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SUBJECT: Rural Community Development Initiative (RCDI) Grant Award Increases

Dear Mr. Altoro:

On behalf of the [Partners for Rural Transformation](#) (PRT) and the organizations listed below we support the Rural Community Development Initiative (RCDI) Grant Program. RCDI grants are awarded to help non-profit housing and community development organizations, low-income rural communities and federally recognized tribes support housing, community facilities and community and economic development projects in rural areas.

PRT and PRT Partners strongly encourage USDA to consider an award amount increase of up to \$1 million per awardee for regional and national organizations and \$500,000 per awardee to local and statewide organizations.

Guided by a vision of a nation where persistent poverty no longer exists, six regional Community Development Financial Institutions (CDFIs) located in and serving regions with a high prevalence of rural persistent poverty came together. The CDFIs (“The Partners”) — Come Dream | Come Build (cdcb) of Brownsville, Communities Unlimited, Fahe, Oweesta Corporation, HOPE Credit Union and Enterprise Corporation, and Rural Community Assistance Corporation — formed a coalition, currently called the Partners for Rural Transformation (PRT). With a shared ethos of investing in both people and places and informed by the voices of local people, we seek to unify around opportunities in diverse communities at a time of great division in our nation. A closer look at persistent poverty America reveals how structural exclusion by place and race continues to paint a picture that is steadfastly rural and marred by racial, capital and data inequity. The Partners strive to innovate and encourage investments in persistently poor rural areas where traditional investments have failed.

All of our partners work and live in regions of high concentrations of persistently poor communities. A closer look at persistent poverty America reveals how structural exclusion by place and race continues to paint a picture that is steadfastly rural and marred by racial, capital and data inequity. Rural America faces systematic, avoidable, and unjust economic, health, and racial disparities. Legacies of forced geographic and cultural displacement, enslavement, financial discrimination, residential segregation, and transitioning economies have left an indelible mark. PRT Partners are dedicated to providing critical financial services to areas that otherwise have none in order to reach communities where the racial wealth gap is at its widest.

The Rural Community Development Initiative (RCDI) Grants have served as a critical source of funding for several Partners of PRT. Despite over-generalizations and stereotypes about rural America, each rural community our Partners serve encompass their distinctive strengths, limitations and solutions, meaning a one-size fits all grant design at the federal, state and local level can prove problematic in disadvantaged rural communities. Given the unique investment and funding challenges in each Partner’s region, flexible funds have proven to be essential in accomplishing the work that needs to be done by mission-based lending institutions, like the Partners. RCDI Grants have allowed our Partners to do incredible work that goes above the bare minimum of just lending. Because RCDI is a flexible funding source, PRT Partner staff can provide nuanced technical assistance, capacity development and training to support rural, low-income communities and holistically address several aspects of a community’s needs to foster self-sufficiency and overall community development.

One PRT Partner, RCAC, and their economic development staff work with the Hoopa Valley Tribe and the Klamath Trinity Resource Conversation District in northern California to conduct a culturally appropriate business training workshop series to Native entrepreneurs and small businesses. RCDI funding supported RCAC's trainers and program delivery and provided funding to help support the position of a local coordinator who learned alongside RCAC economic development trainers and helped to facilitate the entrepreneurship workshops. If more funds were available RCAC could work with more disadvantaged, low-income and persistent poverty counties, and Tribal Nations to deliver much-needed entrepreneurship training, as well as building capacity within the local community organization to continue to deliver the culturally appropriate trainings.

Communities Unlimited (CU), another Partner of PRT, also leverages RCDI grants to enact positive change in their communities. CU uses a community-based, regional approach to work in rural areas that are striving to find resources and solutions for the problems impacting their businesses, communities and lives. RCDI funding has allowed Communities Unlimited's Community Sustainability team to engage deeply in community in a way that is uniquely community driven in identifying local assets and champions. Most importantly, funding from RCDI plugs the gaping hole where funding is needed to build capacity in small, rural municipalities. While many communities are eligible for critical federal and state dollars that could create the springboard to a place of thriving, they often lack capacity in the form of human capital for grant writing and financial capital for match requirements.

RCAC's and CU's Northeast & Caribbean affiliate, RCAP Solutions, has developed a tool that PRT Partners also utilize often using RCDI funding. RCAP Solutions created a GIS Asset Map of water and wastewater systems; creating a single computerized and digitalized log of water and wastewater systems, including their location and critical information to help lenders identify which systems need repairs or maintenance. While functioning infrastructure is something most of America takes for granted, this is not the case for many persistently poor rural counties. The RCDI Funding to RCAP Solutions indirectly has led to infrastructure improvements in southern and western parts of the country due to regional and national connections.

The Southeast Rural Community Assistance Project, [SERCAP](#), through RCDI funds proposed a multifaceted program project aimed to educate, assist and facilitate communities (population of less than 10,000) with tools to comply with new Environmental Protection Agency (EPA) Lead and Copper rules for drinking water. The Great Lakes Community Assistance Project ([GLCAP](#)) also leveraged RCDI funds to spark community prosperity. GLCAP used RCDI funds to help small Ohio communities develop their entrepreneurial ecosystems, incorporating as many of the sectors and industries of the community as possible. Training was also provided with RCDI funds, building the community's capacity so they are equipped to handle the new scale of success in the coming months and years. This RCDI funded project will garner locally grown social and financial capital that will sustain and support their local assets. These successful proposals match RCDI investment with capacity building and technical assistance, giving communities the catalytic jump start as well as the consistent investment to ensure the long-term success after the RCDI funds are spent.

PRT Partner Hope Credit Union has used RCDI funding to create the Hope Community Partnership initiative to deepen community capacity building and development in small towns throughout the Mississippi Delta. Hope provided strategic community and economic development training and technical assistance for seven five small city governments and four Hope Credit Union branches with the ultimate goals of advancing key economic development projects, attracting private and public resources, expanding economic opportunity, and building the financial capability of the communities and their residents. Hope was able to serve communities with limited capacity to advance their goals via RCDI funds. Hope organized the strategic implementation of community-led initiatives for the seven participating towns, assisting each town in taking the necessary steps towards the long-term goal of transforming their communities into thriving, economic engines. Throughout the process of this work, community members

and leaders found opportunities to build capacity and investment. For example, for most members of this partnership, this was the first time they collaborated with other organizations, leaders, and businesses across their community. As a result of this collaboration, they deepened relationships and understanding of how various sectors of the community interact with one another. The communities also gained insight and appreciation into how data helps inform decision making and gained knowledge of the level of resources and tools needed to successfully execute community development projects. With the RCDI funding, Hope's STP model was successful in garnering communal partnerships and strengthening community capacity.

We support increasing these award caps to \$1 million per awardee for regional and national organizations and \$500,000 per awardee to local and statewide organizations because rural and Indigenous communities, partner organizations and local community groups benefit directly from the RCDI funding. RCDI funding has also allowed larger non-profits like RCAC to provide pass-through funding to smaller non-profit and community development organizations which have on-the-ground knowledge and trusted relationships in their communities.

Organizations like PRT that are multi-regional, and all PRT Partners who serve a region with concentrated areas of persistently poor rural counties are pivotal in addressing economically distressed rural areas, as there are multiple layers of targeted assistance. Within the PRT model, each organization provides both direct and indirect local and state and federal-level programs, lending and assistance; meanwhile at the PRT scale, regional and national advocacy, communications, research, lending and other forms of assistance are being coordinated, paving the way for our Partners to maximize their impact.

RCDI resources are vital in building the capacity of rural nonprofit housing and community development organizations throughout the country. And while the dollar-for-dollar match requirement is difficult, increasing the RCDI dollar award caps would increase the additional match that would flow into those communities. Due to the pandemic, RCDI is more important than ever to help these nonprofits maintain services to their communities during this demanding period. Grantees have experienced economic challenges, ranging from significant reductions in operating budgets, losses in earned revenue, and difficulties with fundraising efforts.

Thank you for your consideration of this important grant program to support rural and Indigenous communities across America.

In partnership,

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PARTNERS FOR RURAL TRANSFORMATION



COMMUNITIES Unlimited



Rural Community Assistance Partnership

RURAL LISC

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