

RURAL ECONOMIC DEVELOPMENT

DESCRIPTION

Achieving success in rural economic development is challenging. Communities face limited budgets, resource limitations or restrictions (e.g. workforce, water, timber), and other challenges created by their community's unique rural characteristics. This session is comprised of panelists who all operate successful programs serving rural California. They will be sharing their successes, and the obstacles they have overcome to achieve their success.

Moderator: **Michael Suplita**, *Associate Director of Applied Research*, Center for Economic Development

Panelists:

- **Ismael Herrera**, *Associate Director*, Office of Community and Economic Development, CSU, Fresno
- **Steve Frisch**, *President*, Sierra Business Council
- **Tammy Laizure**, *Area Specialist*, USDA Business & Corporate Services

ISMAEL HERERRA, CSU, FRESNO

Ismael's presentation focused on the various efforts of the San Joaquin Valley Rural Development Center (SJVRDC) in terms of building local capacity to sustain ongoing economic development projects.

- A. SJVRDC covers an 8-county region from Stockton to Bakersfield and everything in between. Won a 2015 award for most community-connected initiative in the state.
- B. SJVRDC connects campus resources, students, and champions to tackle rural economic development issues.
- C. SJVRDC obtained funding to organize a consortium of partners to provide services at no cost to rural clients – these can be incorporated or unincorporated communities, non-profits, or even small business directly.
- D. SJVRDC sponsors grant-writing training sessions throughout the region, with the goal of “teaching people how to fish, not giving them fish” in terms of going after their own funding. It's incumbent upon urban professionals to **travel out to the rural areas** to offer these services, as rural residents are not likely to travel to an urban center for such trainings.

- E. Also a big focus on working with communities to write CEDS (Community Economic Development Strategies), which are living documents whose goals will change along with the community as a General Plan.
- F. Using a coalition of local business owners to craft the CEDS document is often valuable to local governments as it is a way to shield them from community criticisms from NIMBYs (not in my backyard).
- G. Specific example: worked with the community of Taft in southern Kern County to create a plan to attract a branded hotel.
- H. SJVRDC also works on economic gardening projects in rural agricultural communities, with employees fluent in Spanish, Hmong, and Punjab in order to foster entrepreneurship within immigrant communities.
- I. Currently working on initiatives to find ways for immigrant Ag laborers to supplement their incomes during the off-seasons: what about micro-food processing occurring during winter months? This could be a way to foster self-sufficiency – people would prefer to make their own income rather than depend on government assistance. How can we find ways to promote this?
- J. Finally, focus on closing the Digital Divide, not only in terms of infrastructure availability but in terms of adoption and uptake. These programs are funded by a variety of sources: CPUC, CETF, and USDA.

STEVE FRISCH, SIERRA BUSINESS COUNCIL

Steve's presentation focused multi-benefit projects, the growing divide between rural and urban areas, specifically in terms of the lack of communications technology and access to capital in rural areas.

- A. Sierra Business Council focuses on a broad area consisting of mountain communities, 80% of their network is private business, with about 20% being nonprofits.
- B. SBC focuses on projects that meet a "triple-bottom-line" of people, planet, and prosperity, not just the last one. SBC believes that contrary to some beliefs, this is actually particularly appropriate in rural areas.
- C. Rural areas are experiencing increasing isolation from the economic gains experienced elsewhere in the state. There is a lack of capacity for sustained economic growth.
- D. Rural California has poverty levels that rank among the worst in the US and even the rest of the developed world.

- E. SBC is focused on fostering entrepreneurship locally – collaborating when possible so as to not duplicate efforts. Successful economic development is all about promoting leadership, not trying to build an empire.
- F. Non-profits can do what local governments can't, and, as Ish mentioned earlier, can act as a shield between local governments and some citizens.
- G. Economic development is not just about planning, it's also about implementation. Successful implementation processes should be documented for others to follow!
- H. Examples of opportunity areas in rural California:
 - a. Food hubs – distribution centers for value-added agriculture
 - b. “Maker-spaces” – room for tinkering and manufacturing by local artisans and craftspeople
 - c. Wood products campus – for generation of thermal biomass.
- I. Access to capital remains an issue in rural areas, and public funding should be used to ‘prime the pump’.
- J. Rural areas can also access California’s new state Greenhouse Gas Reduction Fund. Communities can use it to invest in their transit systems, fund transit-oriented development, and promote walkability. Rural areas may think that they don’t qualify for these programs, but they certainly do.
- K. Some current projects include grants to support affordable housing in Truckee, promoting access to broadband.
- L. Final observation: how can we leverage federal funds for the benefit of rural communities? In our region, we have a responsibility to connect resources with economic development.

TAMMY LAIZURE, USDA BUSINESS & CORPORATE SERVICES

Tammy’s presentation centered on any funding opportunities provided by USDA that rural communities in the North State should be a part of.

- A. USDA offers over 40 different funding mechanisms all with the goal of creating and retaining jobs in rural communities. USDA is such a large institution that it’s likely that whatever your interest is in terms of economic development, there is a related funding program available.
- B. Recipient entities can be local governments but also non-profits, tribes, or even individuals under certain circumstances.

C. Projects in Butte County:

1. Technical assistance grant to CHIP – subsidized single family housing program based in Chico.
2. Also funds direct/guaranteed loans to low-income homebuyers to buy modest homes
3. Home repair loan and grant programs for seniors and the disabled
4. Assistance with Bellevue Ridge Apartment Complex in Oroville.
5. Farm labor housing project in Gridley
6. Water and wastewater loan programs
7. Feather River Health Clinic low-interest loans
8. Funding to help Butte County finance its new Hall of Records
9. Funding to assist with Oroville’s new Holiday Inn Express
10. Funds available for broadband access

D. Funding opportunities coming soon:

1. Rural Business Development grants currently accepting proposals
2. Small business technical assistance grants, applicant could be multi-jurisdictional
3. Rural Green Energy program
 - For rural businesses, not a residential program

QUESTION FROM LINDA DAHLMEIER

A. QUESTION:

As mayor of Oroville, I've experienced difficulties with broadband providers not offering high-quality service at reasonable prices. We've had businesses leave because they haven't had sufficient access. How do we put something together to change this?

B. RESPONSES:

- a. **Tammy:** My understanding is that phone companies have to pay for phone services but not yet for internet services through a University Services Fund. Current grant opportunities at USDA and through the state can help fill the gaps with internet service.
- b. **Steve:** We have to realize that we may never have enough potential customers in rural areas to make it pencil for service providers. Our only choice would be to go to local providers and partner for funding sources like CASF and CETF.
- c. **Comment from an AT&T Representative:** It's about return on investment, we're not going to serve any communities if it's not worth the cost. If I was a local business owner, I would be advocating for local communities. Ask your legislators what they are doing to get more funding for rural projects? We welcome competition and opportunities to partner.
- d. **Ishmael:** Rural communities have a number of things they can do:

1. Land – plan for business expansion
2. Housing – look for places to increase density to decrease commutes, often there is a lack of market-rate rentals in rural communities.
3. Quality of Life – focus on amenities like parks, schools, entertainment. These things may prevent people from relocating to larger cities. Also make sure government has a customer service mindset.
4. Workforce – work on ways to improve the quality of the local labor force, promote career and technical education.