



December 20, 2018

**Rural Business-
Cooperative Service**

Specialty Programs
Division

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TO: State Directors
Rural Development

ATTN: National Office Officials and Business Program Directors

FROM: Bette B. Brand /s/ *Bette B. Brand*
Administrator
Rural Business-Cooperative Service

SUBJECT: Rural Business Development Grant Program Application Window
and Discretionary Points

PURPOSE

This Unnumbered Letter (UL) provides guidance concerning the Rural Business Development Grant (RBDG) Program application solicitation and also sets out the discretionary point priorities for Fiscal Year 2019. Setting a standard date for RBDG application solicitations and specifying priority areas for discretionary points, will ensure consistent transparent management of the program across the country.

STANDARD APPLICATION WINDOW

The RBDG application window will open on January 2, 2019, and close March 29, 2019. Applications must be received by State Offices no later than March 29, 2019, to be considered for any anticipated funding. The National Office recognizes that some States may already have begun accepting applications and have an earlier closing date. Applications submitted before January 2, 2019, should be honored; and, States must extend their RBDG application window, if it closes before March 29, 2019.

Announcements for applications may be solicited through the State Rural Development website, e-newsletters, social media, blog, and dissemination by email.

ADMINISTERING DISCRETIONARY POINTS

This UL provides guidance on how to implement lending priorities and Agency Initiatives by assigning up to 50 discretionary points to eligible RBDG program applications.

EXPIRATION DATE:
December 31, 2019

FILING INSTRUCTIONS:
Community/Business Programs

The Agency encourages applications that will help improve life in rural America. See information on the Interagency Task Force on Agriculture and Rural Prosperity found at www.usda.gov/ruralprosperity. Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in infrastructure, partnerships and innovation. Key strategies include:

- Achieving e-Connectivity for Rural America;
- Developing the Rural Economy;
- Harnessing Technological Innovation;
- Supporting a Rural Workforce; and
- Improving Quality of Life.

Additionally, discretionary points will be awarded under the following four categories:

1. Innovation and Entrepreneurship

Consistent with the Report on Rural Prosperity, Rural Development's aim is to build and sustain a pipeline of future entrepreneurs that will meet the challenges to feeding a growing world population, boosting agriculture global competitiveness, create jobs, and drive long-term economic growth and prosperity in rural America.

To accomplish this, State Directors should assign their priority points for projects that inspire an environment that is conducive to innovation and entrepreneurship. These are projects that support innovation and entrepreneurs throughout their lifecycle through ecosystems. This includes projects that are/or are planned to be developed by incubators, accelerators, industry clusters, makerspaces, and technology hubs that support the commercialization of new technologies.

2. Leverage Investments in Opportunity Zones

To leverage investments in rural property, the Agency also encourages projects located in rural Opportunity Zones, where projects should provide measurable results in helping communities build robust and sustainable economies. An Opportunity Zone is an economically-distressed community where new investment, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the State and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

3. High Poverty Areas

To focus investments to areas for the largest opportunity for growth in prosperity, the Agency encourages applications that serve the smallest communities with the lowest incomes, with an emphasis on areas where at least 20 percent of the population is living in poverty, according to the American Community Survey data by census tracts.

4. Substance Use Disorder

To combat a key threat to economic prosperity, rural workforce and quality of life, the Agency encourages applications that will support the Administration's goal to reduce the morbidity and mortality associated with Substance Use Disorder (including opioid misuse) in high-risk rural communities by strengthening the capacity to address prevention, treatment and/or recovery at the community, county, State, and/or regional levels. Key strategies include:

- Prevention: Reducing the occurrence of Substance Use Disorder (including opioid misuse) and fatal substance-related overdoses through community and provider education and harm reduction measures such as the strategic placement of overdose reversing devices, such as naloxone;
- Treatment: Implementing or expanding access to evidence-based treatment practices for Substance Use Disorder (including opioid misuse) such as medication-assisted treatment; and
- Recovery: Expanding peer recovery and treatment options that help people start and stay in recovery.

When addressing the above priorities, continue to take a close look at your statutory and regulatory requirements regarding rurality, project eligibility, borrower eligibility, financial feasibility, and security for each grant application. Compliance with these requirements and guidelines is necessary to protect the integrity of the RBDG program and ensure consistency in its implementation.

If you have any questions, please contact Sami G. Zarour, Director, Specialty Programs Division, (202) 720-1400.