

RD AN No. 3947 (1940-L)
March 2, 2004

TO: State Directors
Rural Development

FROM: Gilbert G. Gonzalez *(Signed by Gilbert G. Gonzalez)*
Acting Under Secretary
Rural Development

SUBJECT: Definition of City and Town for Certain Rural Development Programs

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is being issued to clarify the definition of city and town for the Rural Housing Service, Community Facilities programs; Rural Utilities Service, Water and Environmental programs; and all Rural Business-Cooperative Service programs administered under the rural definitions provided in Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION:

For the purposes of Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)), cities and towns are incorporated population centers with definite boundaries, local self-government, and legal powers set forth in a charter granted by the state.

Since there is no legal equivalent to a city or town in Puerto Rico, Census Designated Places (CDPs) as defined by the U.S. Bureau of the Census will be used as the equivalent to a city or town. The appropriate population limits by applicable program will apply to the population of the CDP. For Business and Industry Guaranteed Loan, Rural Business Enterprise Grant, and Rural Business Opportunity Grant Programs, the urbanized area adjacent and contiguous to the CDP with a population of greater than 50,000 will also be an ineligible area.

If you have any questions, please contact the appropriate Program Assistant or Deputy Administrator's office.

EXPIRATION DATE:
February 28, 2005

FILING INSTRUCTIONS:
RD Instruction 1940-L