



## **Strategic Economic and Community Development**

Farm Bill Title: VI - Section: 6025

Section 6025 of the 2014 Farm Bill amends the Consolidated Farm and Rural Development Act by adding a new section -- Section 379H, Strategic Economic and Community Development. This section provides USDA Rural Development the ability to prioritize projects that are part of multi-jurisdictional strategic economic development or community development plans. This provides USDA Rural Development an important mechanism to further our mission by leveraging projects that spur regional economic and community development. In addition, this will reward communities that demonstrate best practices for furthering sustainable regional and community prosperity by bringing together key local and regional stakeholders and using long-term planning that integrates targeted investments across communities and regions. To support such projects, this provision authorizes the Agency to reserve up to 10 percent of the funds made available for a fiscal year in the following areas:

- Rural Community Facilities Programs
  - Community Facility Loans
  - Fire and Rescue and Other Small Community Facilities Projects
  - Community Facilities Grant Program
  - Community Programs Guaranteed Loans
- Rural Utilities Service Programs
  - Technical Assistance and Training Grants
  - Solid Waste Management Grants
  - Emergency and Imminent Community Water Assistance Grants
  - Water and Waste Disposal Programs Guaranteed Loans
  - Water and Waste Loans and Grants
- Rural Business Service Programs
  - Business and Industry Guaranteed Loans
  - Rural Business Development Grants

Rural Development is working toward publishing an interim rule that establishes a process for funding projects that are part of a multi-jurisdictional strategy. The proposed process will not change the underlying provisions of the included programs (e.g., eligibility, applications, and award decisions, scoring and servicing provisions). Instead, the proposed action will establish the process by which applicants may apply for and receive the Section 6025 funding for each included program. The Agency plans to publish an interim rule with public comment to implement Section 6025 in Fiscal Year 2015.

The interim rule's proposed structure includes the following:

- Purpose – identifies the purpose of the rule
- Programs – identifies the specific programs covered
- Applicability of Program Regulations to this subpart – identifies that all provisions of the underlying programs apply except as supplemented by the new subpart

- Funding – identifies how funding will be allocated each FY
  - Funding will be set-aside for each of the individual programs.
  - The rule will establish a 10% set-aside as the default amount unless the Agency issues a notification that a different amount would be set-aside for a particular fiscal year.
  - For a given fiscal year, the Agency will have the flexibility to set-aside different amounts for each program. To illustrate, the Agency might decide to set-aside 5% of B&I funds and 7% of RBDG funds.
- Definitions – defines terms necessary to implement Section 6025
- Project eligibility – identifies project eligibility requirements to apply for Section 6025 set-aside funds
- Applications – identifies application requirements to apply for Section 6025 set-aside funds
- Scoring – identifies how the Agency will give priority among the applications seeking Section 6025 set-aside funds using criteria identified in the statute
- Award process – identifies the process by which the Agency will make awards

In an effort to ensure that the definition of multi-jurisdictional strategic economic development or community development plans is inclusive and relevant to the planning efforts that Tribes regularly utilize we encourage feedback on the definition of “plan” that is currently being considered. The definition language reads:

RD intends the definition of “plan” be inclusive rather than exclusive, but at the same time require the plan to address certain minimum elements in order to be effective in improving the economies of the region(s) addressed by the plan.

A plan is a comprehensive economic development or community development strategy that outlines a region’s vision for shaping its economy. This strategy would cover, as appropriate and necessary, a wide range of 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 an acceptable plan it must be supported by the jurisdictions affected by the plan and must address each of the following elements:

- the economic conditions of the region;
- the economic and community strengths, weaknesses, opportunities, and threats for the region, to include consideration of such aspects as the environmental and social conditions;
- strategies and implementation plan that build upon the region’s strengths and opportunities and resolve the weaknesses and threats facing the region;
- performance measures to evaluate the successful implementation of the plan; and
- support of key community stakeholders.