



Rural Development



Bay Ridge Volunteer Fire Company, Inc., Queensbury, NY (Warren County), a Community Facilities Guaranteed Loan recipient.

2002 Progress Report

Message from the Secretary of Agriculture

"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."



Ann Veneman, Secretary of Agriculture



*Thomas C. Dorr, Under Secretary for
USDA Rural Development*

Message from the Under Secretary

"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...from fire hydrants to fiber optic cable -- from sewers to symphonies -- USDA Rural Development financial and technical assistance is making a positive difference."

Message from the State Director

I am pleased to report on the many USDA Rural Development accomplishments during Fiscal Year 2002, which again made USDA Rural Development in New York a national leader in many program areas. In Fiscal Year 2002 USDA Rural Development in New York administered \$118 million dollars, leveraging an additional \$64 million dollars with various state and federal partners, for a total economic impact of \$182 million. Housing, community facilities, rural utility infrastructure, and rural businesses benefited from these programs, once again improving the quality of life in rural New York. This year, soon after President Bush signed the authorizing legislation for the Farm Security and Rural Investment Act of 2002 (Farm Bill), we were able to provide an additional \$8 million dollars in much needed funding for backlogged water and wastewater projects in New York. The 2002 Farm Bill also provides funding for the Value-Added Product Market Development Grant Program through 2006. In a further effort to assist homebuyers and expand our resources in making rural homeownership loans, we have signed Memorandums of Understanding with ten NeighborWorks® member organizations throughout New York State. I am proud of our New York State USDA Rural Development staff. It is through their efforts and hard work that we are able to make these accomplishments. We look forward to working with you in Fiscal Year 2003.



Patrick H. Brennan, State Director

RURAL BUSINESS-COOPERATIVE SERVICE (RBS): Created/saved 1,066 jobs.

The **Rural Business-Cooperative Service** supports economic and business development in rural communities through grants, loans, and loan guarantees. Non-financial assistance is offered in cooperative development, Rural Empowerment Zones (EZ), Rural Enterprise Communities (EC), and Champion Communities (CC) programs, as well as technical assistance to entrepreneurs and economic development organizations.

In Fiscal Year 2002, USDA Rural Development in Rural New York State delivered 34 loans and grants, totaling \$20,580,888 in direct and guaranteed RBS funds.

Business & Industry (B&I) Guaranteed Loan Program

The B&I Guaranteed Program provides loan guarantees of up to 90 percent for loans made by commercial or other authorized lenders for businesses in rural areas. In Fiscal Year 2002, 18 loans ranging from \$300,000 to \$4,400,000 were made to 17 businesses, with an average loan amount of over \$1 million. Over 813 jobs were created or saved. First time guaranteed lenders included **Charter One Bank, Farm Credit, Wells Fargo Business Credit and Upstate National Bank, and the New York Business Development Center (NYBDC).**

Rural Business Enterprise Grant (RBEG) Program

The RBEG Program provides grants to public bodies, private nonprofit corporations, and federally recognized Indian Tribal groups to finance and facilitate development of small and emerging businesses. In Fiscal Year 2002, \$1,086,400 in grants provided funds for six revolving loan funds, two technical assistance projects, and three infrastructure projects in New York State. Pictured at right is the Adirondack International Speedway (AIS), a growing NASCAR track in the Town of New Breman. Lewis County Opportunities, Inc. received RBEG funding to install additional bleachers that will increase seating capacity at the Speedway from 6,500 to 10,500. This is welcome news for the tourism industry as well as the entire North Country economy.



Photo by Adam Chinitz

Rural Business Opportunity Grant (RBOG) Program

Under the RBOG program, public bodies, nonprofits, Indian tribes, or rural cooperatives receive grants for economic planning, technical assistance for businesses, and training for rural entrepreneurs or economic development officials. A \$250,000 grant was made to the Tioga County Economic Development & Planning Department in Fiscal Year 2002, to fund a multi-use facility for agriculture entrepreneurs.

Value-Added Development Grant (VADG) Program:

Delivered \$620,688 in Five (5) Value-Added Agricultural Product Market Development Grants.

Fiscal Year 2002 was the second year for this program. The VADG Program fosters the development of new products and markets for agriculturally based products. In New York State, five grants were awarded totaling \$620,688.

RURAL BUSINESS-COOPERATIVE SERVICE FISCAL YEAR 2002	
Business & Industry (B&I) Guaranteed Loans (18)	\$18,623,800
Rural Business Enterprise Grants (RBEG) (11)	\$ 1,086,400
Rural Business Opportunity Grants (RBOG) (1)	\$ 250,000
Value-Added Development Grants (VADG) (5)	\$ 620,688
Total	\$20,580,888

RURAL HOUSING SERVICE (RHS): Total Impact of over \$47 million.

The **Rural Housing Service** provides a number of homeownership opportunities to rural Americans, as well as programs for home renovation and repair. RHS also makes financing available to elderly, disabled, or low-income rural residents of multi-unit housing to ensure they are able to make rent payments.

In Fiscal Year 2002, the Rural Housing Service and partners invested \$47,538,679 in Rural New York.

Single Family Housing Success

Through the Section 502 Direct Loan Program, USDA Rural Development provides low-income households in rural areas the opportunity to realize the American Dream of homeownership. Yuriy and Marina are originally from Belarus and Kazakhstan respectively. With the help of the Marcy USDA Rural Development Office, they were able to purchase a home and borrow enough to make the many needed repairs. They now have a beautiful house in which to raise their two children. Pictured at right are (L-R) contractor Gennady Sen, homeowner Yuriy, and Community Development Specialist Sue Galster.



Multi-Family Housing

The Rural Rental Housing Section 515 Program provides mortgage loans for multi-family rental housing units for very low to moderate-income families; the elderly; and persons with disabilities. Rent subsidies ensure that elderly, disabled, and low-income residents are able to afford rent payments. Pictured at left is the October 2002 groundbreaking of Stottville Court Apartments in Columbia County, an elderly housing project.

RURAL HOUSING SERVICE FISCAL YEAR 2002	
Homeownership Direct & Guaranteed Loans (617)	\$34,198,880
Home Improvement Loans and Grants (259)	\$ 1,270,467
Leveraged Funds	\$ 1,523,151
Multi-Family Housing (120 Apartment Units)	\$ 2,118,022
Leveraged Funds (NYS)	\$ 4,322,427
Tax Credits	\$ 4,105,732
Total Impact	\$47,538,679

Rural Housing Partnerships

During Fiscal Year 2002, USDA Rural Development established working partnerships with ten NeighborWorks[®] organizations across New York State for packaging 502 and 504 Repair loans. These new partnerships are providing greater opportunities for rural communities to utilize USDA Rural Development's Single Family Housing programs:

***Chautauqua Home Rehabilitation & Improvement Corp.
Housing Assistance Program for Essex County
Housing Resources of Columbia County
Housing Resources of Rensselaer County
Opportunities for Chenango, Inc.***

***Rural Opportunities, Inc. (Statewide)
Rural Revitalization Corporation of Salamanca
Rural Ulster Preservation Company
St. Lawrence Housing Council
UNHS NeighborWorks[®] HomeOwnership Center***

RURAL UTILITIES SERVICE (RUS): No. 4 in Water & Wastewater projects.

The Rural Utilities Service (RUS) brings the information "superhighway" to rural America; guarantees affordable, more reliable electric power; delivers safe, clean drinking water; and provides environmentally sound wastewater disposal.

In Fiscal Year 2002, the Rural Utilities Program made a total impact in Rural New York of \$93,393,916.

RURAL UTILITIES SERVICE FISCAL YEAR 2002	
Appalachian Regional Commission (ARC) Grants (6)	\$ 752,000
Distance Learning & Telemedicine Grants (5)	\$ 1,902,727
Economic Development Administration Grants (1)	\$ 500,000
Farm Bill Loans and Grants (23)	\$ 8,171,769
Indian Set-Aside Grants (3)	\$ 1,104,598
Leveraged Funds	\$35,088,287
Rural Economic Area Partnership (REAP) Loans and Grants (2)	\$ 3,043,400
Water and Wastewater (W&W) Loans and Grants (78)	\$42,831,135
Total Impact	\$93,393,916



Distance Learning & Telemedicine Program (DLT): No. 2 in the Nation in number of projects.

In Fiscal Year 2002, New York State made five Distance Learning and Telemedicine grants, for a total of \$1,902,727. The Copenhagen Central School District (Jefferson County) was one of the recipients. The District's distance learning program received a \$476,650 grant to expand a network that will benefit approximately 3,300 students. Pictured at left are attendees of the multi-state, interactive videoconference announcing the awards, that was held at the Copenhagen school's DLT lab. Under Secretary Thomas C. Dorr, RUS Administrator Hilda Gay Legg, grant recipients, and

Copenhagen School District students were among those who took part in the videoconference. The grant recipients were: **Moses-Ludington Hospital; New York State Office of Children & Family Services (2); Copenhagen Central School District; and the Schuyler-Chemung-Tioga Board of Cooperative Education Services.**

Community Facilities (CF) Program: Invested over \$4 million in 11 fire districts, serving over 43,722 people.

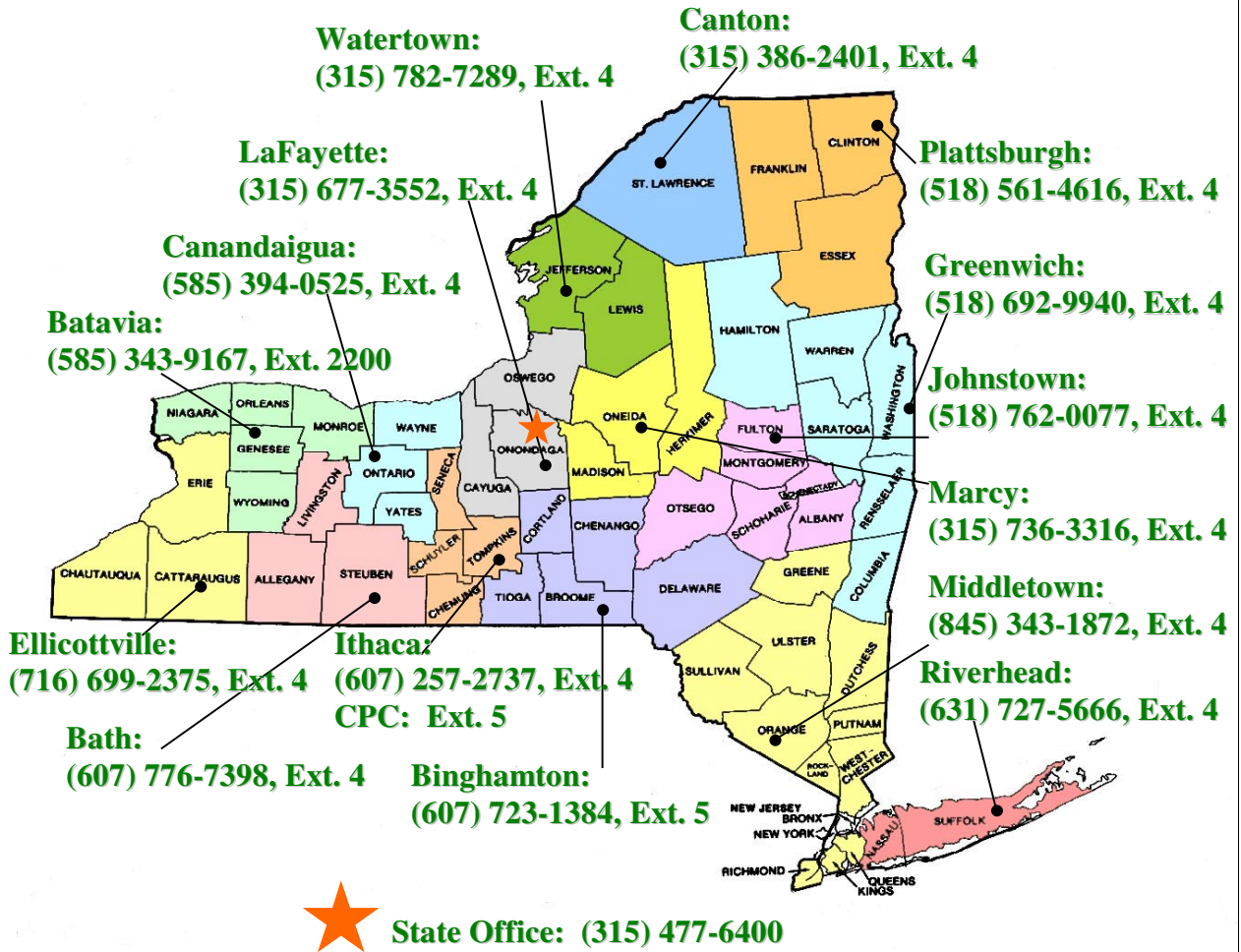
The CF Program provides loans, guarantees, and grants to develop community facilities in rural areas with populations of 20,000 or under. Pictured at right is one of the interactive exhibits in the Children's Museum at Saratoga, Saratoga Springs, New York, a CF direct loan recipient.

COMMUNITY FACILITIES FISCAL YEAR 2002	
Community Facilities Loans, Grants, & Guaranteed Loans (29)	\$15,247,870
Economic Impact Initiative Grants (1)	\$ 125,000
Rural Community Development Initiative (RDCI) Grants (2)	\$ 299,978
Leveraged Funds	\$10,479,637
Total Impact	\$26,152,485



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USDA RURAL DEVELOPMENT NEW YORK FIELD OFFICES



Cover Photo: Bay Ridge Volunteer Fire Company, Inc., Queensbury, NY (Warren Co.), received a Community Facilities Guaranteed Loan from Evergreen Bank of Glens Falls, New York. The new firehouse consolidates two facilities accommodating eight fire and emergency vehicles, and providing room for meetings, training, and office space. The facility is equipped with an emergency generator and will be used as an emergency shelter for the area.

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