

Part 1980 - GENERAL

Subpart K - Strategic Economic and Community Development

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PART 1980 - GENERAL

Subpart K - Strategic Economic and Community Development

§ 1980.1001 Purpose.

The purpose of this subpart is to support projects, by awarding reserved funds, that implement strategic community investment plans on a Multi-jurisdictional and Multi-sectoral basis through the submission and review of applications for the programs identified in § 1980.1002. *The intent of requiring multi-jurisdictional and multi-sectoral planning is to encourage strategic regional development plans because research and practice have proven that leveraging resources and assets can increase the success of economic development strategies within a region. This is especially true for small, rural places that are best positioned to grow when they share resources among multiple jurisdictions and sectors. Rural Development seeks to implement this subpart while continuing to support our smallest and most under-resourced areas. Therefore, all applications for the Strategic Economic and Community Development (SECD) (subpart K) will be reviewed based on the requirements of the subpart as well as the unique needs of the applicant. For instance, in applications where only one entity is applying, the application will be reviewed to see if the entity oversees areas that would meet the definition of multi-jurisdictional and the plan will be reviewed to determine if sector partners are involved meeting the definition of multi-sectoral.*

§ 1980.1002 Programs.

The Agency may elect to reserve funds from one or more of the programs listed in paragraphs (a) through (w) of this section for projects that support strategic community investment plans.

- (a) Community Facility Loans (7 CFR 1942, subpart A).
- (b) Community Facilities Grant Program (7 CFR 3570, subpart B).
- (c) Community Programs Guaranteed Loans (7 CFR 3575, subpart A).
- (d) Water and Waste Disposal Programs Guaranteed Loans (7 CFR 1779).
- (e) Water and Waste Loans and Grants (7 CFR 1780, subparts A, B, C, and D).

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- (f) Business and Industry Guaranteed Loanmaking and Servicing (7 CFR 4279, subparts A and B; 7 CFR 4287, subpart B).
- (g) Rural Business Development Grants (7 CFR 1980, subpart E).
- (h) Community Connect Grants (7 CFR 1739).
- (i) Rural Community Development Initiative Grant (2 CFR 200).
- (j) Tribal College Initiative Grants (7 CFR 3570, Subpart B).
- (k) Intermediary Relending Program (7 CFR Part 4274).
- (l) Mutual Self-Help Housing Technical Assistance Grants (7 CFR 1944 - I).
- (m) Rural Housing Site Loans (7 CFR Part 1822, Subpart G).
- (n) Housing Preservation Grants (7 CFR 1994 - N, 7 CFR Part 1970 A-O).
- (o) Farm Labor Housing Direct Loans and Grants (7 CFR 3560, Subpart L and Subpart M).
- (p) Multi-Family Housing Loan Guarantees (7 CFR Part 3565).
- (q) Distance Learning and Telemedicine Loans and Grants (7 CFR 1734).
- (r) Rural Energy for America Program (7 CFR 4280, Subpart B).
- (s) Rural Economic Development Loans and Grants (7 CFR Part 4280).
- (t) Rural Energy Savings Program (7 U.S.C. 8107a).
- (u) Value-Added Producer Grants (7 U.S.C. 1632a).
- (v) Household Water Well System Grant Program (7 CFR 1776).
- (w) Solid Waste Management Grant (CFR 1775, Subpart D).

§ 1980.1003 Applicability of Program Regulations.

Except as supplemented by this subpart, the provisions of covered programs identified in § 1980.1002 are incorporated into this subpart.

§ 1980.1004 Funding.

Unless the Agency publishes a notice that indicates otherwise, the Agency will reserve funds according to the procedures specified in paragraphs (a) through (c) of this section for each of the covered programs identified in § 1980.1002 each fiscal year.

(a) Individual program basis. The Agency will reserve funds on an individual program basis.

(b) Percentage of funds. The Agency will reserve up to 15 percent of the funds made available in a fiscal year to each covered program identified in § 1980.1002 unless the Agency specifies a different percentage. If the Agency specifies a different percentage, the Agency will publish a notice in the Federal Register indicating the percentage. The Agency may reserve the same or different percentages for each program in a single fiscal year.

(1) The amount will be up to 15 percent of each identified program.

(2) The Agency will determine percentage amount for each program and will publish notice in the Federal Register addressing each program.

(3) Unless the Agency publishes such notice in the Federal Register, then 15 percent of the funds for each program will be reserved.

(c) Unobligated funds. If a program's funds reserved under this subpart remain unobligated as of September 30 of the fiscal year in which the funds are reserved, the funds will be reconciled according to applicable law. For program reserved funds remaining unobligated on a covered program's SECD obligation deadline published in an annual Federal Register notice, the Agency will return such remaining funds to that program's regular funding account for obligation for all eligible Projects in that program.

§ 1980.1005 Definitions.

In addition to the definitions found in the regulations for the programs identified in § 1980.1002, the following definitions apply to this subpart. If the same term is defined in any of the regulations for the programs identified in § 1980.1002, for purposes of this subpart, that term will have the meaning identified in this subpart.

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Adopted. Means that a Plan has been officially approved for implementation by the appropriate entity or entities in the Jurisdiction(s) affected by the Plan. The primary consideration in "adopted" is that the appropriate entity has, or entities have, officially approved the plan for implementation. The appropriate entity or entities will vary among plans and may be, for example, a governing body (state, county, city, Indian Tribe) or other entity (council of governments, school district, transportation district).

Agency. Means the Rural Business-Cooperative Service, the Rural Housing Service, or the Rural Utilities Service, or their successor agencies.

Carried out in a rural area means either (the project must meet one or the other of the following definitions):

(1) **The Project is physically located in a rural area;** This definition of "carried out in a rural area" focuses on the physical location of the project without regard as to who will benefit from the project. For example, a hospital built entirely in a rural area would meet this criterion regardless if it provides health care services to non-rural residents; **or**

(2) **All of the beneficiaries of the services provided by the Project either reside in a rural area (for individuals) or are located in a rural area (for businesses).** This definition of "carried out in a rural area" focuses on who benefits (individuals or businesses) from the project and not the project's physical location. For example, consider a project designed to provide water to only residents of a rural area, where part of the project is located in a non-rural area and part of the project is located in a rural area. While this water project would not meet the "location" definition of "carried out in a rural area", it does meet the "beneficiaries" definition because the beneficiaries of the services (in this case, the individuals) all reside in a rural area. If, however, some of the beneficiaries reside in a non-rural area, then this project would not be an eligible project under definition of "carried out in a rural area."

Investment means either monetary or non-monetary contributions to the implementation of the strategic community investment plan's objectives. Investment means either monetary or non-monetary contributions because both types of contributions can be important components to developing, implementing, monitoring and/or evaluating the plan, especially in communities with limited resources.

§ 1980.1005 (Con.)

Jurisdiction means a unit of government or other entity with similar powers. Examples include, but are not limited to: city, county, district, special purpose district, township, town, borough, parish, village, State, and Indian tribe. The principal component of "jurisdiction" is a unit of government, such as a State, Indian tribe, county, city, township, town, borough, etc. However, a plan is not always developed by, nor necessarily targeted at, such units of governments. For example, there are regional authorities, such as regional planning organizations, that may assist with developing and implementing strategic community investment plans. Thus, RD intends the definition of jurisdiction to be broad enough to take into account such entities.

Multi-jurisdictional means at least two Jurisdictions. In working with Federally recognized Indian Tribes examples of multi-jurisdictional include: two or more Indian Tribes, two or more towns or villages within one Indian Reservation, an Indian Tribe and a non-tribal jurisdiction, multiple chapters or districts within an Indian Reservation, an Indian Tribe and one or more State government and combinations of two or more Alaska Native Village Corporations, Alaska Native Regional Corporations, Alaska Native Villages and the Burroughs of Alaska.

Multi-sectoral means intentional collaboration between two or more sectors to accomplish goals and achieve outcomes in communities and regions. In addition to supporting a strategic community investment plan on a multi-jurisdictional basis, a project must support a strategic community investment plan on a multi-sectoral basis. Sectors may include, but are not limited to; business, education, government, healthcare, philanthropy or non-profit. Collaboration includes involvement in any phase of the Plan such as development, implementation, monitoring and/or evaluation.

Philanthropic organization means an entity whose mission is to provide monetary, technical assistance, or other items of value for religious, charitable, community and economic development, scientific, literary, or educational purposes.

RD Instruction 1980-K
§ 1980.1005 (Con.)

Plan means a strategic community investment plan. A plan includes any comprehensive economic development or community development strategy that outlines a region's vision for shaping its community and economy. Elements included may be aspects such as natural resources, land use, transportation, and housing. Such Plans bring together key community stakeholders to create a roadmap to diversify and strengthen their communities and to build a foundation to create the environment for regional economic prosperity.

To be acceptable under this subpart, the Plan must contain at a minimum the following:

(1) A variety of activities designed to facilitate the vision of a rural community for the future including considerations for improving and expanding broadband services;

(2) Participation by multiple stakeholders, including local and regional partners; Acceptable forms of supporting documentation showing participation include, but are not limited to, public hearing minutes or attendance records, news outlet reports announcing or highlighting participation, memos of understanding with authorizing signatures, letters of support, and cooperative agreements between the applicant and key partners or stakeholders.

(3) Leverage of applicable regional resources;

(4) Investment from strategic partners, such as private organizations, cooperatives, other government entities, Indian tribes and philanthropic organizations;

(5) Clear objectives with the ability to establish measurable performance metrics. Objectives are achieved while strategies are implemented. The two are often used interchangeably, but they are different. Objectives should be measurable. Strategies are actions or steps for achieving the objectives. When reviewing plans, the project should support the achievement of objectives.

(6) Action steps for implementation; and

The plan should include clear action steps, or strategies, for implementation. These should be listed with specific targets leading to achievement of objectives. Simply listing objectives absent associated methods for achievement, indicates an incomplete plan.

§ 1980.1005 (Con.)

(7) Any other elements necessary to ensure that the plan results in a comprehensive and strategic approach to rural economic development, as determined by the Secretary.

Project means the eligible proposed use(s) for which funds are requested as described in the application material submitted to the Agency for funding under the covered program.

Rural vision means an aspirational description of what a community or region would like to achieve or accomplish in the mid-term or long-term future. *Mid-term is a five- to 10-year period and long-term is beyond 10 years, but less than 25 years.*

Sector means stakeholders from areas such as business, health, education, and/or workforce; or from organization types such as public, private, non-profit, and/or philanthropy. Multi-sectoral means intentional collaboration between two or more sectors to accomplish goals and achieve outcomes in communities and regions.

Strategic partner means individuals, entities or groups supporting monetarily or non-monetarily the preparation, implementation, monitoring or evaluation of a strategic community investment plan (plan). *Strategic partners listed in the statute include private organizations; cooperatives; other government entities; Indian Tribes and philanthropic organizations.*

§ 1980.1006 - 1980.1009 [Reserved]

§ 1980.1010 Project eligibility.

The statute identifies three criteria that a project must meet in order to be eligible for reserved funding. These criteria are: :

(a) The Project must meet the Project eligibility criteria of the applicable program identified in § 1980.1002;
Meaning first, the project must meet the criteria of the covered program for which it is applying.

(b) The Project must be Carried Out in a rural area;
Rural area is defined by the covered program's definition of rural area; and

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§ 1980.1010 (Con.)

(c) **The Project must support the implementation of strategic community investment plan on a Multi-Jurisdictional and Multi-Sectoral basis.**

Multi-jurisdictional means two or more jurisdictions. An Indian tribe may have multiple jurisdictions within the tribal land holdings and these count as individual units. Multi-sectoral means intentional collaboration between two or more sectors to accomplish goals and achieve outcomes in communities and regions. Sector means stakeholders from areas such as business, health, education, and/or workforce; or from organization types such as public, private, non-profit, and/or philanthropy.

§§ 1980.1011 - 1980.1014 [Reserved]

§ 1980.1015 Applications.

In addition to the application material specific to the applicable program identified in § 1980.1002, each applicant seeking funding under this subpart must provide the information specified in paragraphs (a) through (d) of this section.

(a) Applicant. The applicant must submit:

- (1) Name of the applicant;
- (2) Telephone number of the applicant; and
- (3) Email address of the applicant;
- (4) A statement indicating whether or not the applicant is or includes one of the following:
 - (i) State government;
 - (ii) County government;
 - (iii) Municipal government;
 - (iv) Tribal government;
 - (v) Non-profit entity;

§ 1980.1015(a) (4) (Con.)

(vi) **For-profit entity; Or**

(vii) **Other Entity**

(viii) *This information is sought to identify the type of applicant and to ensure the strategic community investment plan has been adopted for implementation by the applicant's governing authority. The applicant's governing authority must be aware of and concur the project aligns with the strategic community investment plan contents. The applicant should provide documentation the project is consistent with the strategic community investment plan.*

(b) **Plan. Each application must include the following information:**

(1) **The name of the Plan the Project supports;**

(2) **The date the Plan became effective;**

(3) **The dates the Plan is to remain in effect;**

(4) **Contact information for the entity(ies) approving the Plan, including name(s), telephone number(s), and email address(es);**

(5) **As found in the most current version of the Plan, the name and description of each objective that the Project will directly support;**

Applicants may provide this information by submitting copies of the relevant pages from the Plan or providing their own descriptions. This information is particularly important because this area is one of seven criteria, as set by the authorizing statute, by which the Agency will evaluate and score the Plan. Failure to provide this information or failure to provide sufficient detail may result in a lower SECD application score.

(6) **A description of the jurisdiction of the Plan; As an alternative to providing a description, the applicant has the option of submitting an excerpt from the Plan that describes the Plan's jurisdiction. A description of the jurisdiction is necessary because the criterion for collaboration is based, in part, on the collaboration of partners and stakeholders within the jurisdiction of the plan.**

RD Instruction 1980-K
§ 1980.1015(b) (Con.)

(7) Documentation that the Plan was developed through the collaboration of multiple stakeholders in the jurisdiction of the Plan, including the participation of combinations of stakeholders; Acceptable forms of supporting documentation showing participation include, but are not limited to, public hearing minutes or attendance records, news outlet reports announcing or highlighting participation, memos of understanding with authorizing signatures, letters of support, and cooperative agreements between the applicant and key partners or stakeholders.

(8) Documentation that the Plan demonstrates leveraging of applicable regional resources;

(9) Documentation of investment from strategic partners, such as private organizations, cooperatives, other government entities, Indian tribes and philanthropic organizations including monetary or non-monetary contributions; If the applicant's plan includes investments from strategic partners, statements attesting to the support (monetary or non-monetary) should be included in order to receive the maximum number of points.

(10) Documentation that the Plan contains clear objectives with the ability to establish measurable performance metrics;

(11) Documentation of action steps for implementation of the Plan; and

(12) If available, a web site address link to the Plan.

(c) Project. Each application must include the following information:

(1) The name of the Project;

(2) Sufficient detail to allow the Agency to determine that the Project will be Carried Out in a Rural area as defined in § 1980.1005 Failure to provide this information or failure to provide sufficient detail may result in a lower SECD application score.;

§ 1980.1015(c) (Con.)

(3) A detailed description of how the Project directly supports each objective identified under paragraph (b) (5) of this section; *Failure to provide sufficient information to demonstrate direct support of the objective(s) may result in a lower SECD application score; and*

(4) If applicable, letter from the appropriate entity(ies); state, county, municipality or tribal government indicating that:

(i) The Project is consistent with the Plan and

(ii) The Plan has been Adopted.

(iii) *A plan is not always developed by, nor necessarily targeted at, units of government. For example, there are regional authorities, such as regional planning organizations, that may assist with developing and implementing strategic community investment plans. Under circumstances where the plan is not developed by a unit of government, a letter from the appropriate governing authority; for example, a board of directors; must be submitted indicating the consistency of the project with the Plan and acknowledging the Plan has been adopted.*

(d) Agency coordination. To help ensure coordination among the programs included in this subpart, the Agency is requiring applicants provide the Agency the information in paragraphs (d) (1) through (3) of this section.

(1) Program areas. Identify the program area(s) (i.e., Community Facilities, Water and Waste, Rural Business and Cooperative Development, Community Connect) from which funds are being sought.

(2) Multiple applications. If the applicant is submitting in the same fiscal year more than one application for funding under this subpart, identify in each application the other application(s) by providing:

(i) *Name.* The name(s) of the Project(s);

(ii) *Program area(s).* The program area(s) for which funds are being sought; and

(iii) *Submittal date.* The date that each application was submitted to the Agency.

RD Instruction 1980-K
 § 1980.1015(d) (Con.)

(3) Form 1980-88. If an applicant does not know if two or more program applications will be submitted during the same fiscal year for Section 6401 SECD, the applicant does not need to fill out Block V.B when submitting this form the first time in a fiscal year. However, if the applicant does submit, at a later date, another program application for Section 6401 SECD, they must fill out Block V.B to show each prior program application submittal. To illustrate, suppose the applicant submits a Water and Waste Disposal grant application for a water treatment facility on December 14 and at that time the applicant does not plan on submitting another program application. However, early in the next calendar year, the applicant decides to submit a Rural Business Development Grant (RBDG) application for a drug store project and submits that application on February 22. Block V.B in this form would look something like this:

<p>1a. Project Name: Drug store</p>	<p>2a. Program Area(s) for which Section 6401 priority is requested (check all that apply): Business and Cooperative Development <input checked="" type="checkbox"/> Rural Community Facilities: <input type="checkbox"/> Rural Utilities: <input type="checkbox"/></p>	<p>3a. Date application submitted: February 22, YEAR</p>
<p>1b. Project Name: Water treatment facility</p>	<p>2b. Program Area(s) for which Section 6401 priority is requested (check all that apply): Business and Cooperative Development <input type="checkbox"/> Rural Community Facilities: <input type="checkbox"/> Rural Utilities: <input checked="" type="checkbox"/></p>	<p>3b. Date application submitted: December 14, YEAR</p>

(4) Previous applicants. If the applicant has previously submitted one or more applications for funding under this subpart, the applicant must provide in the current application the following information for each previous application:

§ 1980.1015(d) (4) (Con.)

The purpose of requesting this information is not punitive or meant to discourage subsequent applications for other projects or different phases of a previously awarded project but is intended to notify the SECD application reviewer of the applicant's SECD experience. Although no points are awarded for prior experience, having this information offers a glimpse into the use of SECD and the impact the program is having on rural communities and regions.

- (i) The date the application was submitted;
- (ii) The name of the Project;
- (iii) The program area(s) from which funds were sought;
- (iv) Whether or not the Project was selected for funding; and
- (v) If the Project was selected for funding,
 - (A) The name(s) of the specific program(s) that provided the funding;
 - (B) The date and amount of the award; and
 - (C) Whether any of the funding came from the funds reserved under this subpart.

§§ 1980.1016 - 1980.1019 [Reserved]

§ 1980.1020 Scoring.

The Agency will score each eligible application seeking funding under this subpart as described in this section.

(a) Covered program scoring. The Agency will score each application using the criteria for the applicable program identified in § 1980.1002. The maximum number of points an application can receive under this paragraph is based on the scoring criteria for the applicable covered program, including any discretionary points that may be awarded. *Projects that support strategic community investments plans can receive points as provided for in § 1980.1025 over and above the points awarded via the covered program's scoring criteria. Projects will compete against each other based on the total score.*

(b) Section 6401 scoring. The Agency will score each application using the criteria identified in paragraphs (b) (1) and (2) of this section. The maximum number of points an application can receive under this paragraph is 20 points.

(1) Project's direct support of a Plan's objectives. The Agency will score each application on the basis of the number of a Plan's objectives the Project directly supports. The maximum score under this paragraph is 10 points.

(i) If the Project directly supports implementation of 3 or more of the Plan's objectives, 10 points will be awarded.

(ii) If the Project directly supports implementation of 2 of the Plan's objectives, 5 points will be awarded.

(iii) If the Project directly supports implementation of less than 2 of the Plan's objectives, no points will be awarded.

(2) Characteristics of a Plan. The Agency will score the Plan associated with a Project based upon the characteristics of the Plan, which are identified in paragraphs (b) (2) (i) through (v) of this section. Applicants must supply sufficient documentation that demonstrates to the Agency the criteria identified in paragraphs (b) (2) (i) through (v) of this section. The maximum score under this paragraph is 10 points.

(i) Participation by Multiple Stakeholders. Should documentation be provided of the involvement of multiple stakeholders from multiple jurisdictions and representing multiple sectors in the preparation, implementation, monitoring and/or evaluation of the Plan, two points will be awarded. *Acceptable forms of supporting documentation showing participation include, but are not limited to, public hearing minutes or attendance records, news outlet reports announcing or highlighting participation, memos of understanding with authorizing signatures, letters of support, and cooperative agreements between the applicant and key partners or stakeholders.*

(ii) Regional Resources Leverage. Should documentation be submitted showing an understanding of the applicable regional assets and indicates leveraging of those resources to support the Plan, including natural, human, infrastructure and financial resources, two points will be awarded.

§ 1980.1020(b) (2) (Con.)

(iii) **Variety of Activities.** Should documentation be presented indicating the Plan contains a variety of activities which clearly show facilitation toward achieving the vision for the rural communities and/or region as expressed in the Plan, two points will be awarded.

(iv) **Strategic Partner Investment.** Should documentation be submitted showing investment from strategic partners, other than the U.S. Department of Agriculture, two points will be awarded. *If the applicant's plan includes support from strategic partners, such as private organizations; cooperatives; other government entities; Indian tribes; and philanthropic organizations, statements from those partners attesting to their support (monetary or non-monetary) should be included in order to receive the maximum number of points.*

(v) **Objectives and performance measures.** If the Plan contains clear objectives with the ability to establish measurable performance metrics and action steps for implementation, two points will be awarded. *Objectives are achieved while strategies are implemented. The two are often used interchangeably, but they are different. Objectives should be measurable. Strategies are actions or steps for achieving the objectives. When reviewing plans, the project should support the achievement of objectives.*

The plan should include clear action steps, or strategies, for implementation. These should be listed with specific targets leading to achievement of objectives. Simply listing objectives absent associated methods for achievement, indicates an incomplete plan.

(c) **Total score.** The Agency will sum the scores each application receives under paragraphs (a) and (b) of this section in order to rank applications. *Additional information on how a SECD application will be scored is identified in § 1980.1025(b) and (c).*

§§ 1980.1021 - 1980.1024 [Reserved]

RD Instruction 1980-K

§ 1980.1025 Award process.

(a) Unless RD indicates otherwise in a notice, the award process for the applicable covered program will be used to determine which Projects receive funding under this subpart.

(b) In years when funding is made available under this subpart, Projects not receiving funding under this subpart are eligible to compete for funding under the applicable covered program. The scores for such Projects when competing for covered program funding will not include the score assigned to the application under § 1980.1020 (b).

(1) In a year in which the Agency reserves funds from a covered program, Section 6401 projects will compete among themselves for the reserved funds up through deadlines established by the covered programs.

(2) When competing for such funds, the Section 6401 project's score will be the sum of the score based on the covered program's scoring criteria plus the score based on the scoring criteria specific to the project's support of a strategic community investment plan.

(3) If a Section 6401 project does not receive reserved funds, it will be eligible to compete, after the covered program's obligation deadline, for any remaining funds available under that program's general fund using the project's score based solely on the covered program's scoring criteria.

§§ 1980.1026 - 1980.1100 [Reserved]

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