



**\$2.16
Billion
Invested in
Alaska**



**Rural Development
Alaska**

**EIGHT YEAR PROGRESS REPORT
2009-2016**



Committed to the future of rural communities.

Mission Statement

“To increase economic opportunity and improve the quality of life for all rural Americans.”

Rural Development Act of 1972

“The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.”
 (P.L. 92-419, Title VI, Section 601)
 Signed by President Richard Nixon on August 30, 1972

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President Barack Obama
President of the United States of America

“I know the rest of our country can learn something from rural America. The heartland is central to the economic health and prosperity of our nation. Rural communities provide us with affordable agricultural products, competitive manufacturing capabilities, independent, renewable energy supply and stewardship of America’s great outdoors – an important source of jobs and an incredible treasure for all Americans.

Over the last eight years, we’ve been focused on improving infrastructure, building bridges and hospitals, and providing broadband access to millions of rural Americans. We’ve made historic investments in innovation and clean energy. And we established the first-ever White House Rural Council to promote economic growth in rural America – and to do it in a faster and more coordinated way.

We know what it takes to keep America going. It means helping families in the heartland and across the country feel connected and moving forward.”





Secretary Tom Vilsack
*US Department of
Agriculture*

“When I was sworn in as Secretary of Agriculture in January 2009, rural America was feeling the devastating impact of the Great Recession. Rural counties were shedding 200,000 jobs per year, rural unemployment stood at nearly 10 percent, and poverty rates reached heights unseen in decades. Many rural communities were facing stagnant wages, outmigration, and a critical shortage of investment capital.

Over the course of the Obama Administration, USDA has made targeted investments in rural areas to create jobs, generate economic opportunity, and strengthen rural communities. Rural America is rebounding. Rural unemployment has declined, dropping below 6 percent for the first time since 2007, and rural poverty rates have fallen. Median household incomes increased by 3.4 percent, and rural populations are beginning to grow.

USDA Rural Development has been a leader in providing investments to address rural America’s economic challenges. From housing to renewable energy, essential community facilities to high speed broadband, water systems to electric lines with smart grid technology—RD has helped prepare rural America for the 21st Century economy.

Since 2009, RD has helped 1.2 million rural Americans buy, refinance, or repair their homes, and created ensure safe, affordable rental housing for hundreds of thousands. We’ve invested \$12 billion in over 10,530 essential community projects like schools, hospitals, public safety facilities, and community centers. More than 107,000 rural businesses have received loans or grants, creating more than 791,000 jobs. Our water program has funded \$13.9 billion for nearly 5,825 projects, providing safe water to 19.5 million rural residents.

None of this would have been possible without the dedication, innovation, and hard work of the men and women of USDA-RD. They are exemplary public servants who, in spite of workforce reductions, been more productive in these past eight years than at any time in the history of this Department. I am proud to serve with them.”



**Under Secretary
Lisa Mensah**
USDA Rural Development

“Thriving rural communities contribute to the prosperity of our entire nation, and throughout the last 80 years USDA Rural Development (RD) and its predecessor agencies have been committed to the success of rural America. About 46 million people live in rural America, playing a key role in the national economy by producing food and other goods that are vital to the rest of the country.

RD’s investments in infrastructure help rural America grow and prosper. We recently celebrated the 80th anniversary of the Rural Electrification Act, which brought power to the people of rural America. Given rural America’s next great infrastructure challenge, we completed work on broadband projects funded through the Recovery Act. These projects brought broadband access to nearly six million rural Americans’ homes, schools and businesses.

Thanks in part to RD’s investments, rural America is seeing job and income growth for the first time since the Great Recession of 2008. We are also realizing a reverse in outmigration from rural areas and lower rates of poverty. But too many rural communities have not yet fully shared in that recovery. There is more work to be done.

We began a Community Facilities re-lending effort. In this innovative approach to economic development, we partnered with community-based financial organizations, private sector banks and philanthropic organizations to make more than \$400 million available for investments targeted to lift up America’s rural areas that have struggled to overcome persistent poverty. Since 2009, RD Housing

Programs helped more than 1.2 million rural families buy, refinance and maintain homes with more than \$155 billion in investments. Thanks to our partners in private sector, the RD guaranteed loan program has helped more rural families realize the dream of home ownership than any other period in the agency’s history.

The Renewable Energy for America Program also set records providing rural businesses with guaranteed loan financing and grants for renewable energy systems and energy efficiency improvements. Encouraging energy independence for America’s small towns, using abundant, renewable natural resources, isn’t just fiscally sound, it also helps communities do their part to ensure an environmentally secure future for our children. Water and Environmental Programs provided record funding for clean and reliable drinking water systems and sanitary sewage disposal. Through the Rural Alaska Village Grant program we have been able to address third-world sanitation conditions in rural Alaska. In Lower Kalskag, an RAVG investment is constructing water and wastewater treatment facilities and connecting residents to the system. By 2017, this nearly century-old settlement will have indoor plumbing for the very first time.

Finally, I am pleased to report that RD streamlined how we do business to better serve rural Americans. We improved training programs and added additional personnel after years of reductions in areas critical to carrying out our mission. Our housing programs streamlined refinancing and reduced paperwork for homeowners and opened more opportunity to small, community banks and credit unions. We’ve improved our online functionality, from improving our website to making it easier to apply online for our programs.

Growing up in rural Oregon, I learned that inspiration, innovation, hard work and the promise of making a better life for our families and our communities are at the heart of rural America. We’ve made great progress in fulfilling that promise for years to come.”

Alaska Rural Development Area Map & Information



Alaska State Director Jim Nordlund

USDA Rural Development Alaska

“The mission of USDA Rural Development is to improve the economy and quality of life for rural Americans. There is no greater test of this mission than in rural Alaska. With few people living across a vast and wild landscape, the challenge of building infrastructure and providing services to rural Alaska is unmatched in the rest of America.

Many rural Alaskans, both Native and non-Native, feed their families with wild fish and game they harvested. There are few roads so transportation by small plane, boat, four-wheeler, dog sled and snow machine are common. Materials often have to be shipped by barge before the rivers freeze. Construction is challenging when building on melting permafrost and when temperatures reach 50° below. The cost of living is extremely high.

In spite of these challenges, USDA Rural Development has lived up to the task. In Alaska, we are organized into five areas. Our Interior Area is larger than Texas and our West Area is larger than California, yet our staff and partners have done an amazing job bringing critical infrastructure to rural Alaskans.

From 2009 through 2016, we invested over \$2.1 billion to bring water and sanitation to villages still on ‘honey buckets’; provided ambulances and public safety equipment to communities on and off the road system; financed the construction of critical access hospitals; helped families build, purchase and repair their homes; invested in wind and other renewable energy systems; connected communities to broadband and high-speed internet; and helped small businesses create and retain jobs in rural communities.

We have also been involved in emerging issues and innovations, such as implementing a new service delivery structure for our West Area; promoting homeownership in remote Alaska villages; and working with local, state, national and international efforts to deal with the impacts of climate change.

None of the RD projects could not have been completed without contributions from federal, state and community partners. Alaska is a young state, still in need of critical infrastructure. Please feel free to contact a Rural Development staff member listed here to learn if we can help. We look forward to continuing our efforts to meet the needs of rural Alaska.”

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Electric & Telecom Programs

In 1935, in midst of the Great Depression, President Franklin Roosevelt recognized that critical infrastructure in rural America was essential for the good of the country. Without electricity, business and health in rural America would languish, slowing hopes for economic recovery. FDR created the Rural Electrification Administration (REA), which is the genesis of USDA-Rural Development. The REA, now named the Rural Utilities Service (RUS), became a huge catalyst for private sector investment. Many historians consider it the best example of a public/private partnership in the 20th century. Most of the large electric utilities in Alaska have been or still are REA/RUS borrowers, including Golden Valley, Homer, Kotzebue, Kodiak, AVEC, and Inside Passage Electric Companies. RUS has also provided grants to offset the high cost of electricity in rural Alaska, for wind, biomass, hydro, hydrogen and energy efficiency projects, as well as interties, diesel upgrades and bulk fuel facilities.

In 1949, the REA was expanded to include affordable telephone service for rural America, and several Alaska telephone companies have become borrowers. Today, RUS plays a vital role in modernizing communications in rural America through the expansion of broadband and access to high-speed Internet. Just as FDR recognized with electricity over 80 years ago, President Obama recognized the need for expanding broadband, thus improving education, health, public safety and business in rural America. In Alaska, this includes GCI's Terra project as well as projects by utilities in Cordova, McCarthy, Tanana, Kotzebue, St. Paul and others. Distance Learning and Telemedicine grants have also improved services for schools and health organizations across the state from Barrow to Yakutat and Tok to Unalaska.



SUCCESS STORIES

High Energy Cost Grants

The cost of generating electricity can be very high in remote areas of the United States, and Alaska is no exception. That is why Congress created a program for communities with exceptionally high electric rates. The High Energy Cost Grant (HECG) program is administered by the Rural Utilities Service of USDA Rural Development to help address this need. Recipients use HECG funds to improve energy generation, transmission or distribution facilities that serve communities where the average residential cost of electricity exceeds 275 percent of the national average. Grants are available to businesses, utilities, local governments and federally recognized Indian tribes.

For example, the Alaska Power and Telephone Company received \$3 million to build a 1.8 megawatt twin-turbine wind project and a 10-mile transmission line to connect the communities of Tok, Tetlin, Dot Lake and Tanacross. These communities were 100% dependent on diesel generation.

In the past eight years, a total of \$73 million in HECG funds have been provided to benefit 58 Alaska communities to help reduce their fuel consumption by providing more efficient generation, renewable energy production and improving energy efficiency in Alaska's most remote regions.

USDA-RD HISTORICAL MILESTONES



On May 15, 1862, President Abraham Lincoln established the U.S. Department of Agriculture and called it the "people's department."

TELECOM & ELECTRIC PROGRAMS

Traditional Telecom Loans (TTL): Assists the private sector in developing, planning and financing the construction of telecommunications and broadband infrastructure in rural America.

\$13,150,000

Broadband Initiatives Program (BIP): The BIP was a special Recovery Act loan and grant program for construction, acquisition, and improvement of broadband transmission to rural communities.

\$81,796,600 grant
\$48,520,293 loan

Distance Learning and Telemedicine (DLT): Grants and loans for enhanced learning and healthcare opportunities through advanced telecommunications technologies in rural areas.

\$12,689,469

Community Connect Broadband Grants: For the deployment of new broadband transmission services for rural communities where no service is available. **\$4,913,888**

Electric Direct Loans: Direct and guaranteed loans to rural utilities for the construction or improvement of electric distribution, transmission and generation facilities. **\$448,813,000**

High Energy Cost Grants (HECG): Grants for electrical facilities serving communities with home energy costs exceeding 275% of the national average. **\$73,179,178**

Direct Loans	\$511,260,127	74.8%
Grants	\$171,802,301	25.2%

SUCCESS STORIES

Community Connect Broadband Grant for Saint Paul

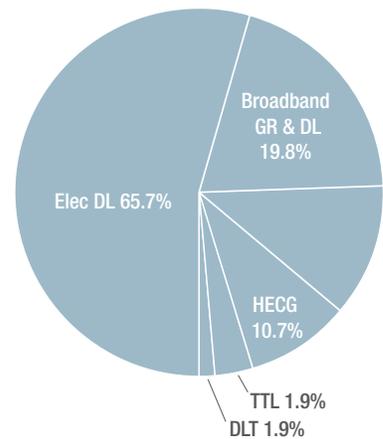
The significance of the Community Connect Broadband Grant to Saint Paul can't really be appreciated until you know about this isolated community in the middle of the Bering Sea 300 miles from the mainland (think "The Deadliest Catch"). St. Paul is not accessible by commercial jet or by marine ferry; it requires a four hour flight by twin-prop aircraft.

The grant was awarded to the Tanadgusix Corporation (TDX) an Alaska Native village corporation. The project was desperately needed on Saint Paul Island, which has been suffering long term job loss and population decline. TDX anticipates that broadband access will stimulate the economy through access to online economic resources and markets as well as communications and information based employment. This is already paying off with the completion of construction.



During the construction, TDX hired 17 local crewmembers who become proficient at fiber installation and splicing, two of which are expected to maintain and operate the network. In addition, numerous other project jobs were supported or partially funded including an onsite foreman; summer youth hire, and administrative support staff.

Total Funding FY 09-16
\$683,062,428



The origins of USDA Rural Development began with the establishment of the Rural Electrification Administration (REA) by President Franklin D. Roosevelt on May 11, 1935. REA brought affordable electricity to rural America.



Water & Environmental Programs

There is probably no government service more fundamental than providing its citizens with clean water and sanitary waste disposal.

USDA-Rural Development's Water and Environmental Programs (WEP) were created to assist local governments with financing critical water, sewer and solid waste facilities.

In Alaska, water and sanitation conditions in some communities can best be described as third world. Some villages, off the road system, do not have running water and they dispose of human waste with "honey buckets." Sanitary landfills are rarely available and many existing ones are in desperate need of upgrade.

Alaska's rural villages have not had the means to afford the standards that the rest of America enjoys. Since 1994, USDA-RD's Rural Alaska Village Grant (RAVG) program has been a part of WEP as a specialized funding program at the forefront of providing healthy and safe sanitation systems to rural Alaska. Over the past eight years since 2009, WEP has invested over \$294 million in rural Alaska.

Equally important to the construction of water and wastewater systems is the need to provide communities with the tools necessary for improving the operation and maintenance of water treatment facilities. RAVG's funding for technical assistance and training providers in Alaska is fundamental to improving the sustainability of sanitation systems throughout the state. One example is the Tanana Chiefs Conference. Through technical assistance funds, they successfully facilitated a workshop on the Sustainable Management of Rural and Small Systems. Their workshop was developed to help support small rural water and wastewater systems by addressing their ongoing challenges to improve facility management practices and deliver the best quality service to their communities.

SUCCESS STORIES

RAVG-Quinhagak

To most Americans, the reality that unsafe sanitation conditions still exist in our country is inconceivable. Yet, in many remote Alaskan villages, residents struggle with outdated or non-existent sanitation systems for their sewage disposal.

That was the situation the residents of Quinhagak were facing. In this village of roughly 669, located in Western Alaska, approval of Rural Alaska Village Grant (RAVG) program funds their dream of a fully piped utility system. Before the funding efforts began, the residents of the community hauled their own water from a washeteria and utilized honeybuckets for waste disposal. Those unhealthy practices are a leading cause of increased diseases among residents in communities without running water and sewer.

The project was successfully completed through the efforts of the Quinhagak community, the State of Alaska and USDA-Rural Development. As the project was completed, the coordinated effort proved effective in relieving the dire sanitation conditions that residents previously faced.

Residents are now happily able to turn on their faucet and get safe, healthy drinking water, to take a bath or shower at home and, more importantly, they will be able to flush their wastewater down the toilet without having to haul it through their home and community.



In 1935, President Roosevelt established another forerunner to Rural Development, the Resettlement Administration which made loans to Depression era farmers and established farm communities such as the Matanuska Colony in Alaska.



SUCCESS STORIES

WEP-Holy Cross

The residents and communities of interior Alaska face some of the harshest winter months. The days are dark and cold. For the community of Holy Cross, their location and the impact that it can have on their sanitation system is a reality. The use of a circulating utility system in the community has a large impact on the use of fuel oil which is very expensive in rural Alaska. To help Holy Cross overcome this hurdle, Rural Development's Water and Environmental Program (WEP) provided a \$204,000 direct loan and a \$241,300 grant to help install a waste heat transfer system from the electric power generator building to the water treatment plant. The installation of this system will increase the utility's energy efficiency, reduce costs and help to promote a greater sustainability for the community.



WATER & ENVIRONMENTAL PROGRAMS

Rural Alaska Village Grant Program

(RAVG): Grants for construction of water and wastewater systems to improve health conditions in rural Alaska villages through removal of dire sanitation conditions. **\$238,245,700**

RAVG Planning Grants (RAVP):

Grants to assist in paying costs for developing a complete application for proposed rural RAVG sanitation projects. **\$14,810,511**

Technical Assistance and Training (TAT):

Grants for technical assistance and solid waste management to identify and evaluate problems and to improve management of water and waste sites. **\$12,308,820**

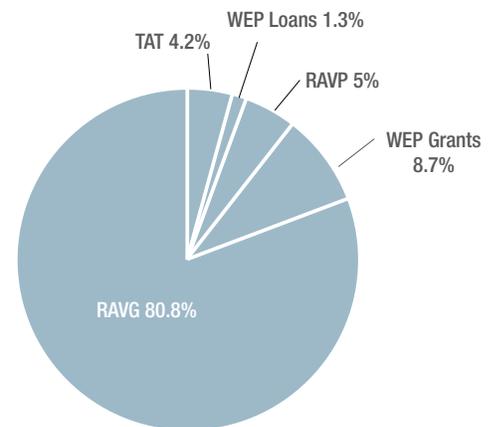
Water and Environmental Program

(WEP): Grants to communities for the planning, construction, or repair of water supply and waste collection and treatment systems. **\$21,051,812 grant, \$3,782,101 loan**

Predevelopment Planning (PPG):

Grants to assist in paying costs for developing a complete application for proposed rural WEP sanitation projects. **\$4,703,756**

Direct Loans	\$3,782,101	1.3%
Grants	\$291,120,599	98.7%



Total Funding FY 09 - 16
\$294,902,700



On September 1, 1937, the Farm Security Administration was created as the successor to the Resettlement Administration. The new agency increased farm credit to improve the country's food production capacity.

In 1937 as part of the Water Facilities Act, the Farm Security Administration was given responsibility for water facilities programs in 17 drought stricken western states.

Rural Housing Programs

Homeownership is the American dream. Since the end of World War II, that dream has not been just for the rich, but also those of lesser means, and the percentage of Americans who own their own homes has risen dramatically. As cities and suburbs grew, the importance of quality, affordable housing in rural America has become more apparent.

Created by law in 1946, USDA-Rural Development Housing Programs have been a mainstay for the agency and the rural Americans served by RD. Programs were developed to provide low-income rural residents the opportunity to buy a home, or to provide quality rental units for those who cannot afford to buy. RD's Loan Specialists are the key to making the dream of homeownership possible by initiating the purchase of the right home to meet the needs of each person and family.

Over the past eight years since 2009, \$775 million was invested in Alaska for single family, multi-family and self-help housing through direct loans, guaranteed loans, subsidies and grants. These investments help build communities by increasing economic growth and stability and by helping to create equity to finance education, business and retirement.

The direct and indirect impacts of USDA-RD's housing development and rehabilitation projects reverberate throughout rural Alaska. Residential construction stimulates various manufacturing, trade and related professional services. Housing activity benefits the larger economy as wages are earned and spent by those directly involved in housing development.



SUCCESS STORY

Multi-Family Housing: Cordova

In Cordova, the rehabilitation of Mews Apartments promises better quality housing for low-income residents. This 22-unit complex offers 1-3 bedroom units and caters to families, senior and disabled tenants, many of them long standing residents.

As a joint effort between USDA-RD Alaska and the low-income housing tax credit program administered by Alaska Housing Finance Corporation, the project is led by a development team consisting of Cordes Development, Criterion General and BDS Architects. The work includes new bath and kitchen appliances, cabinets, flooring and paint, and new interior doors, blinds and hardware. Energy efficiency improvements are targeted to reduce energy use by 30 percent, including new triple windows, increased insulation, new water heaters, LED lighting and Energy Star appliances. Site and exterior enhancements include new siding and roofing, more accessible playground and office, new driveway, sidewalks and tenant storage rooms, and improved landscaping and drainage.

The project has strong support from the local community and government as well as area non-profits that provide support services to tenants. As a result, the new and improved Mews Apartments will enjoy increased marketability, lower utility costs, and reduced operating expenses, adding a 30 to 40 year life to this project.



Recognizing that the Farm Security Administration needed restructuring, on August 14, 1946 President Harry S. Truman signed the bill creating the Farmers Home Administration (FmHA), which took on additional farm credit and crop insurance programs.

HOUSING PROGRAMS

Single Family Direct Loans (502 DL):

Loans to 100% of value for rural low-income individuals to purchase, build or renovate a home.

\$108,565,436

Single Family Guaranteed Loans (502GL):

Commercial loans guaranteed by Rural Development for purchase of a new or existing rural home.

\$588,156,473

Single Family Direct Repair (504): Direct

loans and grants to help very low-income homeowners remove health and safety hazards or to repair their homes.

\$279,247 loans, \$1,082,336 grants

Mutual Self-Help Housing (523): Grants

to non-profits to supervise families in the construction of their own homes, and to qualify them for a 502 Direct Loan.

\$3,164,402

Rental Housing Loans (515, 538): Direct

loans or commercial loans guaranteed by Rural Development to developers of rental housing for low to moderate-income individuals.

\$21,103,492 loans, \$14,436,475 grants

Housing Preservation Grants (533)

Grants to repair and rehabilitate rural housing owned or occupied by very-low and low-income families.

\$399,627

Rental Assistance (521): Rental subsidy

for low income individuals living in Rural Development funded multi-family housing.

\$38,066,777

SUCCESS STORY

Single Family Housing: Dillingham

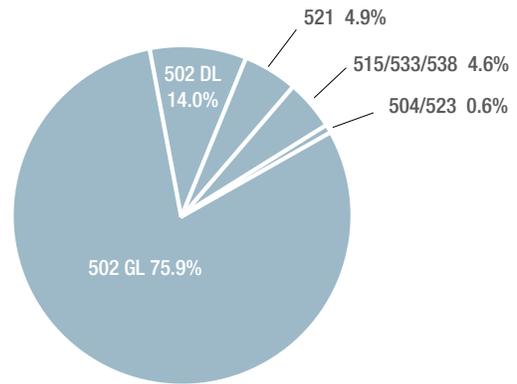
Bryan Johnson stands with his family in front of their new home in Dillingham.

Bryan achieved his goal of homeownership with hard work and a lot of sacrifice. The family had been preparing to purchase a home by improving their credit and budgeting wisely. They stuck with their plan and perseverance and dedication paid off. The Johnson's new home is ranch style, 1,356 square feet, built in 2013 and is extremely energy efficient.

Primary financing for the home was provided by Rural Development's 502 Direct loan program. The Bristol Bay Housing Authority (BBHA) contributed to the purchase price by way of a 2nd forgivable lien, and the deal was closed in August of 2015. Bryan and his family take great pride in their new home and are grateful for the opportunity that BBHA and USDA-Rural Development programs have provided. The home helps provides the stability the Johnson family needs.



Total Funding FY 09-16
\$775,254,265



Guaranteed Loans	\$588,156,473	75.9%
Direct Loans	\$144,384,650	18.6%
Subsidies	\$38,066,777	4.9%
Grants	\$4,646,365	0.6%



The Housing Act of 1949 gave FmHA the authority to make housing loans to farmers. The Act included Sections 502, 504, 515, 523, and 533 creating housing programs still administered by Rural Development.

In 1949 the Rural Electrification Act was amended to include the expansion of affordable telephone service into rural parts of America.

Community Facilities Programs

The quality of life in any community can be measured by adequacy of the health, safety, education, transportation and other public facilities available to residents. This is especially true in rural Alaska communities. USDA-RD's Community Facilities programs provide loans and grants to rural communities to help build and improve public facilities critical for a good quality of life and to develop the local economy.

In Alaska over the past eight years, RD's Community Facilities program has provided \$280 million in projects important to local communities. These include funding for Code Blue, a program that has provided emergency medical equipment to more than 140 rural Alaska communities. In 2016, a \$165 million loan, the largest loan in the history of the Community Facilities program nationally, was obligated to the Yukon Kuskokwim Health Corporation for a new primary care clinic and hospital renovation in Bethel.

Other health projects funded include:

- Southcentral Foundation's Benteh Nuutah Valley Native Primary Care Center in Wasilla
- Copper River Native Association Health Facility in Tazlina
- Opportunity House for Disabled Adults in Ketchikan
- Sitka Counseling and Prevention Services, Inc. treatment facility in Sitka

Education related facilities includes the Fronteras Charter School in Wasilla as well as:

- Library facilities in Petersburg
- Equipment for Illisagvik Tribal College in Barrow
- Debt payment for Sheldon Jackson Child Care in Sitka
- Development of a training facility for Ketchikan Indian Community

Other community facilities funded in the past eight years include:

- Begich Towers Incorporated mechanical system upgrade in Whittier
- Benteh Development's new community service center in Wasilla
- Food Bank remodeling in Kenai
- Public safety equipment purchases for the City of Unalakleet

SUCCESS STORY

Fronteras Spanish Immersion Charter School



What better way to put a bright smile on a student's face than a beautiful new school staffed with educators who really care about them and their future? On July 21, 2016, residents and government officials from all levels celebrated the newly completed Fronteras Spanish Immersion Charter School in Wasilla. The school was funded by a USDA-RD Alaska Community Facilities direct loan for \$7 million.

The effort to secure funding and complete construction was truly community based. It started with a group of committed parents, students and school officials and included a strong commitment from the Mat-Su School District and Borough. The Wasilla and Palmer communities have been overwhelmingly supportive of Fronteras. The students, their parents and community all benefit by exposure to diversity in culture and language provided by the Spanish speaking curriculum.

The new school is 31,000 square feet and boasts new text books, shiny new classrooms, myriad education-related equipment and all the trimmings a student and parent could want. The new facility will allow attendance to increase as enrollment grows. This is a precedent-setting accomplishment for Mat-Su and USDA-RD Alaska as the first publically owned and publically financed newly constructed charter school in Alaska.

Laws passed in 1959 and 1961 expanded FmHA's authority to make water facility loans to rural communities in all states; and in 1962 to provide development loans for affordable apartments for senior

COMMUNITY FACILITIES PROGRAMS

Community Facilities Direct Loans (CFDL):

Loans for public safety, health, education, recreation, child and senior care, transportation, arts, food banks, community halls and other facilities.

\$263,659,700

Community Facilities Guaranteed Loans (CFGL):

Commercial loans guaranteed up to 90% by Rural Development for community facilities.

\$10,200,000

Community Facilities Grants (CFGR):

Grants for essential community facilities in low-income areas.

\$4,674,550

Economic Impact Initiative (EII):

Grants to eligible communities to assist with projects that provide an economic stimulus.

\$1,135,659

Rural Community Development Initiatives (RCDI):

Grants to develop the capacity of public, private and nonprofit community development organizations for community and economic development projects.

\$384,141

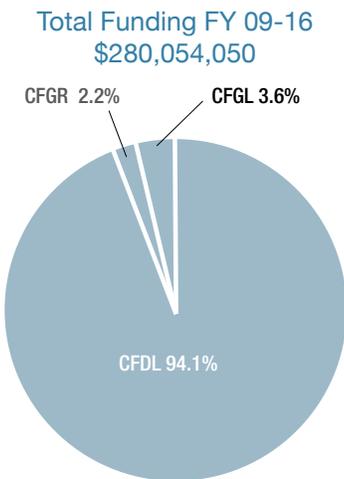


SUCCESS STORY

“Code Blue”

Given the vast and remote regions of Alaska, medical facilities are often far away. This gives increased importance to the ability of first responders to reach, respond and transport victims to hospitals. Due to the critical need for life-saving equipment, the Alaska Division of Public Health created the Code Blue Project in 1999 to identify, prioritize and seek funding for essential equipment for rural emergency medical services.

USDA-RD has been a long-standing partner in the Project and a continual source of funding over the years. An example of this is the City of Homer’s new ambulance which was off-loaded in August 2016 at the Port of Anchorage. Homer Fire Chief, Robert Painter was on hand to drive the vehicle to Homer and was joined by Greg Stuckey and Jim Nordlund of Alaska RD staff as well as Sue Hecks of the Southern Region EMS Council. RD approved the \$25,000 funding for the vehicle in August 2015. Since 1999, USDA-RD Alaska has funded more than \$10 million to the Code Blue Project that has benefited EMS services for communities across all of rural Alaska.



Guaranteed Loans	\$10,200,000	3.6%
Direct Loans	\$263,659,700	94.1%
Grants	\$6,194,350	2.2%



On August 30, 1972, President Richard Nixon signed the Rural Development Act of 1972 which gave USDA primary responsibility for all rural development activities. Provisions included loans for essential community facilities and planning grants.

The Rural Development Act of 1972 also established the Business and Industry Loan Guarantee program to encourage rural economic development and job creation.

Business Programs

Jobs and the economy is the life blood of any community. When the economy is strong communities can thrive and residents can have a good quality of life. Without an economy, which includes subsistence, a community will perish. That is why USDA Rural Development provides assistance to help rural businesses form, grow and prosper. RD supports such efforts through various programs by providing the capital, technical support, educational opportunities, and entrepreneurial skills that can give rural residents the tools they need to start and grow businesses.

The Business Programs of Alaska RD also supports sustainable renewable energy development, develops regional food systems, and supports agricultural and other types of cooperative enterprises through financing, education, technical assistance, and training. These investments support Alaska's long-term prosperity by ensuring that rural communities are self-sustaining and thriving economically.

In the eight-year period beginning 2009, Alaska's RD Business Programs provided over \$130 million in loan guarantees, loans, and grants to serve rural areas of Alaska. Loans have supported businesses enterprises engaged in virtually all economic sectors of Alaska including fishing, tourism, transportation, retail, and construction. Grant programs have assisted with community economic development, small business technical assistance, and the development of cooperatives, aquaculture and the biomass industry. Grant programs also promoted the growth of renewable energy in Alaska, including wind, hydro, solar, tidal, geothermal, biomass and energy efficiency.

SUCCESS STORY

Superior Pellet Fuels

USDA Rural Development's Rural Energy America Program (REAP) assists rural businesses with investments in renewable energy and to help reduce their costs by increasing energy efficiency. A good example of this is the \$49,678 grant made to Superior Pellet Fuels, LLC in North Pole.

Alaska is rich with bio-mass energy: wood that can be used for heating and electrical generation, providing an alternative to fuel oil. The grant to Superior assisted in the purchase of a mechanical briquetting press which is capable of producing nearly 20 tons of wood briquettes each day. This product, also known as an "energy log," is made from low moisture compressed wood fiber with no glues or binding agents. It is an alternative to firewood and offers significant reductions in air quality emissions, longer burn life, is cleaner to handle in the home, provides more heat than 1.5 cords of firewood, and is cheaper than buying processed firewood in the local market.

Superior's wood briquette manufacturing system provides additional jobs for Interior Alaska both in the manufacturing facility and for those who cut and gather wood. The briquettes offer another option to help residents reduce home heating costs while working to improve air quality in their communities.



October 13, 1994, the Department of Agriculture Reorganization Act created Rural Development to administer the former FmHA's non-farm programs. The REA's utility programs were consolidated within RD and renamed the Rural Utilities Service. Farm programs went to the newly created Farm Service Agency.

SUCCESS STORY

Bering Air, Inc.

Imagine living in an area so vast, that there is literally no service available within hundreds of miles for food, fuel, medical supplies or other must-haves for the modern lifestyle. To help 32 communities gain more ready access to these services in the Western Alaska, USDA-Rural Development in partnership with Alaska Growth Capital provided Bering Air Inc. with a \$10.5 million Business and Industry guaranteed loan.



The funding was used to purchase six new Cessna Caravan aircraft which have increased horsepower for shorter take-off rolls on the challenging rural runways along with faster climbs and higher cruising speeds. They also provide for an increased payload capacity and state of the art avionics systems.

From hubs in Nome, Kotzebue and Unalakleet, Bering Air serves some of the most remote and economically challenged areas of Alaska and is considered a critical service provider for rural residents. Many villages have no other reliable transportation options as they are not on the road system and have no other air carriers. USDA-RD assistance has helped to bolster the accessibility for important commodities and improved connectivity for rural Alaska.

BUSINESS PROGRAMS

Business and Industry Guaranteed Loans (B&I): Commercial loan guarantees up to 90% of loan amount available to any legally organized rural business entity. **\$119,382,833**

Intermediary Relending Program (IRP): Loans to intermediaries who provide revolving loans to finance rural business facilities and community development projects. **\$1,350,000**

Rural Business Development Grants (RBDG): Grants made to assist the startup or expansion of small and emerging private businesses and/or non-profits in rural areas. **\$4,326,659**

Value Added Producer Grants (VAPG): Grants to independent agricultural producers for adding value to their products and for farm-based renewable energy. **\$272,538**

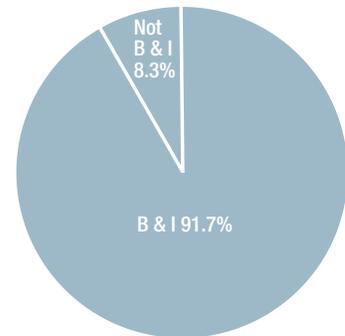
Rural Energy for America Program (REAP): Grants for energy audits, renewable energy feasibility studies and renewable energy systems for rural small businesses. **\$2,824,848**

Rural Cooperative Development Grants (RCDG): Grants to establish, operate and improve rural business cooperatives. **\$1,422,783**

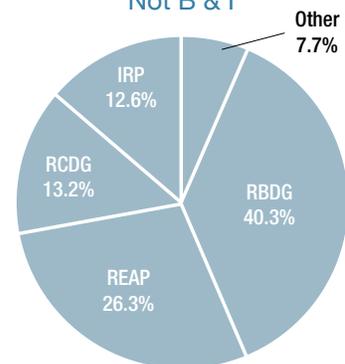
Rural Economic Development Loan and Grant (REDLG): Zero interest loans to local utility intermediary for local economic development and job creation. **\$300,000**

Guaranteed Loan	\$119,382,833	91.7%
Grants	\$9,367,721	7.2%
Direct Loans	\$1,350,000	1.0%

Total Funds



Not B & I



Total Funding FY 09-16
\$130,131,661



In 2009 & 2010, USDA-RD administered Recovery Act funds for facilities to help rural America recover from the Great Recession.



In 2016, the USDA-RD loan portfolio reached \$214 billion. Loans for utilities, housing, community facilities and business have helped improve the economy and quality of life in rural America.

USDA - Rural Development Alaska

Communities that received a loan or grant 2009 through 2016

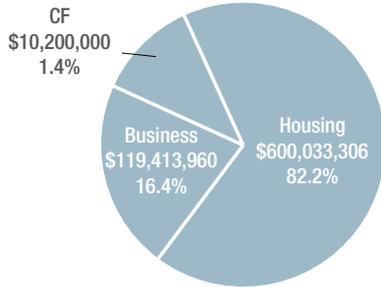


Adak	Chefornak	Emmonak	Kachemak
Akiachak	Chenega	Ester	Kake
Akiak	Chenega Bay	Fairbanks	Kaktovik
Akutan	Chevak	False Pass	Kaltag
Alakanuk	Chicken	Fort Yukon	Kasaan
Alatna	Chignik	Galena	Kasigluk
Aleknagik	Chignik Lake	Gambell	Kasilof
Allakaket	Chistochina	Glennallen	Kenai
Alukanuk	Chuathbaluk	Golovin	Kenny Lake
Ambler	Clam Gulch	Goodnews Bay	Ketchikan
Anaktuvuk Pass	Clark's Point	Grayling	Kiana
Anchor Point	Coffman Cove	Gulkana	King Cove
Anderson	Cooper Landing	Gustavus	King Salmon
Angoon	Copper Center	Haines	Kipnuk
Aniak	Cordova	Healy	Kivalina
Anvik	Craig	Healy Lake	Klawock
Arctic Circle	Crooked Creek	Hollis	Kobuk
Atka	Deering	Holy Cross	Kodiak
Atmautluak	Delta Junction	Homer	Kokhanok
Atqasuk	Denali Park	Hoonah	Koliganek
Barrow	Dillingham	Hooper Bay	Kongiganak
Beaver	Diomedede	Hope	Kotlik
Bethel	Dot Lake	Houston	Kotzebue
Bettles	Eagle	Hughes	Koyuk
Big Lake	Eagle River	Huslia	Kwethluk
Black Rapids	Edna Bay	Hydaburg	Kwigillingok
Brevig Mission	Eek	Hyder	Larsen Bay
Buckland	Ekwok	Igiugig	Levelock
Chaulkyitsk	Elim	Iliamna	Lower Kalskag
		Juneau	Manakotak

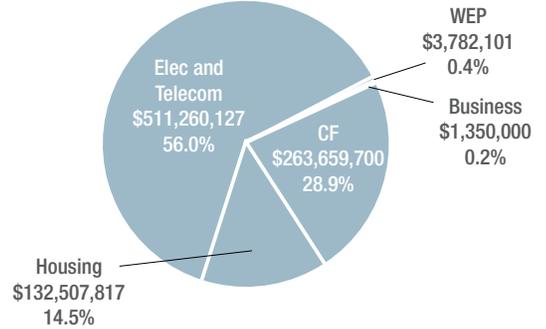
Manly Hot Springs	Nuiqsut	Saint Michael	Tanana
Marshall	Nulato	Saint Paul	Tatitlek
McCarthy	Nunam Iqua	Salcha	Teller
Mekoryuk	Nunapitchuk	Sand Point	Tenakee Springs
Mertarvik	Old Harbor	Savoonga	Tetlin
Metakatla	Old Kasigluk	Saxman	Thorne Bay
Minto	Oscarville	Scammon Bay	Togiak
Moose Pass	Ouzinkie	Selawik	Tok
Mountain Village	Palmer	Seldovia	Toksook Bay
Naknek	Pedro Bay	Seward	Trapper Creek
Nanwalek	Pelican	Shageluk	Tuluksak
Napaimute	Perryville	Shaktoolik	Tuntutuliak
Napaskiak	Petersburg	Shishmaref	Tununak
Napiakiak	Pilot Point	Shungnak	Twin Hills
Nelson Lagoon	Pilot Station	Sitka	Tyonek
Nenana	Pitkas Point	Skagway	Unalakleet
New Stuyahok	Platinum	Slana	Unalaska
Newhalen	Point Baker	Sleetmute	Upper Kalskag
Newtok	Point Hope	Soldotna	Valdez
Nightmute	Point Lay	South Naknek	Venetie
Nikiski	Port Alsworth	Stebbins	Wainwright
Nikolaevsk	Port Graham	Steelmute	Wales
Nikolai	Port Moller	Sterling	Ward Cove
Ninilchik	Port Protection	Stevens Village	Wasilla
Noatak	Quinhagak	Stony River	White Mountain
Nome	Rampart	Sutton	Whittier
Nondalton	Ruby	Takotna	Willow
Noorvik	Russian Mission	Talkeetna	Wrangell
North Pole	Saint George	Tanacross	Yakutat
Northway	Saint Mary's		

USDA Rural Development - Alaska - Program Funding Summary for FY09-FY16

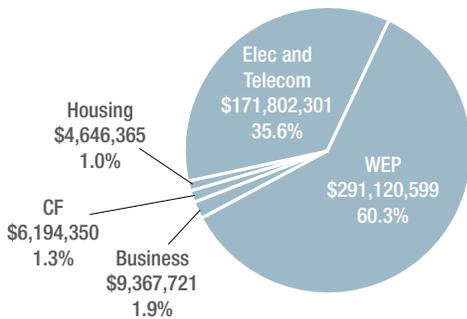
Guaranteed Loans (\$729,647,266)



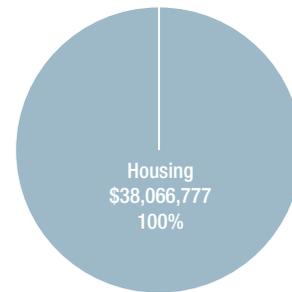
Direct Loans (\$912,559,745)



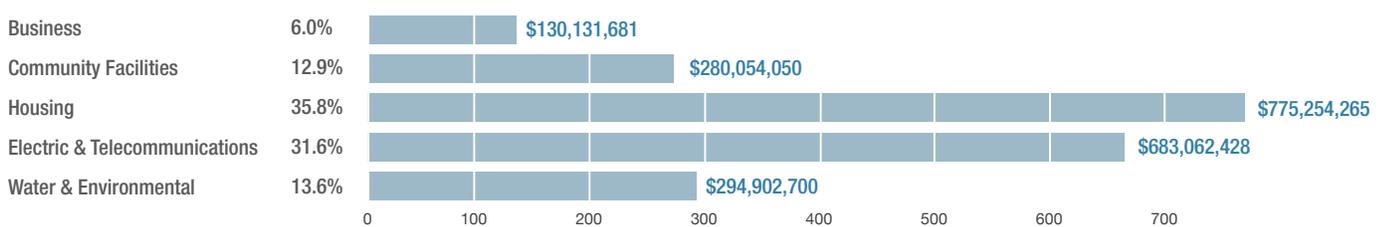
Grants (\$483,131,336)



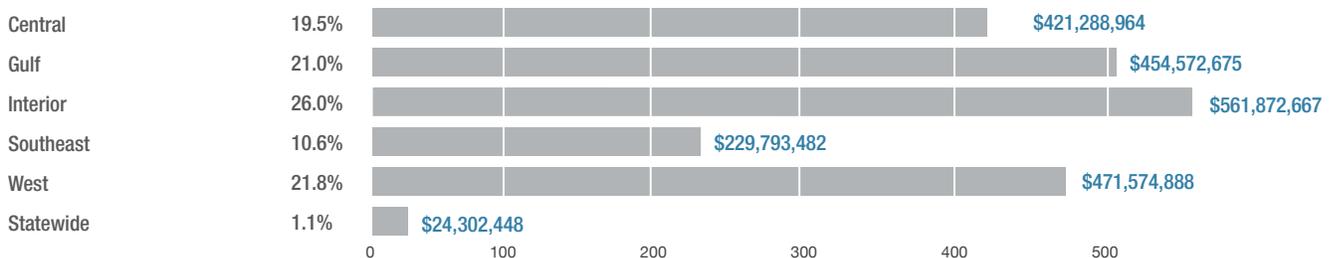
Subsidies (\$38,066,777)



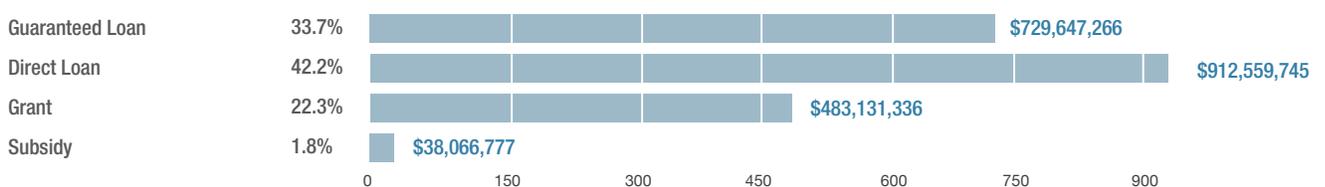
PROGRAM (\$2,163,405,124)



AREA (\$2,163,405,124)

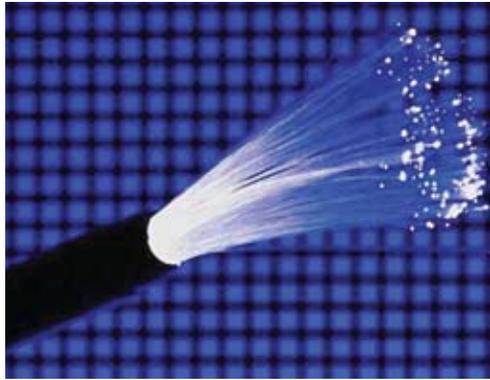


TYPE (\$2,163,405,124)



StrikeForce = \$884,054,767 40.9% of Total

Arctic = \$526,635,459 24.3% of Total



USDA Rural Development

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