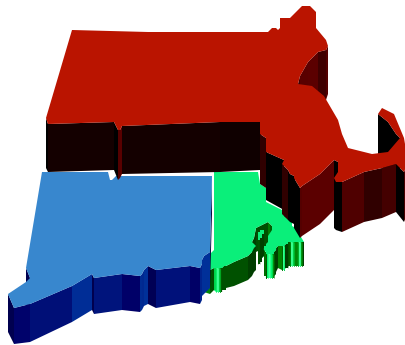


UNITED STATES DEPARTMENT OF  
**AGRICULTURE**

**FOCUS ON SOUTHERN NEW ENGLAND**

**USDA RURAL DEVELOPMENT  
FISCAL YEAR 2002 ANNUAL REPORT**



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# Who We Are



## **A Short History of USDA Rural Development..**

In an effort to encourage the re-migration of displaced farmers back to the farm and to document the plight of the rural poor, President Roosevelt, as part of his “New Deal”, created the Resettlement Administration in 1935. The Resettlement Administration was transferred to the USDA in 1937 and was renamed the Farm Security Administration (FSA). The purpose of the FSA was to provide assistance to the rural poor and migrant agricultural workers.

The agency’s name was officially changed to the Farmers Home Administration in 1947 and additional programs and services were added and expanded over the years. Housing programs for farm families were added 1949 and clean drinking water programs followed in 1954. In 1961 the housing program was expanded to include all rural residential communities of less than 2,500 and in 1965 grants became

available through the agency in order to finance sewer and water projects.

In 1972 the Rural Development Act, with the overall purpose of “fostering a balanced national development that provides opportunities for increased numbers of the people of the United States to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development,” significantly expanded the agency’s responsibility. The Southern New England jurisdiction (which includes Massachusetts, Connecticut and Rhode Island) was established in 1978 and in 1991 all of the agency’s Community and Business programs were transferred to the newly created Rural Development Administration.

On October 13, 1994 the President signed H.R. 4217, Department of Agriculture Reorganization Act of 1994. This new law created sub-cabinet level positions and restructured headquarter offices. In addition, the Rural Economic and Community Development Mission Area was established. This new mission area consisted of the Rural Housing & Community Service, Rural Business & Cooperative Service, and the Rural Utilities Service while farm related programs were absorbed by the Farm Service Agency.

In 1998, the Rural Economic and Community Development Mission Area was re-named Rural Development.

## **RURAL DEVELOPMENT’S VISION:**

“Partners in helping the people of rural America develop sustainable communities.”

## **RURAL DEVELOPMENT’S MISSION:**

“To enhance the ability of rural communities to develop, to grow and to improve their quality of life by targeting financial and technical resources in the areas of greatest need through activities of the greatest potential.”

## **OFFICE INFORMATION AND ORGANIZATION:**

The Massachusetts State Office located in Amherst, Massachusetts administers USDA Rural Development programs for the Southern New England region: Massachusetts, Connecticut and Rhode Island. Field offices are located strategically throughout the region with each site committed to serving those in search of information and assistance with Rural Development programs and initiatives. The last page of this annual report will provide you with office locations and points of contact.

## **RURAL DEVELOPMENT IN SOUTHERN NEW ENGLAND**

### **Massachusetts, Connecticut and Rhode Island**

## **WHAT WE DO....**

USDA Rural Development in Southern New England offers a wealth of services and programs to rural communities. It is our mission to ensure rural citizens participate fully in the American and global economy.

Rural Development is forging new partnerships with rural communities, funding projects that bring housing, community facilities, utilities and other services to rural areas. USDA Rural Development also provides technical assistance and financial backing for rural businesses and cooperatives to create quality jobs in rural areas.





## Secretary of Agriculture Ann M. Veneman

This past year the Bush Administration continued a strong commitment to expanding jobs and bringing renewed economic opportunities to rural America through strong leadership and strengthened programs.

One of the President's top priorities is to create new jobs and help spark economic growth. The tax relief package that the President signed into law in 2001 continues to help families throughout America and USDA's Rural Development programs are also creating new opportunities. In 2002, for example, economic grants and loans provided by USDA helped create or protect more than 150,000 rural jobs. As well, Rural Development programs provided more than \$12 billion in economic infrastructure grants and loans, helping improve education, healthcare, telecommunications, water treatment facilities, fire protection efforts, and other community centers.

However, USDA's commitment to improving rural America didn't stop there. Employees worked with local communities to provide homeownership financing for more than 42,000 families. These efforts are helping move closer to reaching the President's goal of increasing minority homeownership by fifty percent in five years.

The Farm Security and Rural Investment Act of 2002 signed by the President last May provides new resources and programs aimed at making continued progress in rural America. This includes new grant programs to assist in the development of renewable energy sources; funding to expand the availability of information technologies; and financing for community water and wastewater improvements.

As we embark upon a new year, we have a strong agenda and many opportunities to strengthen America's rural communities. The Administration will continue to build upon the principles outlined in our policy publication, "Food and Agricultural Policy: Taking Stock for the New Century". Our team at USDA will continue working with all interested parties and build new coalitions to help families, create jobs and invest in America's rural sectors.





## State Director David H. Tuttle

It is with enthusiasm and pride that I present you with the 2002 USDA Rural Development Annual Report.

The Southern New England Rural Development staff and I are passionate about our roles in the achievement of President Bush and Secretary Veneman's vision to improve economic conditions in America's rural communities. This resolve has been the drive behind our efforts in Southern New England and has resulted, I am pleased to report, in the delivery of over **\$119 million** in funding for rural neighborhoods, businesses and families in Massachusetts, Connecticut and Rhode Island this Fiscal Year.

Hard work coupled with a team mentality has meant the commitment of nearly \$9 million through the Community Facilities Program which aided 380,946 rural residents; twenty-one Direct Loans, thirty-one Grants and the first ever Guaranteed Water and Wastewater Disposal Loan resulting in over \$35 million in assistance provided by the Rural Utilities Service; \$12 million obligated through the Rural Housing Services' 502 Direct Loan Program, and loan guarantees totaling \$20.5 million through the Guaranteed 502 program; additionally, 2,070 rural jobs were created with the help of the Rural Business and Cooperative Service which provided over \$39 million in funds to the rural residents of Southern New England.

This years successes serve as confirmation that the USDA Rural Development mission - to enhance the ability of rural communities to develop, to grow and to improve their quality of life by targeting financial and technical resources in the areas of greatest need through activities of the greatest potential - can be and is achieved with the work we do every day.

I am hopeful that the following report will provide you with valuable insight into the vital programs Rural Development has to offer and that our future accomplishments in Massachusetts, Connecticut and Rhode Island continue to improve the lives of those we serve.

*-David H. Tuttle, State Director*



## Under Secretary Thomas C. Dorr

A strong and vibrant economy in rural America serves as the cornerstone of President Bush's economic agenda. USDA Rural Development is working hard to expand economic opportunities and improve the quality of life for all of the 59 million Americans living in rural communities. Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, home ownership has increased and families and businesses have been strengthened. New investments and entrepreneurial spirit will continue to grow, bringing increased opportunity to rural areas.

I know and understand that rural Americans are resilient and share a pioneering spirit that will once again forge new frontiers in the future. In this same spirit, USDA Rural Development's challenge is to look beyond today and to envision a better way to work with America's rural communities to improve existing partnerships, and forge new ones.

In looking back over the last year, we have begun to build an economic foundation, shaped like what President Bush advocates. I am proud of the aggressive efforts by USDA Rural Development employees to quickly turn many of the 2002 Farm Bill provisions into new economic hope for America's farmers, ranchers and rural families. These efforts ensured the delivery of \$703 million to finance 377 communities water and wastewater infrastructure projects. Additionally, \$37 million helped support the development of 231 agricultural value-added ventures that will bring new opportunities for increased revenues to our American farmers and ranchers. In total, over \$12 billion was invested through USDA Rural Development programs in rural America in Fiscal Year 2002.

From fire hydrants to fiber optic cable -- from sewers to symphonies -- USDA Rural Development financial and technical assistance is making a positive difference. In Fiscal Year 2002 alone -- 42,000 rural residents became first time homeowners, nearly 7,000 homeowners received loan and grant funding to make needed repairs and improvements, and 1,400 loans and grants were provided to assist communities finance essential community facilities. Electricity, telephone, water and wastewater infrastructure funding totaled over \$6.8 billion. Distance learning and telemedicine funding helped communities in 37 states gain access to modern technologies. Over 1,100 rural areas have clean drinking water and sanitary waste systems.

I am proud of what we have been able to accomplish. However, to meet ongoing and future challenges, USDA Rural Development will focus in 2003 on four critical areas of economic opportunity: Housing; Broadband; Bio-Mass; and Equity Capital

**Housing** -- Rural Development has created a Five Star commitment to improving single-family housing lending to rural minority families as part of the President's minority homeownership initiative.

**Broadband** -- Rural Development will implement approximately \$1 billion in Broadband programs, including a one-time "Community Connect" grant program to help small communities obtain access and training related to broadband services.

**Bio-Mass** -- Rural Development will assist in the development of alternative energy combustibles to replace petroleum-based products through value-added grants and business and industry loan guarantees.

**Equity Capital** -- The Farm Bill provides \$44 million in operational assistance grants and \$280 million in debenture guarantees for the Rural Business Investment Program (RBIP). The RBIP will increase the amount of capital available for investment in rural businesses and will provide technical assistance to these businesses.

Again, we have accomplished much in fiscal year 2002. I commit USDA Rural Development to administer all our programs and policies fairly, equitably, and honorably. It is the right thing to do, it is what I believe, and I will tolerate nothing less. Through our collective hard work we will continue to increase the economic opportunities in rural communities and improve the quality of life for all rural Americans.

# USDA Rural Development Programs

## Housing Programs

The acquisition of safe and sanitary housing through purchase or construction is the major emphasis of our housing programs. Assistance is available to residents of rural communities to purchase or build a single-family home, repair an existing home, and for the development of affordable rental housing. Assistance comes in the form of, Direct and Guaranteed loans for home ownership; loans and grants for home improvement and repairs; direct and guaranteed loans for rural rental housing projects, grants to non-profit organizations to administer housing repair programs (HPG 533), and Self-Help Technical Assistance programs.

**In Fiscal Year 2002, USDA Rural Development in Southern New England provided \$34,040,980 in funds through the Rural Housing Program.**

Through partnerships with banks, community development corporations and the respective state housing agencies, an additional \$2.1 million was made available through the Direct 502 Housing Program.



Office	502 Direct Loans	502 Guaranteed Loan	504 Loan	504 Grant	Housing Preservation Grants/Self Help Technical Assistance/ Technical Supervisory Assistance	515 Rural Rental Housing/	Total Dollars obligated
Warwick	\$620,710	\$280,750	\$152,680	\$131,450	\$50,000		\$1,235,590
Windsor	\$2,095,610	\$206,900	\$9,280	\$39,600		\$460,000	\$2,811,390 + \$87,800 Credit Sales
Norwich	\$2,093,880	\$15,590,900	\$2,300	\$25,890			\$17,712,970
Holden	\$1,201,600	\$1,358,040	\$35,150	\$111,820		\$100,000	\$2,806,610
Hadley	\$1,537,580	\$1,990,070	\$19,730	\$45,550	\$26,000		\$3,618,930
West Wareham	\$4,346,370	\$1,054,000	\$110,780	\$183,510	\$73,030		\$5,767,690

## Business & Cooperative Development Programs

The mission of the Rural Business-Cooperative Service is to enhance the quality of life for rural Americans by providing financing and technical assistance to competitive businesses that can prosper in the global marketplace.

We meet these goals by:

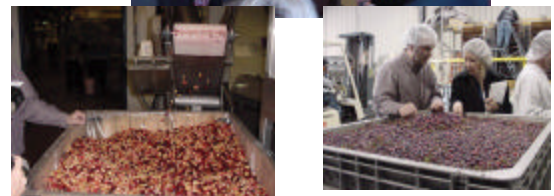
- Providing financial resources and technical assistance through loans and grants to businesses and cooperatives located in rural communities;
- establishing public and private institutional alliances and partnerships that leverage financial resources to create jobs and stimulate rural economic activity.

**Business & Industry Loan Guarantees, Rural Business Enterprise Grants, Rural Business Opportunity Grants and Intermediary Re-lending Program Loans** are made to improve, develop or finance business, industry and employment and improve the economic and environmental climate in rural communities. The objective of the B&I Loan Program is achieved through bolstering a communities' private commercial credit structure with guarantees on quality loans that will provide employment opportunities. Grant programs are available to public bodies and non-profit organizations to carry out assistance to small and emerging private businesses. This assistance is available only to businesses located in rural areas; those areas being outside the boundary of a town or city with a population of 50,000 or more or its immediate urbanized surroundings. The funds may be used for real estate purchase or improvement, equipment or capital.

**Cooperative Development Programs** help residents form new cooperative businesses and improve the operations of existing cooperatives. To accomplish this, cooperative programs provide technical assistance, conduct cooperative related research, and produce information products to promote public understanding of cooperatives.

**In Fiscal Year 2002, USDA Rural Development in Southern New England provided \$40,695,493 in funds through the Rural Business-Cooperative Service.**

State	Business & Industry Direct Loan	Business & Industry Guaranteed Loans	Rural Business Enterprise & Other Grants
Connecticut		\$18,124,875	\$191,000
Massachusetts	\$750,000	\$14,782,000	\$297,618
Rhode Island		\$6,500,000	\$50,000



Above: Decas Cranberry Products, Inc. in Wareham, MA was one of the recipients of a 2002 Value-Added Grant. The Decas Company received \$240,000.

Davis Farmland received a \$2 Million B&I loan guarantee from Rural Development to open a 'water sprayground' at their petting zoo.



Right: Congressman John Olver (far left) and Director Tuttle present a \$297,618 Rural Economic Development grant check to the Cooperative Development Institute.





## Community Facilities Program

The mission of the Rural Housing Service, Community Programs is to enhance the quality of life and opportunities in rural communities by developing essential community facilities for public use. These facilities include schools, libraries, childcare, hospitals, medical clinics, assisted living facilities, fire and rescue stations, police stations, community centers, public buildings and transportation. Through its Community Programs, the Department of Agriculture is striving to ensure that such facilities are readily available to all rural communities. Community Programs utilizes three flexible financial tools to achieve this goal: loan guarantees, available to commercial banks; a direct loan program, at reduced interest rates; and a grant program for communities that cannot finance a needed project. Eligible rural areas are cities and towns of less than 20,000 inhabitants.

**In Fiscal Year 2002, USDA Rural Development in Southern New England provided \$8,937,860 in funds through the Community Facilities Program.**



*State Director David Tuttle and Congresswoman Nancy Johnson present a \$300,000 "big check" to the Litchfield County Dispatch Center*



*The Harrisville R.I. Fire Department purchased this new fire truck with assistance from Rural Development*

State	Community Facilities Direct Loan	Community Facilities Guaranteed Loans	Community Facilities Grants
Connecticut	\$916,100	\$327,000	\$110,000
Massachusetts	\$3,544,332	\$350,000	\$98,261
Rhode Island	\$2,258,500	\$1,309,000	\$24,767

### Community Facilities Borrowers and Grantees

- Hardwick Rescue, MA
- Town of Dudley, MA
- Quinebaug Volunteer Fire Department, CT
- Community Children's Center, CT
- Hope Valley - Wyoming Fire Department, RI
- Harrisville Fire Department, RI
- Mortlake Fire Company, CT
- Town of Orange, MA
- Winsted Childcare Center, CT
- Charlestown Fire Department, RI
- Litchfield County Dispatch, CT
- Bondsville Fire and Water Department, MA
- Northwest Connecticut YMCA, CT
- Torrington Area Health District, CT
- Evergreen House, MA
- North Adams Regional Hospital, MA
- Northeast Placement, CT
- Visiting Nurse Service, RI
- Town of Warren, MA
- Central Falls Police Department, RI
- Northeast Placement Services, CT
- Mid Upper Cape Community Health Center, MA
- Martha's Vineyard Community Service Center, MA
- Blackstone Valley Tourism Council, RI

## Water & Environmental Programs

The mission of the Rural Utilities Service is to improve the quality of life and promote economic development in rural communities by developing essential public water, sewer and solid waste facilities. Eligible rural areas are cities and towns with less than 10,000 inhabitants.

### Water & Waste Loans

Purpose: To develop water and waste disposal systems (including sewers and storm drainage and solid waste disposal). Funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and corporations not operated for profit. Rural Development also provides water and waste disposal loans made by commercial banks and other eligible lenders.

### Water and Waste Grants

Purpose: To reduce water and waste disposal costs to a reasonable level for rural users. Grants may be made for up to 75 percent of eligible project costs in some cases. The same types of applicants are eligible for grants as are for loans.

### Technical Assistance and Training (TAT) Grants

Purpose: To make grants to nonprofit organizations to provide technical assistance and training to associations on a wide range of issues relating to the delivery of water and waste disposal services. Grant funds may be used to assist communities and rural areas identify and evaluate solutions to water, wastewater or solid waste management problems, improve facility operation and maintenance activities, or prepare funding applications for capital construction projects.

### Solid Waste Management (SWM) Grants

Purpose: To make grants to public and private nonprofit organizations for providing technical assistance and training to associations to reduce or eliminate pollution of water resources and improve planning and management of solid waste facilities.

**In Fiscal Year 2002, USDA Rural Development in Southern New England provided \$35,143,244 in funds through the Water & Wastewater Program.**



*Top: The Barre Wastewater Treatment Center  
Bottom: Barre officials receive \$900,000 to make improvements to the town facility.*

State	Water & Waste Direct Loan	Water & Waste Grants	Water & Waste Guaranteed Loans & SWM Grants
Connecticut	\$4,174,305	\$235,000	\$6,750,595
Massachusetts	\$11,332,092	\$119,000	\$11,099,822
Rhode Island	\$271,575	\$90,000	\$1,070,855

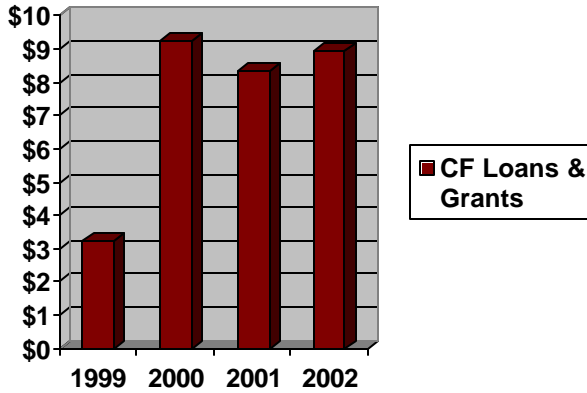


*West Groton Water Supply District officials cut the ribbon on their new 611,000-gallon water storage tank.*

# Historical Trends

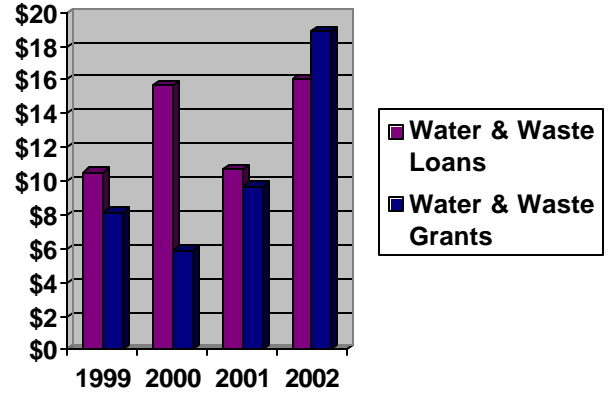
## Community Facilities:

Millions



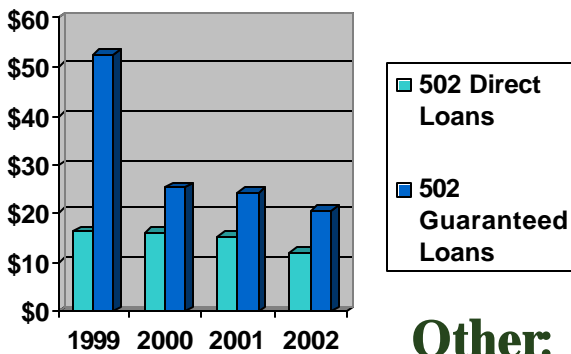
## Water & Waste:

Millions



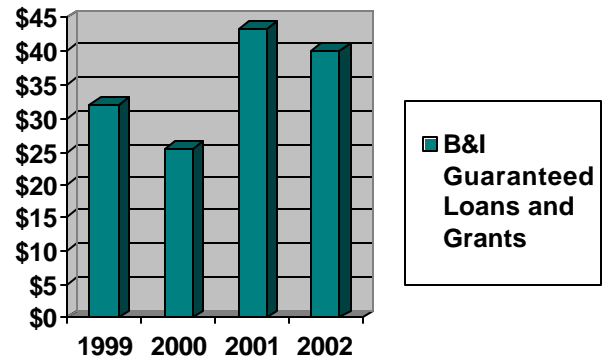
## Housing:

Millions



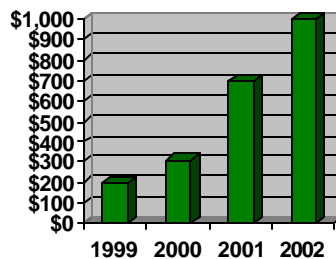
## Business & Industry:

Millions



## Other:

Thousands





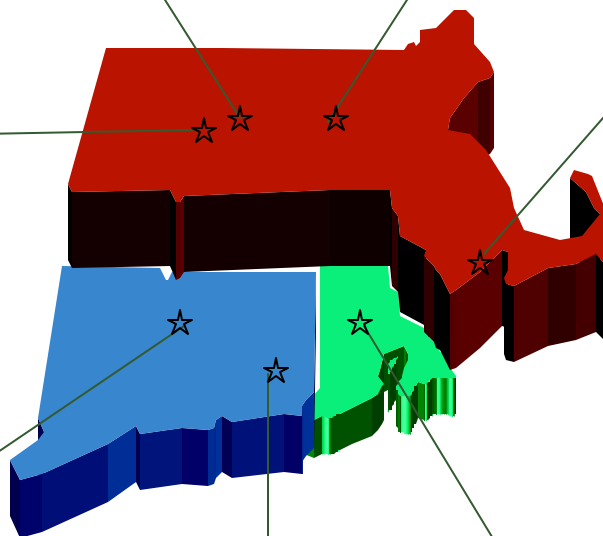
## Rural Development Offices in Southern New England

**Amherst State Office**  
 State Director: David H. Tuttle  
 451 West Street/Suite 2  
 Amherst, MA 01002  
 (413) 253-4302  
 (413) 253-4347 (fax)  
 TDD# (for all offices): (413) 253-4590  
 Email: david.tuttle@ma.usda.gov  
 On the web: www.rurdev.usda.gov/ma  
 The state office administers activity in the  
 three state jurisdiction.

**Holden Area Office**  
 RDM-Lyndon Nichols  
 52 Boyden Road  
 Holden, MA 01520  
 (508) 829-4477 x. 4  
 (508) 829-3721 (fax)  
 lyndon.nichols@ma.usda.gov  
 Servicing: Worcester, Middlesex, Suffolk,  
 and Essex Counties

**Hadley Area Office**  
 RDM-Paul Geoffroy  
 195 Russell Street  
 Hadley, MA 01035  
 (413) 585-1000 x. 4  
 (413) 586-8648 (fax)  
 paul.geoffroy@ma.usda.gov  
 Servicing: Berkshire,  
 Franklin, Hampshire, and  
 Hampden Counties

**West Wareham Area  
Office**  
 RDM-Tom McGarr  
 15 Cranberry Highway  
 West Wareham, MA  
 02576  
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 (508) 291-2368 (fax)  
 tom.mcgarr@ma.usda.gov  
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 Plymouth, Nantucket,  
 Dukes, and Barnstable  
 Counties



**Windsor Area Office**  
 Acting RDM - Johan  
 Strandson  
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 (869) 688-7979 (fax)  
 johan.strandson@ct.usda.gov  
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 Middlesex, Hartford,  
 Litchfield, New Haven, and  
 Fairfield Counties

**Norwich Area Office**  
 RDM-Johan Strandson  
 238 West Town Street  
 Norwich, CT 06360  
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 johan.strandson@ct.usda.gov  
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 London Counties

**Warwick Area Office**  
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