvements.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Individuals/Families** – Individuals and families that own their home. Grant applicants must be 62 years of age and not qualify for a loan.

**Type of Assistance** – Grants and direct loans.

**Eligible Income** – Grant and direct loan applicants must be very low income (50% of the median income) for the county.

**Term** – Recapture provision for grants (3 years); 20 years for loans

### ***What can the Program do for You?***

- Funding for eligible applicants who cannot otherwise afford essential home repairs
- Improves the quality of housing in the rural community

Examples:



Funds were used for new siding, guttering, new windows, carpeting and vinyl throughout the home, new heating and air conditioning, and new roof for this home in central Kansas



The Agency's Repair Loan Program was utilized to make improvements to this mid-central Kansas home. Funds were used for new roof, new guttering, electrical repair and drywall

## Mutual Self-Help Housing Program

**Purpose** – Technical assistance grant funds awarded to Agency-approved recipient to help income eligible families work together to build their home (normally 6 to 8 families form a group).

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Grant Recipients** – Private nonprofit corporation, public nonprofit corporation, State political subdivision.

**Type of Assistance** – Grant funding awarded to Agency-approved recipient for program administration. Program is administered in conjunction with USDA Rural Development's Direct Loan Program which provides financing to the individual homeowners.

**Term** – 2 years (technical assistance grant)

### *What can the Program do for You?*

- Provides homeownership opportunities to families through 'sweat equity'
- Encourages new home construction for a community
- Promotes community pride (builds neighborhoods, builds communities)
- Pay for salaries, rents, and office expenses for grant recipient

Examples:



Families break ground for another round of Self-Help houses to be built in Junction City, Kansas



U.S. Senator Pat Roberts joined families in celebrating the construction and dedication of Self-Help homes in Valley Center, Kansas

## **Multi-Family Housing Guaranteed Loan Program**

**Purpose** – Increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between USDA Rural Development, private lenders and public agencies. USDA Rural Development will issue guarantees on eligible loans made by Agency approved lenders.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Borrowers** – Qualified lenders and eligible housing providers, such as corporations, limited liability corporations, or partnerships.

**Type of Assistance** – Guaranteed loans.

**Term** – Not less than 25 years and not more than 40 years.

### ***What can the Program do for You?***

- Increases supply of affordable multi-family housing through partnerships
- Provides housing opportunities for low to moderate income tenants
- Builds partnerships between federal, state and local housing agencies.

Examples:



## Multi-Family Housing Direct Loan Program

**Purpose** – Financing to provide living units for persons with low and moderate incomes. Loans are primarily used to build, purchase or repair apartment style housing. The housing must be modest in size, design and cost, but adequate to meet the tenants' needs. Monthly rent must be within limits that eligible occupants can afford to pay.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Borrowers** – Individuals, associations, partnerships, limited-partnerships, consumer cooperatives, profit corporations and nonprofit corporations, State and local agencies, and trusts.

**Type of Assistance** – Direct loans.

**Term** – 50 years

### *What can the Program do for You?*

- Provides and supports needed low income housing in your community
- Provides housing for elderly or developmentally disabled
- Rehabilitate a historic structure, providing needed affordable housing

Examples:



With funding from USDA Rural Development, this facility in Hays has removed the financial barriers and serves the needs of 32 tenants, individuals who sometimes are denied housing due to the stigma associated with their illnesses.



The former Bartell Hotel, a historic Junction City landmark, will be converted into 32 senior units for very low, low or moderate income households.

## Housing Preservation Grant (HPG) Program

**Purpose** – Funding to non-profit and other governmental organizations to remove health and safety hazards for owner-occupied residences or rental housing for very low income individuals. These grants are used along with other funding sources to accomplish the repairs.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Grant Recipient** – A non-profit organization such a local government, or community development group.

**Type of Assistance** – Grants

**Eligible Income** – Those assisted must be very low income (50% of the median income) for the county.

**Term** – The objectives of the grant shall normally be accomplished in 1 to 2 years.

### *What can the Program do for You?*

- Funding for eligible applicants who cannot otherwise afford essential home repairs
- Improves the quality of housing in the rural community
- Creates funding partnerships for the local community.

Example:



## Farm Labor Housing Program

**Purpose** – Funding to construct new housing or to convert existing structures to provide affordable and adequate housing for domestic farm laborers. Grants may be available for economically depressed areas where there is an extreme need for such facilities, and a reasonable doubt exists that the housing cannot be provided without grant assistance.

**Eligible Area** – Funds may be used in either rural or urban areas to provide housing to nearby farm laborers. This Program is the only USDA Rural Development housing program that allows funding in areas with populations over 20,000, if the need exists.

**Eligible Borrowers** – Farm workers, family farm organizations, state and local public agencies and private broad-based organizations or non-profit organizations of farm workers.

**Type of Assistance** – Grants and Direct Loans

**Terms** – Grants may cover up to 90% of the development costs; loans are for 33 years at 1% interest.

### ***What can the program do for You?***

- Provides adequate, affordable rental housing for farm laborers or those engaged in on-farm processing
- Allows for the construction of day care facilities and community buildings for families of farm laborers

Examples:



## **Rural Housing Site Loan Program**

**Purpose** – Funding to assist public or private non-profit organizations in providing sites for rural housing. The land will be subdivided into adequate building sites and sold on a non-profit basis to applicants eligible for low and moderate-income homeownership. Funds can be used for purchase and development of adequate sites, including the construction of essential access roads, streets, utility lines and payment of necessary engineering fees, legal fees and closing costs.

**Eligible Area** – Non-metropolitan areas of 20,000 population or less.

**Eligible Borrower** – The Agency's Section 523 loans are limited to private or public non-profit organizations that will provide sites solely for self-help housing. The Agency's Section 524 loans are made to private or public non-profit organizations. Section 524 sites may be sold to very low to moderate-income families utilizing the Agency's single family loan programs, or any other mortgage financing program which serves the same eligible families.

**Type of Assistance** – Direct loan

**Eligible Income** – Applicants for homeownership must be:

- Very low or low income (below 80 percent of the median income) for the county (Section 523 loans)
- Very low- low income or moderate income (the upper limit for moderate income is \$5,500 above the low income limit) for the county (Section 524 loans)

**Term** – Loans are for two years. Section 523 loans bear 3% interest rate. Section 524 loans bear the market interest rate, either at the time of approval or at the time of the loan closing (customer discretion).

### ***What can the Program do for You?***

- Funding for eligible applicants who cannot otherwise afford essential home repairs
- Provides building sites for eligible homebuyers
- Supports improved quality of housing in a rural community.

Examples:

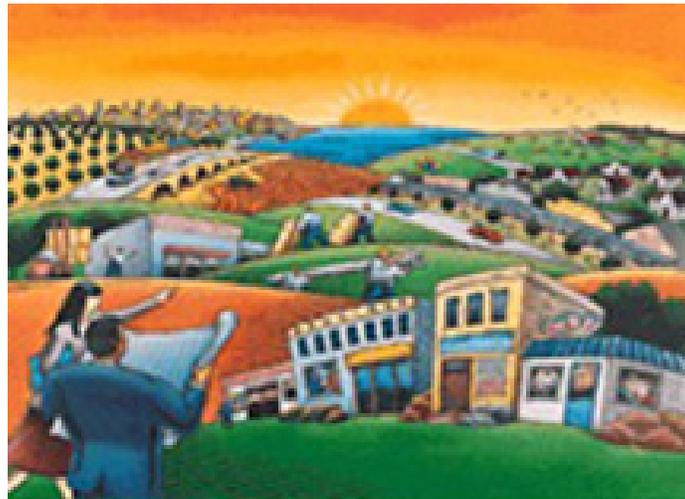


## Rural Housing Programs

Eligible Applicant	USDA Program	Purpose	Program Type	Non-Metro Areas	Authorized Purposes	Typical Funding	Interest Rates & Terms
Families and individuals	Single Family Housing Guaranteed Loans	To provide 100% financing through an approved commercial Lender to buy/build adequate housing for moderate and low income applicants	USDA Guaranteed Loan made by bank or mortgage broker	Rural areas with population of <20,000	Loans may be made to purchase new or existing homes as the applicant's permanent residence	\$40,000 to \$140,000	Negotiated rate that is fixed for 30 year term.
	Single Family Housing Direct Loan	To provide 100% financing to lower income applicants to buy/build adequate housing.	USDA Direct Loan	Rural areas with population of <20,000	To buy, build, repair or rehabilitate rural homes as the applicant's permanent residence	\$35,000 - \$120,000	Fixed rate; 33 year term, some exceptions may apply
	Single Family Housing Direct Repair Loans and Grants	To help very-low income applicants remove health and safety hazards or repair their homes. Grants or loan/grant combination for those 62 or older who cannot afford all or part of a loan	USDA Direct Loan or Grant	Rural areas with population of <20,000	Loan and grant purposes include: repair/replace roofs, heating/AC, repair/replace heating system, structural repair, water/sewage lines, siding, windows and doors	\$1,000 - \$20,000 loan \$1,000 - \$7,500 grant	1% loan up to 20 years; Monthly pmt. on a \$5,000 loan for 20 yrs. is only \$23
	Self-Help Housing Direct Loans	Individual homes built by a group of applicants with construction guidance of a non-profit organization	USDA Direct Loan	Rural areas with population of <20,000	Loans applications are processed on an individual basis for each participating family	\$75,000 - \$95,000	Fixed rate; 33 year term
Non-profits and public bodies	Self-Help Housing Grants	To provide funds to non-profit entities to assist self-help applicants in building their own homes	USDA Grant	Rural areas with population of <20,000	Technical assistance to qualify and supervise small groups of families to build each other's homes	\$10,000 - \$250,000	Grant
Public bodies, individuals, limit profit and non-profit organizations	Rental Housing for Families and Elderly	To establish safe, well-built, affordable rental housing for very low, low and moderate-income rural households	USDA Direct Loan or Guaranteed Loan made by bank or mortgage broker	Rural areas with population of <20,000	New construction or substantial rehabilitation of rental housing	Direct up to \$1,000,000 Guaranteed: \$1,000,000-\$5,000,000	Direct fixed rate, 30 year term; Guaranteed : negotiated fixed rate, 30 year term
Public bodies and non-profit organizations	Housing Preservation Grants	To provide funds for a non-profit to redistribute to individuals for the rehabilitation of housing owned or occupied. For very low and low income applicants	USDA Grant to a non-profit	Rural areas with population of <20,000	Operate a program which finances repair and rehabilitation activities for single family and small rental properties	\$25,000 – 50,000	Grant

Eligible Applicant	USDA Program	Purpose	Program Type	All Areas	Authorized Purposes	Typical Funding	Interest Rates & Terms
Individuals, public and private non-profit orgs.; family farm partnership or corp.; assoc of farmers & public agencies	Farm Labor Housing	To establish safe, well-built, affordable rental housing for domestic farm workers	USDA Direct loan and grant	Entire State of Kansas (urban and metro)	New construction or substantial rehabilitation of rental housing	\$100,000 - \$400,000	1% fixed rate, 33 year term

# Business & Community Programs



## Business & Industry Guaranteed Loan Program

**Purpose** – The Business & Industry Guaranteed Loan Program guarantees loans made by eligible lenders to businesses to benefit rural areas. Program eligibility includes, but is not limited to: business acquisitions, construction, conversion, expansion, repair, modernization, development costs, purchase of equipment, startup working capital, and refinancing for viable projects under certain conditions.

**Eligible Area** – Rural areas with population up to 50,000.

**Eligible Entities** – Any legal entity, including individuals, public and private organizations and federally recognized Indian tribal groups. There is no size restriction on the business.

**Type of Assistance** – Loan guarantees.

**Term** – Maximum of:  
30 years for real estate loans  
15 years for machinery and equipment loans  
7 years for working capital loans

**Interest Rate** – Negotiate between Lender and Borrower.

**Type of Projects** – Agricultural processing, manufacturing (light and heavy), retail and wholesale businesses, health care facilities, motels, value added agriculture, etc.

### *What can the Program do for your Community?*

- Creates and saves jobs (over 182 jobs created or saved from Fiscal Year 2004 projects)
- Expands local commercial bank lending base
- Expands economic base through new businesses and business expansions
- Creates expanded future community economic opportunity

Loan Examples:



B&I Guaranteed loan for an agricultural equipment manufacturer located in northeast Kansas



B&I Guaranteed loan of \$2 million for a new cotton gin serving southwest Kansas producers

## Community Facilities Program

**Purpose** – Construction and rehabilitation of buildings, acquisition of land, purchase of equipment, payment of legal fees, payment of architect fees, etc.

**Eligible Area** – Rural areas with population up to 20,000.

**Eligible Entities** – Nonprofit entities, federally recognized Indian Tribes, and public bodies (cities, counties, etc.).

**Essential Community Facilities** – Public improvements necessary and beneficial to the orderly development of a community facility operated on a nonprofit basis.

**Type of Assistance** – Direct loans, Grants, and Guaranteed loans. Program can be used in conjunction with other funding sources.

**Term** – Life of facility, not to exceed 40 years.

**Type of Projects** – See Next Page.

### ***What can the Program do for your Community?***

- Provides funding to build or repair essential community facilities
- Provides and/or improves health care, public service and safety facilities
- Purchase machinery, equipment, and furnishings
- Finance transportation improvements
- Construct or rehab cultural and educational facilities

Project Examples:



USDA Rural Development funding will assist this northeast Kansas rural fire district. The new fire station will directly serve nearly 2,000 Shawnee County residents.



Agency funding helped a local fire department purchase this Thermal Imaging Camera. Such equipment, like this camera being tested by Congressman Jim Ryun, will assist first responders to locate trapped fire victims.

## Examples of Essential Community Facilities

<p><b>Community Health Care</b>  Dental Clinic  Nursing Home  Assisted Living Facility  Physicians Clinic  Hospital (General &amp; Surgical)  Medical Rehabilitation Center  Outpatient Clinic</p>	
<p><b>Cultural &amp; Educational</b>  Library  Museum  Public School  School Maintenance &amp; Equipment Service Center  Vocational School  Colleges  Educational Camp for the Handicapped</p>	
<p><b>Fire, Rescue &amp; Public Safety</b>  Fire Trucks  Detention facilities and Jails  Multi-Service Fire/Rescue Building  Police Station  Rescue &amp; Ambulance Service Building  Equipment Building  Communication Center  Fire Department Building</p>	
<p><b>Public Buildings &amp; Improvements</b>  Community Health Department, Office Building  Community Center, County Courthouse  Food Storage, Distribution &amp;/or Preparation Center  Public Maintenance Building  Child Day Care Center  City Hall</p>	
<p><b>Transportation</b>  Bridge  Airport  Sidewalks  Street Improvements  Infrastructure for Industrial Park  Town Bus Service/Equipment  Special Transportation Equipment</p>	

## **Rural Business Enterprise Grant Program**

**Purpose** – Acquisition and development of land, construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extension, refinancing, and fees for professional services.

**Eligible Area** – Rural areas with population up to 50,000.

**Eligible Entities** – Nonprofit corporations, federally recognized Indian Tribes, and public bodies (cities, counties, etc.) receive the grant to assist a business. Grant funds do not go directly to the business. The small and emerging businesses to be assisted must have less than 50 new employees and less than \$1 million in gross annual revenues.

**Priorities** – To support the development of small and emerging private business enterprises in rural areas.

**Type of Assistance / Application Deadline** – Contact USDA Rural Development for specific FY2005 funding assistance and application deadline information.

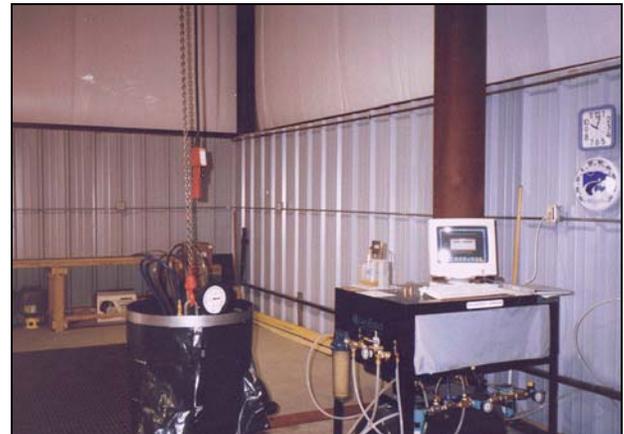
### ***What can the Program do for your Community?***

- Creates a revolving loan fund (providing partial funding as a loan to a small and emerging business for the purchase of equipment, working capital, or real estate)
- Construct a building for a business incubator for small and emerging businesses
- Provide technical assistance for private business enterprises and related training
- Production of television programs targeted for rural residents, and for rural distance learning networks

Project Examples:



Program funds helped establish this car maintenance business in northwest Kansas



Industrial park in central Kansas includes a plastic molding business and a polypropylene pellet manufacturing facility



## **Rural Business Opportunity Grants**

**Purpose** – Provide technical assistance for business development and conduct economic development planning in rural areas. Promote sustainable economic development in rural communities.

**Eligible Area** – Rural areas with population up to 50,000.

**Eligible Entities** – Not for profit corporations, public bodies, Indian tribes on Federal or State reservations and other Federally recognized tribal groups, and cooperatives with members that are primarily rural residents.

**Type of Assistance** – Grants.

### ***What can the Program do for your Community?***

- Identify and analyze business opportunities that will use local rural materials or human resources.
- Identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers.
- Establish business support centers and otherwise assist in the creation of new rural businesses.
- Establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.
- Conduct local community or multi-community economic development planning.
- Establish leadership development training of existing or prospective rural entrepreneurs and managers.

## Rural Economic Development Loan & Grant Program

**Purpose** – Loans to eligible utilities to make a pass-thru loan to a rural business. Grants to establish revolving loan funds to initially make loans to eligible rural projects.

**Eligible Area** – Rural areas with population up to 2,500.

**Eligible Entities** – Electric and Telephone Rural Utility Service Borrowers (also includes some previous Rural Utility Service electric utility borrowers).

**Eligible Ultimate Loan Recipients** – Any legal entity, including individuals, public bodies, and federally recognized Indian Tribes.

**Term** – Maximum of 10 years.

**Type of Projects** – Agricultural processing, fire trucks, health care facilities, grocery stores, hotels, manufacturing, retail enterprises, implement dealers, recreation facilities, etc.

### ***What can the Program do for your Community?***

- Helps create jobs (over 394 jobs saved or created from Fiscal Year 2004 projects)
- Provides businesses and communities with 0% interest loans
- Provides funding for community type facilities and equipment
- Facilitates new business and business expansions (construction, and machinery & equipment)
- Provides funding for public safety facilities and equipment (fire, rescue, etc.)

Project Examples:



RED-Loan Program funds assisted a Seneca-based electrical business to purchase a new building and additional equipment to expand the company's current operations. This Agency financed expansion will add 5 new jobs and help retain the existing 4 jobs for this company



Agency funding assisted in the restoration and renovation of a historic landmark hotel in central Kansas. This RED-Loan helped create 11 new jobs for this rural community.

## Water & Waste Disposal Program

**Purpose** – Develop and/or upgrade rural water distribution and wastewater facilities. Construct or relocate public buildings and utilities, pay costs associated with land acquisition, purchase and install necessary equipment, pay for engineering and legal fees associated with the project, etc.

**Eligible Area** – Rural areas with population up to 10,000.

**Eligible Entities** – Nonprofit entities, federally recognized Indian Tribes, public bodies (cities, counties, etc.), and special-purpose districts.

**Priorities** – Restore deteriorated water supplies, improve, enlarge, or modify a water facility or an inadequate wastewater facility.

**Type of Assistance** – Direct loans, Grants, and Guaranteed loans. Program can be used in conjunction with other funding sources.

**Term** – Life of facility, not to exceed 40 years.

### ***What can the Program do for your Community?***

- Provides funding to construct, enlarge, or otherwise improve rural water, solid waste disposal, sanitary sewage, and storm wastewater disposal facilities
- Purchase program related machinery and equipment
- Grant funds are used, in conjunction with loan funds, to reduce water and waste disposal costs to a reasonable level for users of the system
- Provides for payment of utility connection charges as provided in service contracts between utility systems

#### Project Examples:



This local rural water district utilized a Water & Waste Disposal loan and grant to construct a water treatment plant and install 9 miles of transmission line. The District currently serves a population of over 2,700 rural Kansans.



Public Wholesale Water Supply District #18, Jackson County constructed a two million gallon membrane filtration treatment plant to provide a safe and reliable water source for the City of Holton and rural residents living in a five-county region.

## **Renewable Energy & Energy Efficiency Program**

**Purpose** – The program is designed to help agricultural producers and rural small businesses purchase renewable energy systems or make energy efficiency improvements. Funds may be used for construction improvements; equipment purchases; professional fees; feasibility studies; energy audits; and permits for the project.

**Eligible Projects** – Renewable energy projects include those for which energy is derived from wind, solar, biomass, geothermal, or certain hydrogen derived from biomass or water using one of the previously stated energy sources. Energy Efficiency projects are improvements to a facility or process that reduces energy consumption. All eligible projects must utilize a pre-commercial or commercially available, replicable and feasible technology.

**Eligible Area** – Rural areas with population up to 50,000.

**Eligible Entities** – Farmers, ranchers, and rural small businesses with a demonstrated financial need are eligible to apply for funding. Farmers and ranchers must obtain at least 50% of their gross income from their agriculture operations. Rural small businesses must meet the Small Business Administration definition of a small business. The project site and business headquarters must be in a rural area. Non-profit organizations and public entities are excluded.

**Type of Assistance / Application Deadline** – Contact USDA Rural Development for specific FY2005 funding assistance and application deadline information.

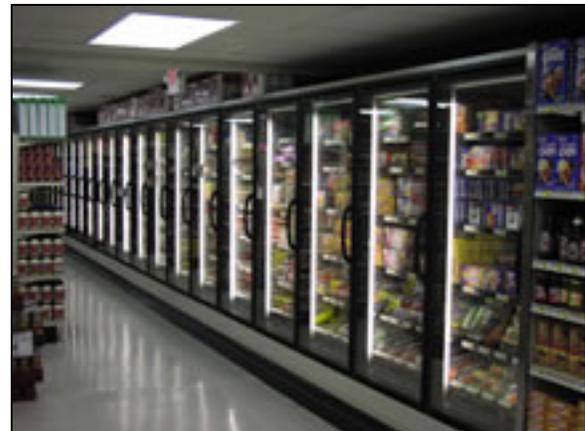
### ***What can the Program do for your Community?***

- Creates new economic opportunity and jobs
- Opportunity to reduce energy costs of local businesses

Project Examples:



Steve & Monica Mackison, owners of a northeast Kansas grocery store, utilized this program to replace inefficient refrigeration units



New energy efficient refrigeration units following installation.

## **Value-Added Producer Grants Program (VAPG)**

**Purpose** – The program is designed to help agricultural producers increase their revenues through value-added activities that expand the customer base for their products. Funds may be used for planning activities (feasibility studies, business and marketing plans, and legal evaluations) or working capital for projects which add value to an eligible product.

**Eligible Area** – Anywhere in Kansas, there is no restriction on the location of the project.

**Eligible Entities** – Independent agricultural producers, agricultural producer groups, farmer or rancher cooperatives, or business ventures that are majority owned and controlled by agricultural producers.

**Eligible Value-Added Products**- Agricultural products that: have undergone a change in physical state or form, are produced in a manner that enhances their value, and are physically segregated in a manner that enhances their value, or used to produce renewable energy.

**Type of Assistance / Application Deadline** – Grants for up to 50% of eligible project costs. Contact USDA Rural Development for application deadline information.

**Type of Projects** – Processing grains or oilseeds; utilizing grain to produce ethanol; processing livestock or poultry; marketing organically produced or hormone free products; an identity preserved marketing system from farm to end user; and many other possibilities.

### ***What can the Program do for your Community?***

- Creates new economic opportunity and jobs
- Expands economic base through a new business or business expansion

Project Examples:



Grant funding was used to finance working capital to start operation of a farmer-owned soybean crushing facility in northwest Kansas



Grant funding was provided to finance working capital for a farmer-owned certified organic grain processing and milling operation in western Kansas

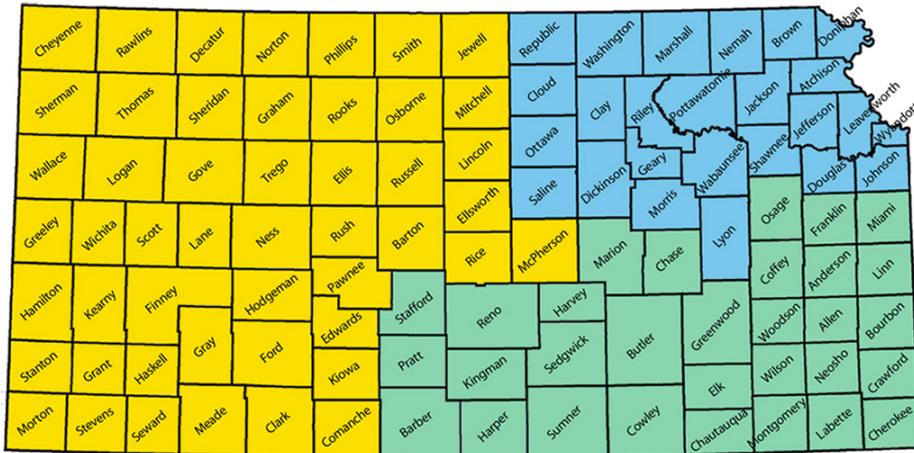
## Business & Community Programs

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
<b>BUSINESS &amp; INDUSTRY (B&amp;I)</b> (Guar. 4279-A,B)	- Any legal entity - Individual - Pub. Organ. - Priv. Corp.	<50,000 Pop.	Yes / No (2% fee)	No	Fixed/Variable Negotiated w/lender	RE - 30 yr M&E - 15 yr WC - 7 yr	- Existing Business - Min. 10%  - New Business Min 20-25%	- Business Construction, Acquisition, and/or Modernization - Working Capital [Note: Does not require test for credit elsewhere]	- Golf Courses - Ag Production - Line of Credit
<b>RURAL BUSINESS ENTERPRISE GRANT (RBEG)</b> (1942-G)	- Public Body - Not for Profit - Federally Recognized Indian Tribes	<50,000 Pop.	No / No	Yes	N/A	N/A	N/A	To help finance and develop small & emerging private businesses. - Revolving Loan Program to make loans for Land acquisition, building improvement - Technical Assistance, etc. - Industrial Park development for small business [Notes: (Small Business definition: < 50 new employees & < \$1.0 mil in projected gross sales per yr) (Business does not directly receive grant.)]	- Ag Production - Area Wide Planning - Transfer of jobs or businesses - Cable TV systems
<b>INTERMEDIARY RELENDING PROGRAM (IRP)</b> (4274-D)	- Private Not for Profit - Public Bodies - Cooperatives	<25,000 Pop.	No / Yes	No	1%	30 yrs	N/A	Relending Program for: - Establish new business &/or expand an existing business including capital improvements, M&E, &/or WC.	- Golf Courses - To Government Employees - Payment to Owners - Ag Production - Line of Credit
<b>RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS (REDLG)</b> (1703-B)	- RUS Borrowers - Elec. / Phone not delinquent	<2,500 Pop. or majority of jobs created will be held by rural residents	No / Yes	Yes	0%	Normally not exceed 10 yrs	N/A	Rural Job Creation and Economic Development : <u>Loan:</u> - Business Construction, start up and expansion costs, and M & E <u>Grant:</u> - Establish revolving loan fund with initial project to city, nonprofit, health, or education	- Electric / Phone purposes - Residential purposes - Cost prior to app. - Purchase existing business - Transfer jobs from one area to another

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
<b>WATER &amp; WASTE (WWD)</b> (Dir. 1780-A-D) (Guar. 1779)	- Public Bodies - Not for Profit - Federally Recognized Indian Tribes	<10,000 Pop.	Yes / Yes (1% fee)	Yes Max % possible: 0% >39,859 MHI 45% <39,859 MHI 75% <31,887 MHI	Market Rate: >39,859 MHI * Intermediate: <39,859 MHI * Poverty Rate: <31,887 MHI *  Guar: Negotiated w/ Lender	40 yrs  Guar: 40 yrs	N/A	- Construct, repair, improve rural water supply and waste disposal systems - Acquire land and water rights - Pay fees: legal, eng., etc. - Solid Waste Disposal Proj. and Storm Drainage - Refinancing, when secondary part of project	- Grant finder's fee - Combined storm and sanitary sewer facility - Facilities not modest in design & cost
<b>COMMUNITY FACILITIES (CF)</b> (Dir. 1942-A) (Guar. 3575-A) (Grant 3570-B)	- Public Bodies - Not for Profit - Federally Recognized Indian Tribes	<u>Loan:</u> <20,000 Pop.  <u>Grant:</u> <20,000 Pop.	Yes / Yes (1% fee)	Yes Max % possible: - 0% >35,873 MHI & pop. <20,000 - 15% <35,873 MHI & pop. <20,000 - 35% <31,887 MHI & pop. <20,000 - 55% <27,901 MHI & pop. <12,000 - 75% <23,915 MHI & pop. <5,000	- Direct: same as for Water & Waste  - Guar: Negotiated w/ Lender	40 yrs  Max - 40 yrs	N/A	- Hospitals, Nursing Homes, Medical Clinics, Ambulances - Fire and Police Stations - Courthouses, Libraries, and other Community Buildings - Day Care Facilities	- Recreation--except under guaranteed loan program - Community Ant. TV & B&I buildings - Facilities not modest in design & costs <u>Grant Ineligibles:</u> - Debt refinancing, - Interest, - O & M costs
<b>DISTANCE LEARNING AND TELEMEDICINE</b> (1703-D)	- For Profit - Not for Profit	<u>Loan:</u> <20,000 Pop.  <u>Grant:</u> <10,000 Pop.	No / Yes  (Note: \$50,000 min \$10,000,000 max. & can't exceed 100% of project cost)	Yes  (Note: \$50K min \$500K max & cannot exceed 70% of project cost)	Fixed at Treasury Rate to be established by N/O	10 yrs	N/A	- Equipment: including computer hardware or software, audio /visual equipment , computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, inside wiring, interactive video equipment, - Acquire instructional programming - Provide technical assistance and instruction	- Salaries, wages, or admin. Fees - Duplicate facilities already providing a service - Purchase equipment that will be owned by the local exchange carrier. <u>Grant Ineligibles:</u> - Purchase of land, buildings or building construction

\* Fixed Rates. These rates are set each quarter based on municipal bond rates. Poverty interest rate is currently set at 4.5%.

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***“USDA Rural Development’s mission is to deliver programs that support increasing economic opportunities and enhance the quality of life. The Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure – all to serve rural Kansas.”***

**Chuck Banks, State Director**

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