

Working Together to Advance Opportunities for Rural California



Jobs, Economic Development and Sustainable Communities

Strategizing Policy Needs and Program Delivery for Rural California



Submitted by Dr. Glenda Humiston
State Director, USDA Rural Development
February 9, 2010



Committed to the future of rural communities.



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Dr. Glenda Humiston State Director, California RD



- **Funding for**
 - Business & Cooperative Development
 - Community Facilities
 - Water & Sewer Systems
 - Single and Multi-Family Housing
- **Loans, Guaranteed Loans, Grants**
- **Technical Assistance**
- **Staff Support for Applicants**

- Business & Industry Loans
- Intermediary Relending
- Rural Microentrepreneur Assistance Program
- Rural Energy Assistance Program

- Rural Business Enterprise Grants
- Value Added Producer Grants
- Rural Business Opportunity Grants
- Cooperatives

TOTAL: \$182,869,363 #1 in Nation





First Responders, Libraries, Schools, Public Buildings, Healthcare, Food Banks, Community Kitchens, etc.



FY 2010	Grant	Loan	Guarantee Loan	
Regular	1,937,387	35,996,690	1,170,100	
ARRA	4,306,370	23,285,460		
Total	6,243,757	59,282,150	1,170,100	\$66,696,007

Water Systems

Wastewater

Solid Waste

Storm Drainage

Telecommunications

Distance Learning

Telemedicine

Broadband & Electric



FY 2010	Grant	Loan	Total
Regular	20,243,557	38,772,000	#2 in Nation
ARRA	12,047,500	105,052,000	
Total	32,291,057	143,824,000	\$176,115,057



Direct Loans: 1st in Nation
760 loans – \$120.6 million



Guaranteed Loans: 6th in Nation
3,562 loans – \$588 million



Self-Help Housing: 1st in Nation
223 loans – \$35.1 million



Delinquency Rate: 9.1%
National Average: 18.1%
Only State in Nation Under 10%



MFH 515: 8 loans – \$6.7 million – 128 Units
1 Grant – \$1,143,000

MFH 538: 36 loans – \$55.4 million – 2,226 Units
#1 Nationally 5 Elderly, 39 Family Complexes

Farm Labor: 7 Loans – \$16.8 million – 161 Units
2 Grants – \$ 2.4 million – 832 Units Repaired

Housing 12 Grants – \$715,168

Preservation: 16 Loans – \$33.3 million – 124 Units

Rental Assistance: \$68.8 million

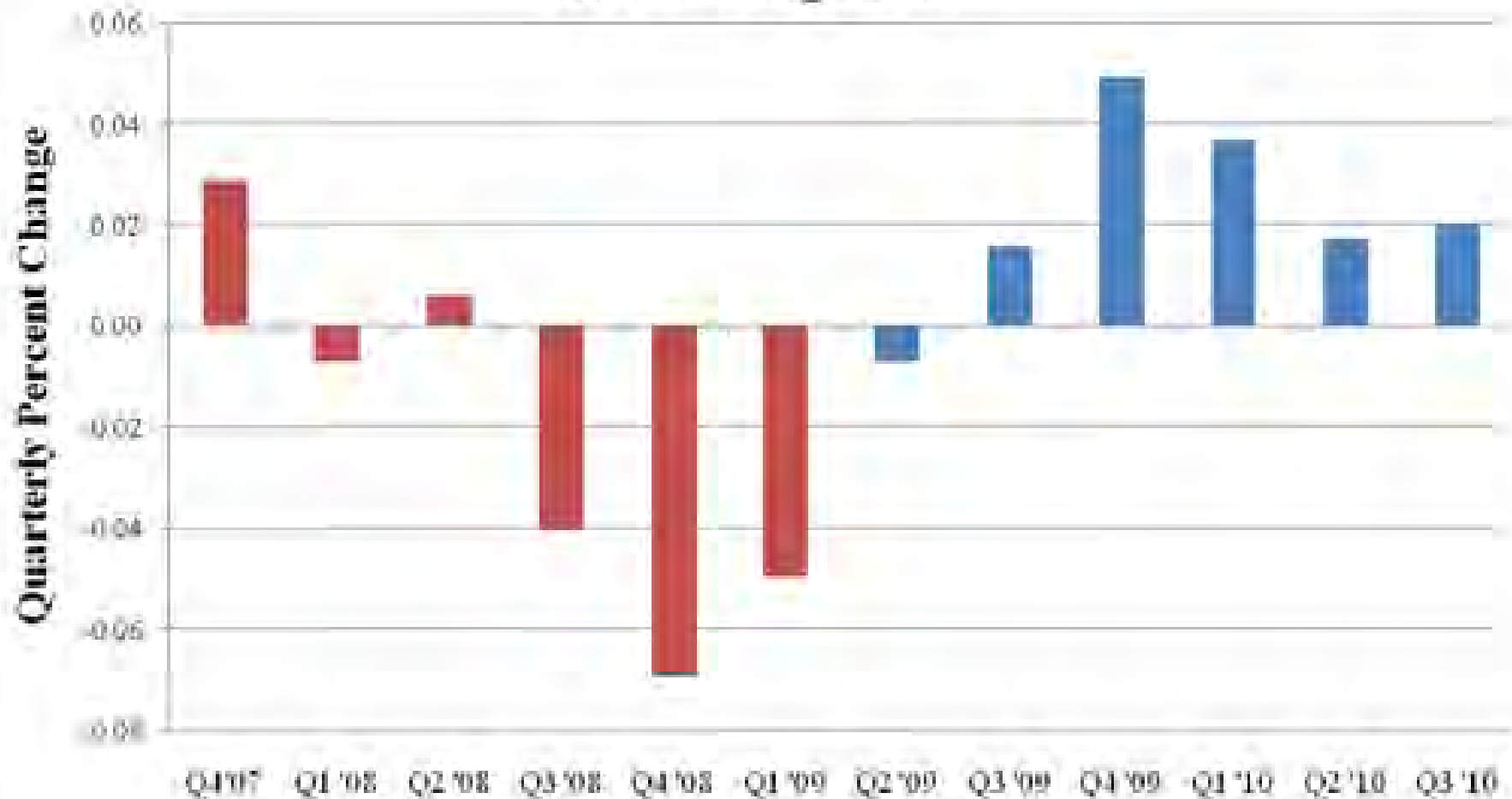




\$ 1,324,415,527

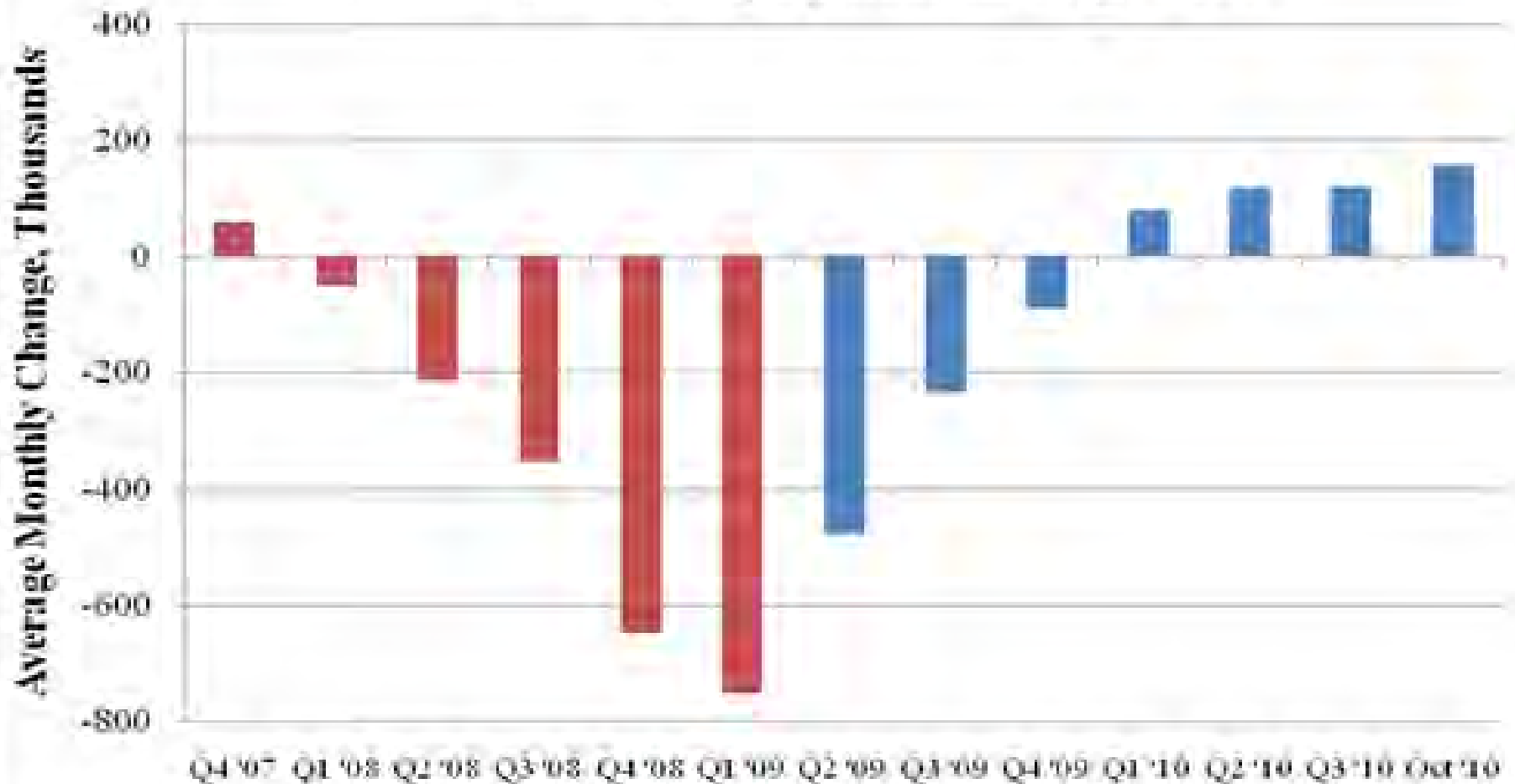


Returning to Growth *GDP Since Q4 2007*

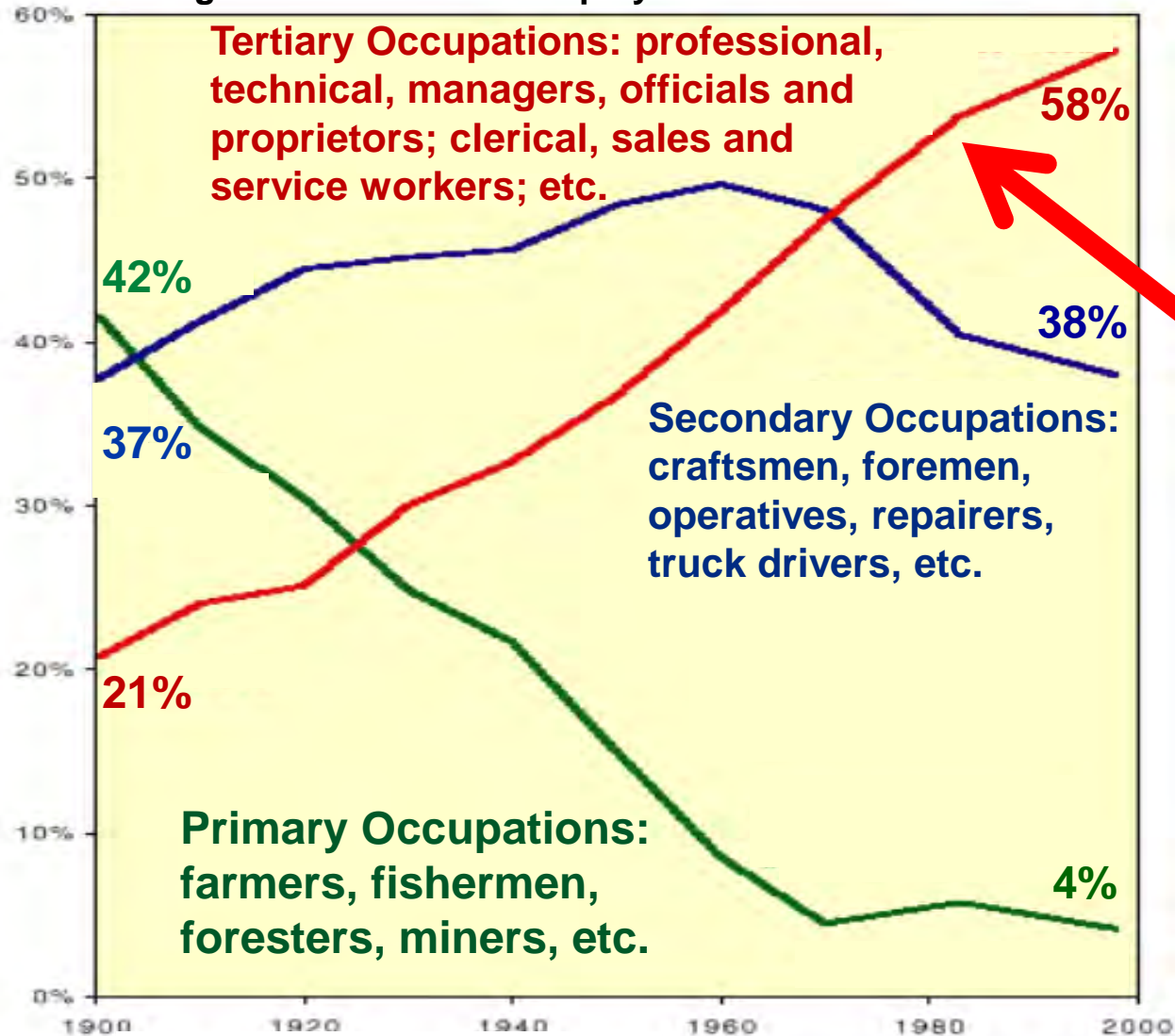


Turning the Corner - The Road to Recovery

Private Sector Employment Since Q4 2007



Percentage of Male Workers Employed in Each Economic Sector

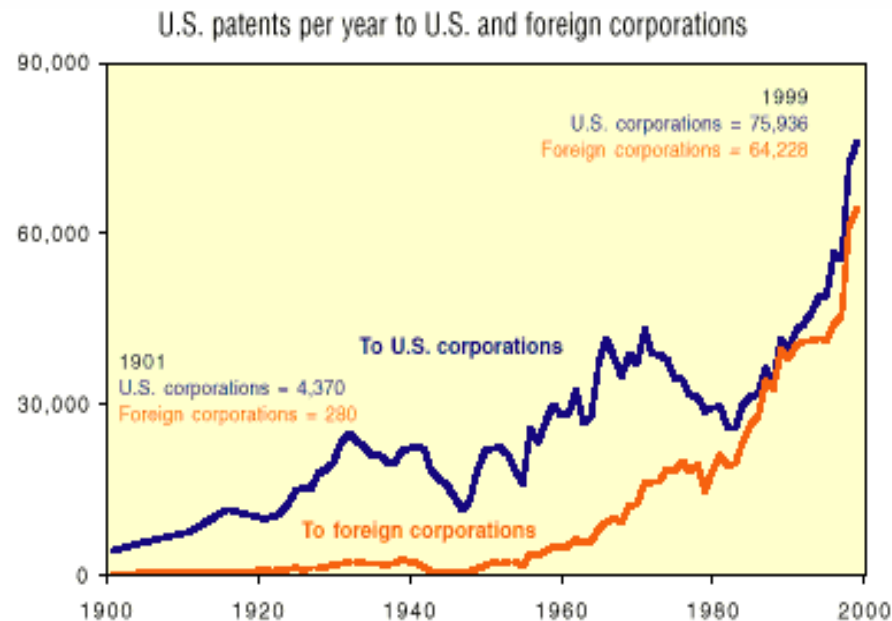
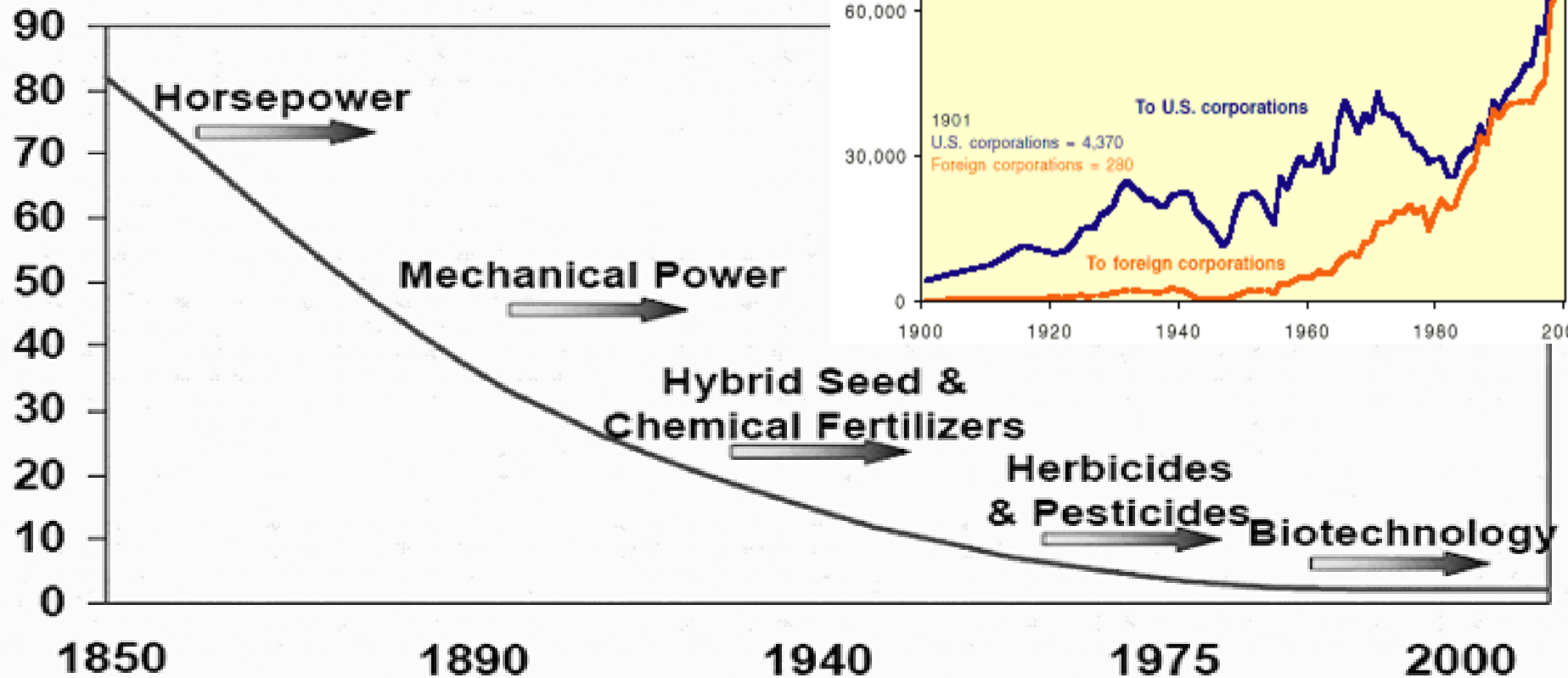


**Need to
Harness
the Power
of this
Trend for
Our Rural
Economies**

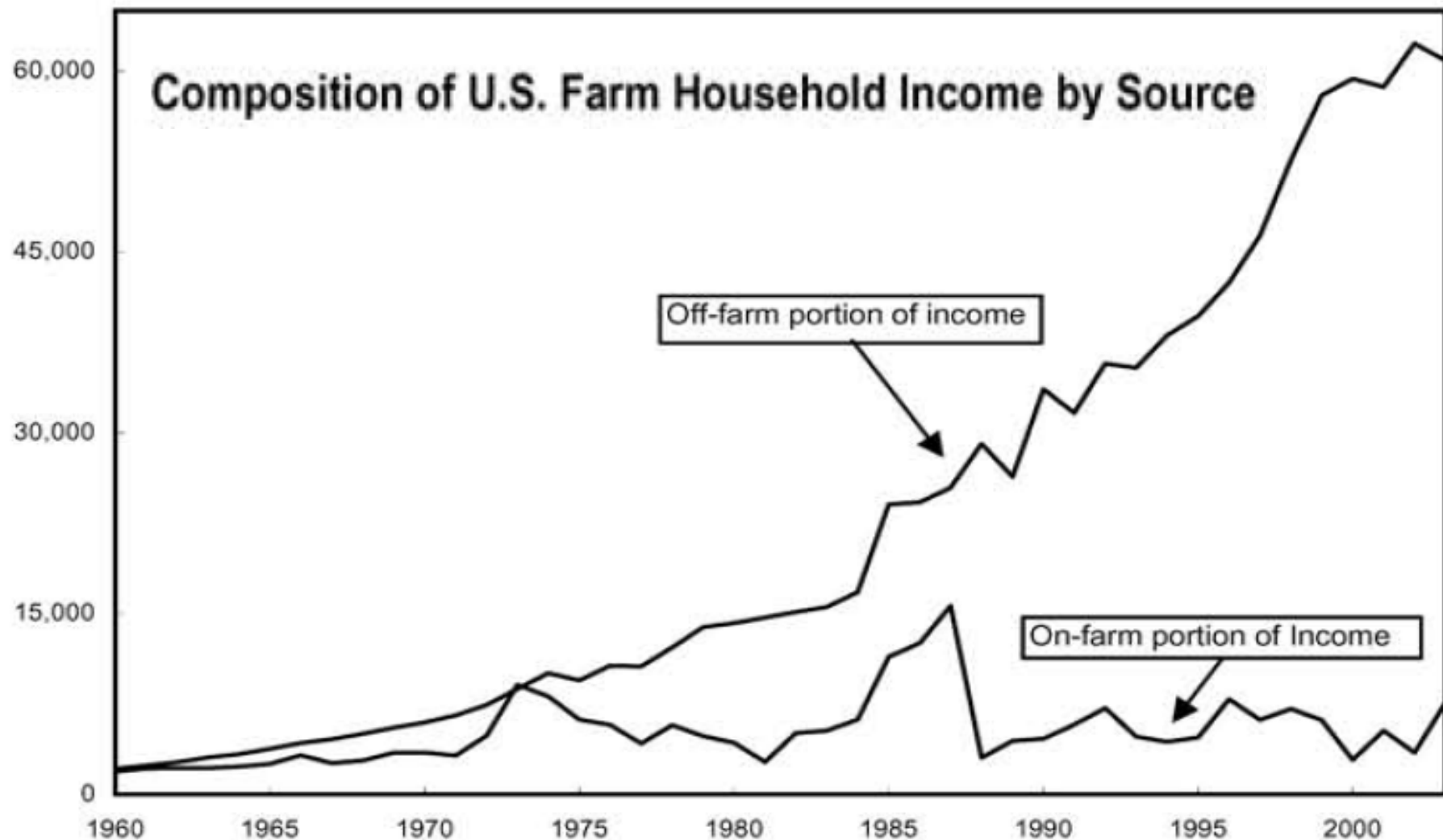
PBS: The First Measured Century

Labor Needed for U.S. Corn Production

Hours to produce 100 bushels of corn



SOURCE: Jason Henderson, Federal Reserve Bank of Kansas City,
Presentation: "Regional Approaches to Rural Development", June 27, 2007



Source: Department of Agriculture (Economic Research Service).

- **Regional Collaboration**
- **Regional Food Systems**
- **Community Building**
- **Alternative Energy**
- **Strategic Partners**
- **Capital Markets**
- **Broadband**



1) Expand and Upgrade Infrastructure

- Broadband
- Community Water and Wastewater Facilities
- Electric Transmission Grid
- Transportation – Roads, Railroads and Ports
- Water Resources

2) Improve Access to Capital and Key Financial Resources

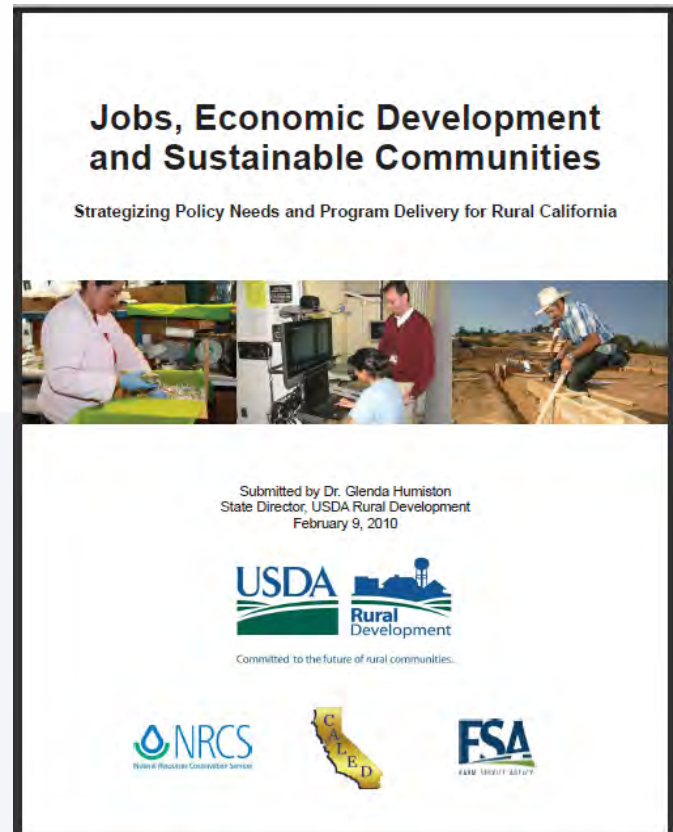
- Access to Traditional Sources of Capital
- FDIC and “Troubled Debt Restructures”
- Access to Non-Traditional Sources of Capital
- Financial Literacy and Financial Tools
- Rural entrepreneurs

3) Streamline Regulations and Processes

4) Find a Definition of Rural That Fits California’s Realities

5) Find Ways to Expand and Improve Service to Applicants

6) Provide More Technical Assistance to Local Communities



7) Assist and Enhance Traditional Job Training Institutions

- Green Jobs Training

8) Encourage Development of Regional Food Systems

- Locally-Grown Food into New Venues
- Small-Scale Meat and Poultry Harvesting

9) Support Value-Added Business Growth

- Utilization of Forest Resources
- Recreation and Tourism
- Small Business and MicroEnterprise



10) Enhance Ability to Produce and Utilize Alternative Energy Sources

11) Expand Programs to Stimulate Green Jobs and Projects

12) Stabilize and Expand the Supply of Affordable Housing

13) Improve Access and Quality of Health Care in Rural Communities

Nov. 18, 2010
Building Economic
Competitiveness



WHEN

Nov 18, 2010, 9:00 – 3:00

WHERE

Rolling Hills Casino, Coming

WHO SHOULD ATTEND

Economic and Workforce professionals throughout the Upstate/NorTEC Region

FACILITATED BY:

Trish Kelly
Applied Development
Economics

RSVP

Alison O'Sullivan, Upstate
alisono@redoncall.com
(530) 528-1397

The Northern Rural Employment & Training Employment Consortium (NoRTEC) received a grant from the California Workforce Investment Board to conduct a Clusters of Opportunity-Sector Strategy for the region. The project is focused on the Green, Health and Alternative Vehicle/Fuels sector. NoRTEC has held three roundtables with sector employers and the Community Colleges.

The Economic, Workforce Development & Education Roundtable will:

- Bring together the economic development and workforce professionals to increase the working knowledge of the internal operations of each group,
- Provide background on new iHub designation,
- Identify priorities around innovation and sector strategies,
- Work to further define and develop a North State Investment Strategy which would be basis for branding the region, accessing more funding/tools and leveraging resources through collaborative arrangements.

SPONSORS:

USDA – California Governor's Office of Economic Development – NoRTEC – Upstate EDC
Green Employer Council – North Fair North Regional Consortia – Golden Capital Network

Signed MOU with Governor's office of Economic Development

GoED Adopted USDA Report as it's Blueprint for Rural California



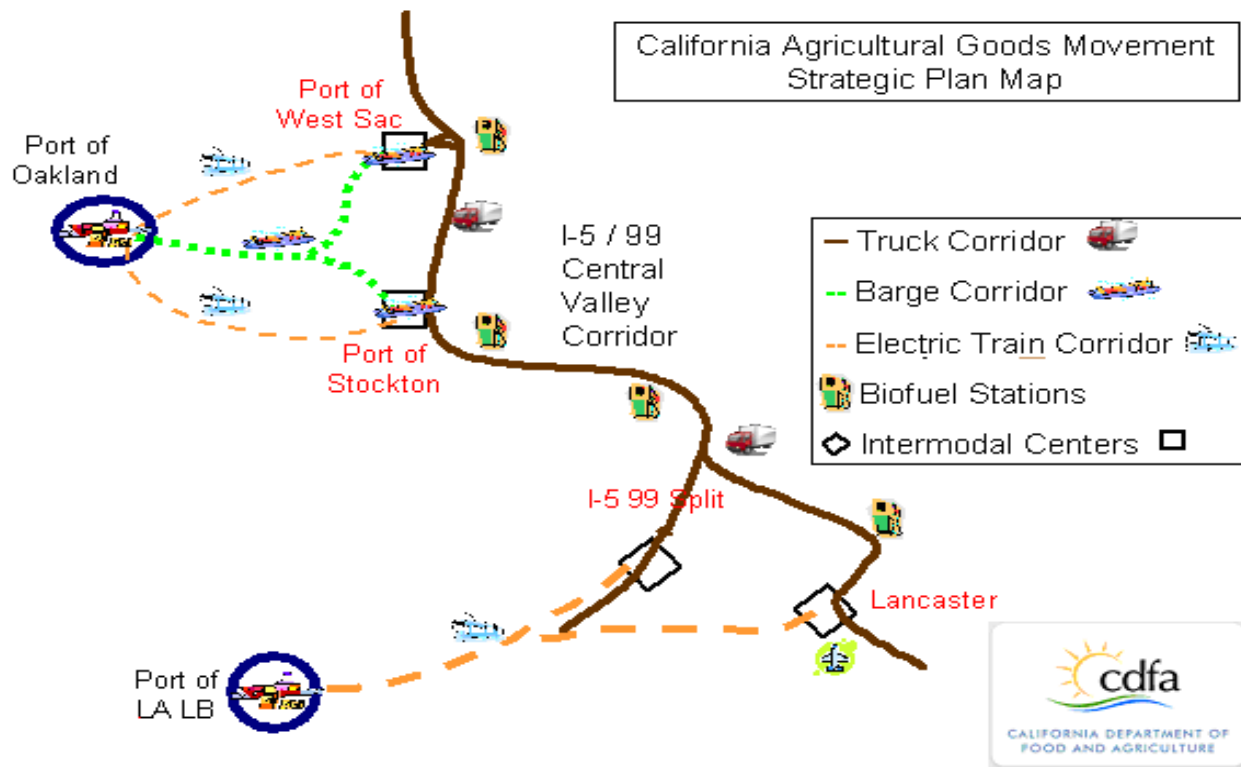
Committed to the future of rural communities.

Federal – State Partnership

Develop Commercial Biofuel Market and Goods Movement Strategy

Enhanced intermodal transfer centers (truck, rail and barge) that allows barge delivery of freight to the port of Oakland from the Ports of Stockton and Sacramento – removing trucks from Oakland & San Francisco Bay Area. Rail would deliver product to Port of Long Beach.

Tied to this transport plan is development of biofuel stations on the Interstate 5 and Highway 99 corridors that would utilize methane from dairies, agricultural biomass, municipal waste, algae and woody biomass produced in California.



Advanced conversion of biomass to liquid (bio-oil), char (charcoal) and/or synthesis gas through new technologies such as a mobile pyrolysis.

What is this worth?

County	Total Forest, Orchard, Field Biomass Resources	Dynamotive Plants	Jobs	Annual Product Value Millions	Market Value of Products Sold Millions
	(20% of Technical Resource)	200 BDT/Day	(27 per plant)	\$20 million/plant*	(2007 ag census)
		26.0	703	\$521	
Humboldt	281,286	4.3	115	\$85	\$149
Mendocino	279,017	4.2	114	\$85	\$122
Siskiyou	231,455	3.5	95	\$70	\$136
Trinity	183,555	2.8	75	\$56	\$3
Shasta	153,831	2.3	63	\$47	\$44
Plumas	96,743	1.5	40	\$29	\$7
Lassen	83,437	1.3	34	\$25	\$55
Butte	82,314	1.2	34	\$25	\$343
Sonoma	75,096	1.1	31	\$23	\$647
El Dorado	73,904	1.1	30	\$22	\$20
Tehama	60,864	0.9	25	\$18	\$143
Colusa	58,850	0.9	24	\$18	\$386
Glenn	57,529	0.9	24	\$17	\$405

What it might look like.



- RC&D Councils: Sac Valley, Central Coast, Northwest CA, North Cal-Neva and Ore-Cal
- Forest Service: Mendocino and Plumas NFs, and Regional Office
- Regional Air Quality Boards
- EnerGeon, Inc/ U.C.Santa Cruz
- California State University, Humboldt
- Rocky Mountain Research Station
- Center for Forestry, U.C. Berkeley
- Ag Services of Northern CA
- Mukang Labs, Washington State
- Sunflower CRMP
- Highway 70 Industrial Park
- Quincy Library Group

Rural-Urban Connections Strategy

Sacramento Area Council of Governments

• www.sacog.org/RUCS



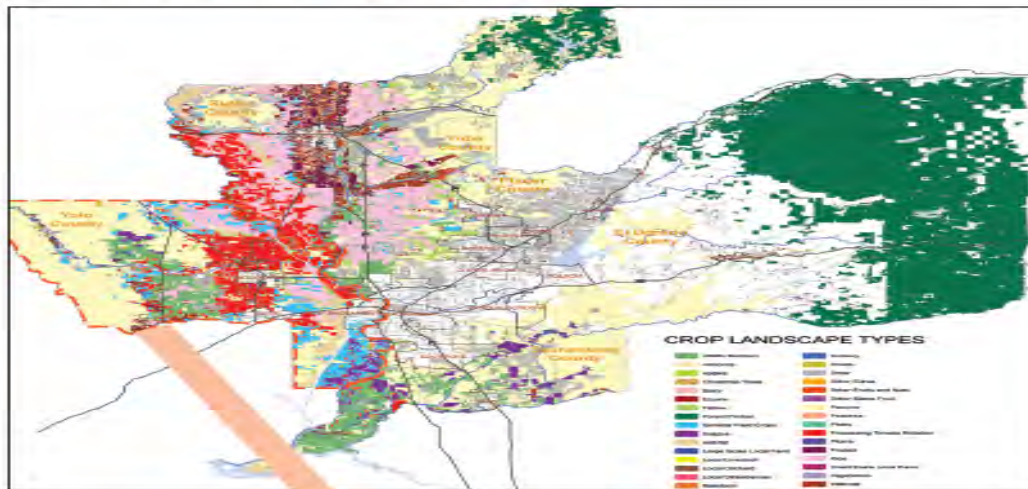
Community leaders often lack good information to make regional decisions that affect agriculture. While there are dozens of general plan designations for urban uses, rice fields, peach orchards, diversified farms, and other types of ag businesses are all labeled "agriculture". This simplified view makes it hard for policy makers and economic development agencies to help new growers, processors or distributors. The Rural-Urban Connections Strategy is building unprecedented data and tools to help stakeholders in the six-county Sacramento region enhance their understanding of agriculture and improve its viability.

This analysis capacity will: help decision makers craft better policies and plans, help agricultural businesses make operational decisions, and help the public understand the importance of protecting agricultural land and supporting growers in the region.

SACOG is using crop maps, production data and GIS to put related data together in a set of cutting-edge, yet practical, tools. Crop data were collected at the field level across more than 3.2 million acres of farmland. Production input and cost, yield, price, and environmental service information was then assigned to each crop type. These data were then uploaded into land use modeling software, I-PLACE³S, which can analyze both rural and urban changes simultaneously and in real-time. SACOG is running scenarios to test how changing crop patterns, market conditions and policy and business decisions may affect the viability of agriculture. This type of information has broad uses for local officials, business owners, and producers. The methodology and tools developed by SACOG are transferable and scalable, so any local, regional, state or federal organization could use them for their efforts.

SACOG Crop Map

Types and location of regional crops

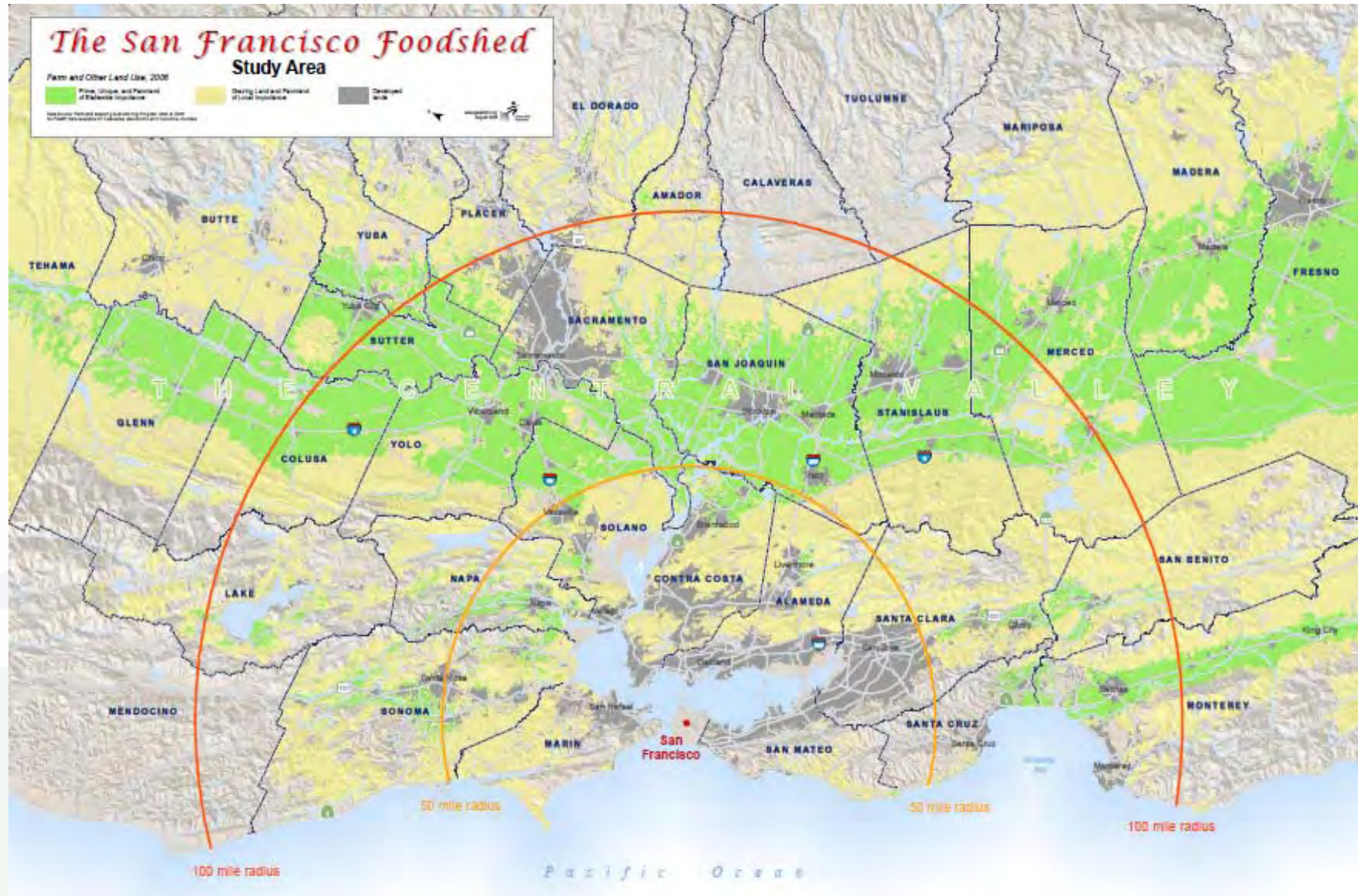


Yolo County Crop Analysis



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Regional Economic Management



Small-Scale Livestock and Poultry Operations Need Infrastructure to Thrive

Marketing locally raised grass-fed beef results in \$2,130 more per head in gross earnings. Using value-added multipliers, the additional returns of \$2,130 to the rancher for each steer will result in an additional \$11,550 of value-added in other local industries and the regional economy.



One small-scale processing facility with annual capacity of 2,000 cattle carcasses employing 15 people could potentially create 29 additional jobs and \$23 million for a regional economy as a result of increased ranching and processing returns.

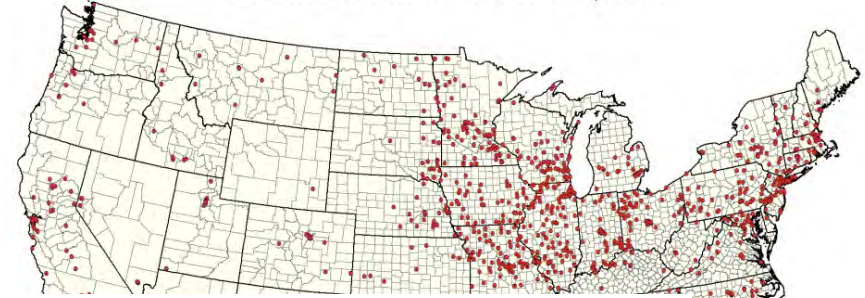
Purchasing cooperatives include:

- Ace Hardware,
- The Bike Cooperative,
- Unified Grocers
- and many more.

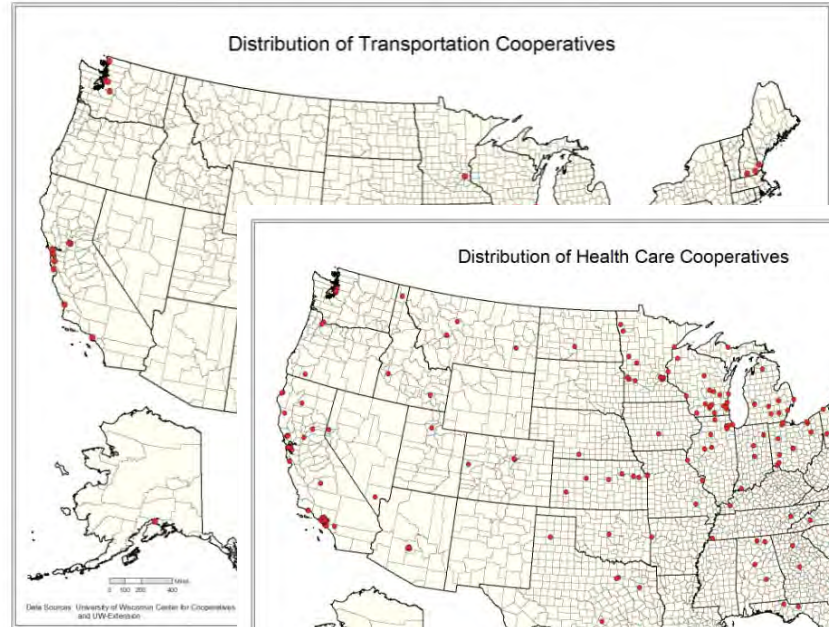
Worker cooperatives include:

- small bicycle & book stores,
- small retail businesses,
- a fair-trade coffee roaster,
- a taxi company,
- an engineering firm,
- ...and an adult theatre.

Distribution of Mutual Insurance Companies



Distribution of Transportation Cooperatives



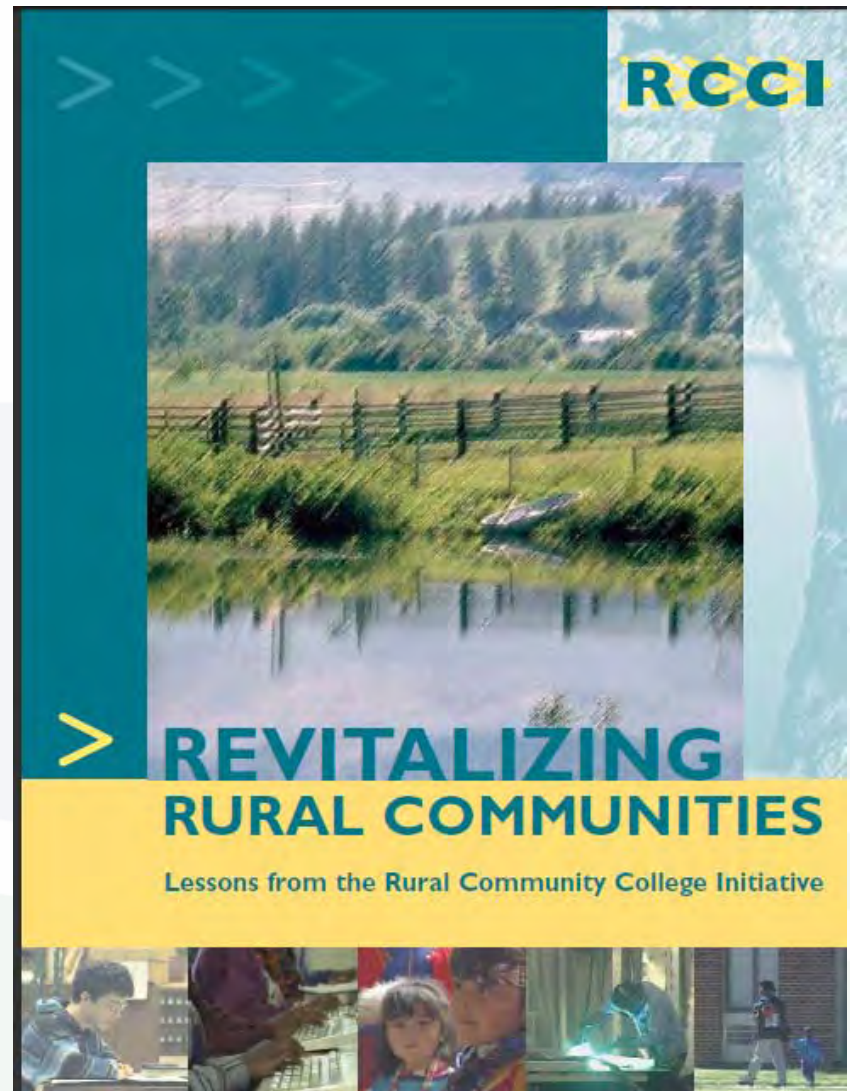
Distribution of Health Care Cooperatives



CALIFORNIA'S FORGOTTEN MIDDLE-SKILL JOBS

MEETING THE DEMANDS OF A 21ST-CENTURY ECONOMY

OCTOBER 2009



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Moving Beyond Workforce Training

State and local subsidies to lure businesses to an area are now over **\$50 Billion nationally** – taxpayer money that could instead be invested in growing local businesses. The Federal Government spends an additional \$58 Billion on subsidies.

The arms race for jobs and economic development has **alarmed researchers at the Federal Reserve Banks...**they called on Congress to **end the conflict between states.**

MEANWHILE: Surveys of business executives show that they are most concerned that an area meet their labor, market, transportation and infrastructure needs. State and/or local subsidies is rarely a deciding factor!

“Economic Gardening” nurtures the local economy rather than “hunting” for big business relocations.

The emphasis is to connect entrepreneurs and existing businesses to resources, encourage development of essential infrastructure and provide entrepreneurs with access to competitive intelligence on markets, customers, competitors, vendors, etc. comparable to the resources customarily available only to large firms.



Intangible Capital



Human Capital

Competencies
Experience
Management
skills



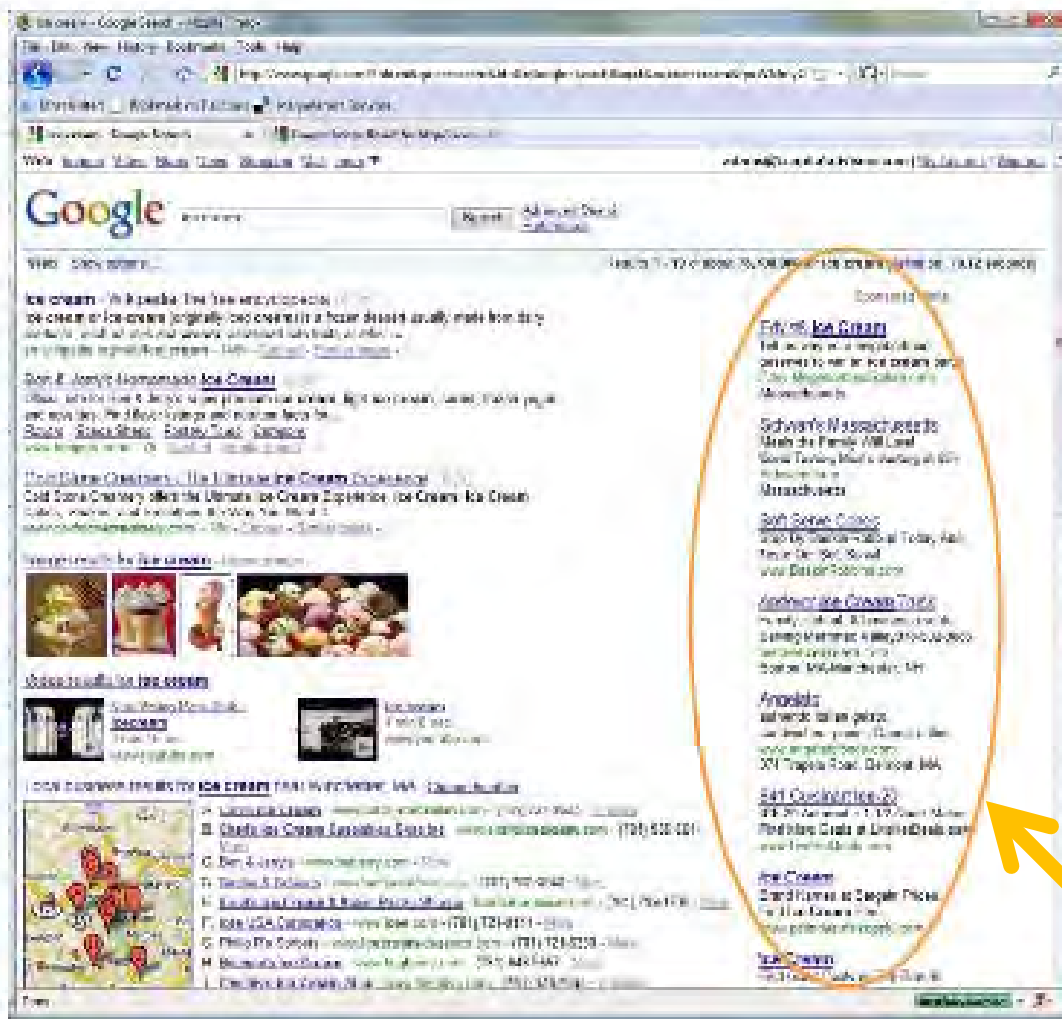
Structural Capital

All captured
info and
knowledge
Processes
Intellectual
Property



Relationship Capital

Customers
Vendors
Partners
Brands
Reputation



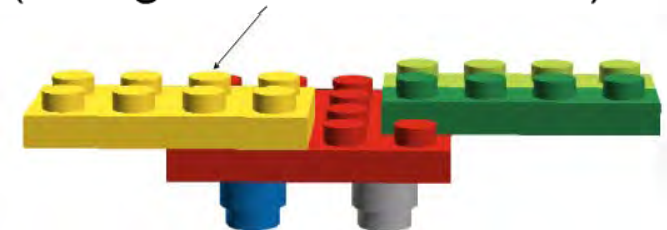
From: *You Can Grow Like Google on YouTube*



Human Capital



+ more Structural Capital
(that generates revenue)

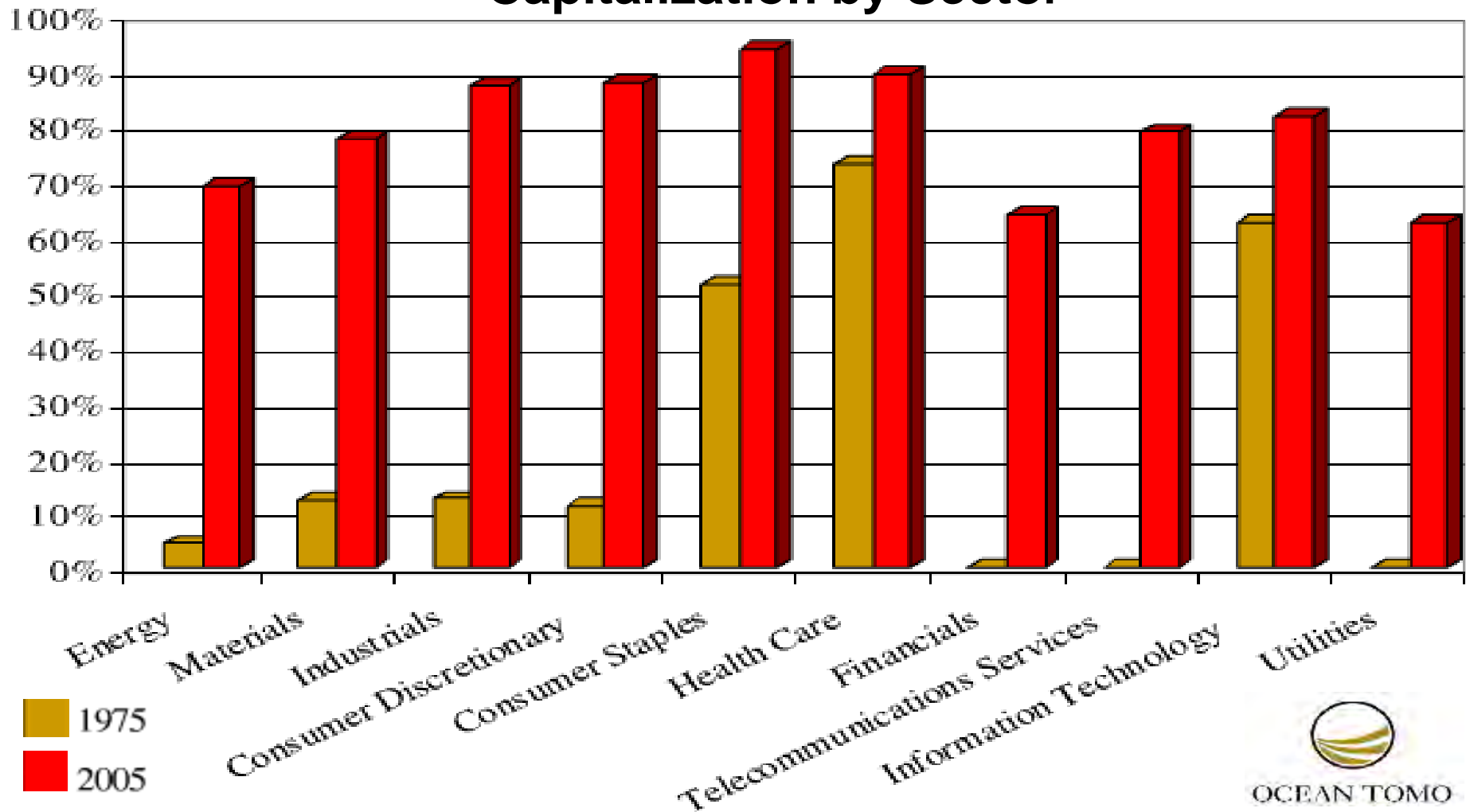


+ more Relationship Capital



This “knowledge factory”
grossed \$22+ billion in 2008

Intangible Value as a % of Total Market Capitalization by Sector



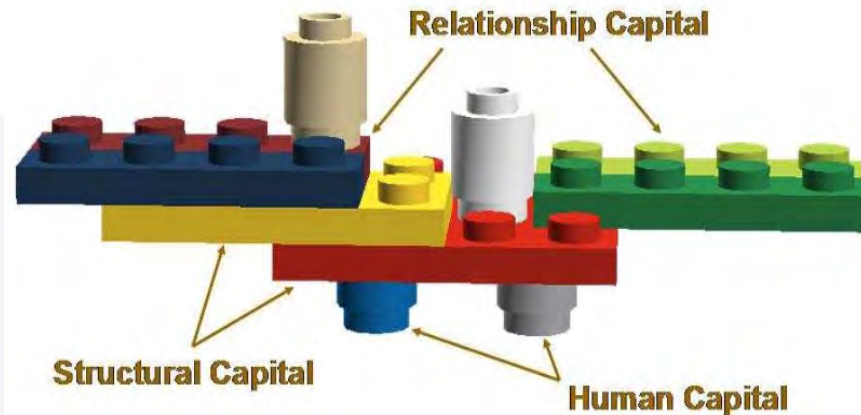
**Resource
Conservation &
Development
Councils**

**Community
Colleges &
Job Training**

**Economic
Development
Corporations**

**Local
Government**

GoED



NonProfits

**Venture
Capital
& Micro-
Finance**

**State & Federal
Programs**

BALLE

**Financial
Institutions**

CAMEO

**Cooperative
Extension**

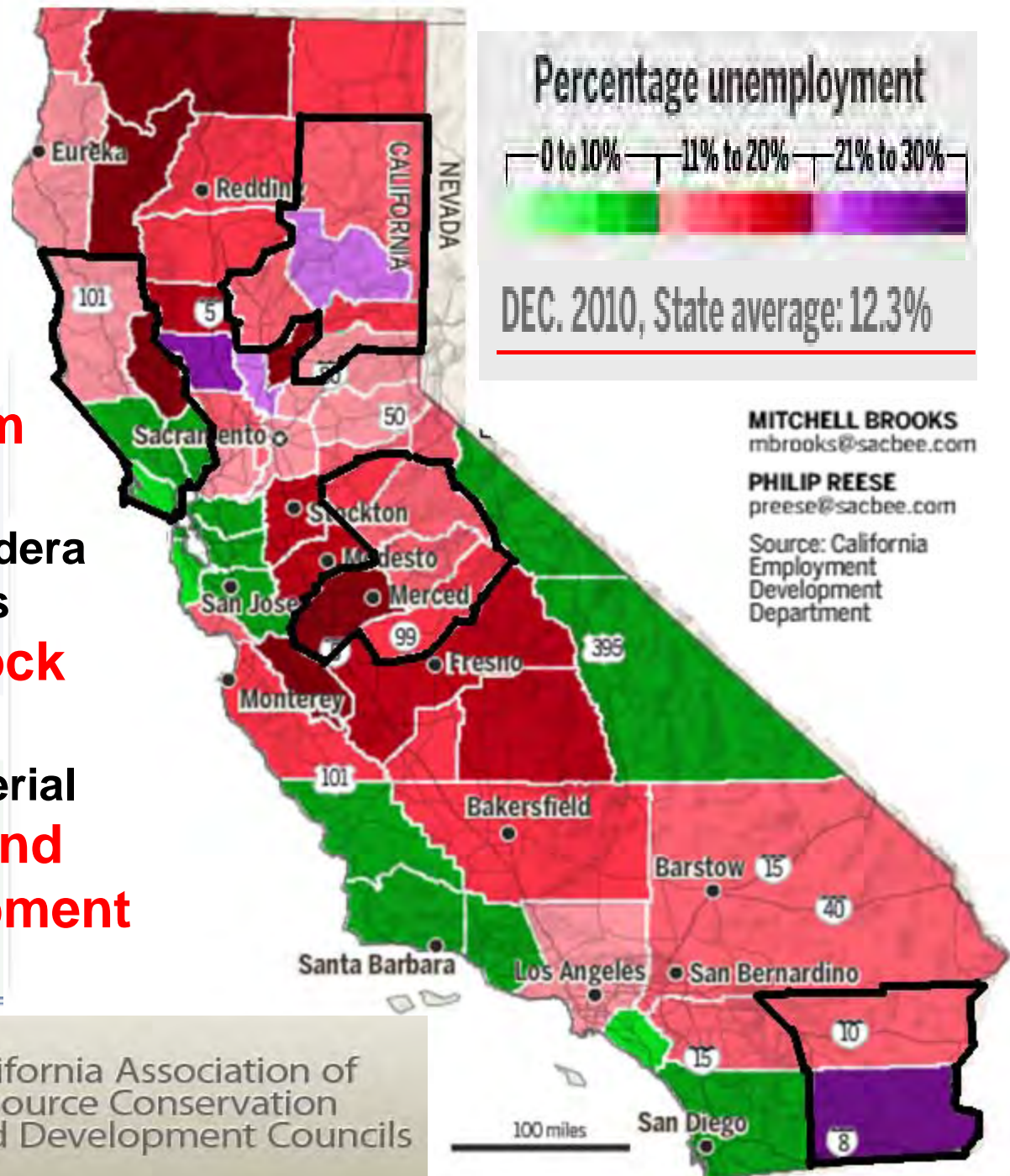
**Research
Institutions**

Plumas – Sierra – Butte
Nevada – Lassen
Biomass Utilization

Sonoma – Mendocino
Lake – Napa – Marin
Regional Food System

Merced – Mariposa – Madera
Tuolumne – Calaveras
Value-Added Livestock

Eastern Riverside – Imperial
**Alternative Energy and
Agricultural Development**





HOME ABOUT BALLE BUILDING BLOCKS ABOUT NETWORKS
OVERVIEW ECONOMY AGRICULTURE ENERGY ZERO WASTE

Building Blocks of a Local Living Economy

- Local Living Economies
- Green Building
- Sustainable Agriculture
- Renewable Energy
- Zero Waste Energy
- Independent Retail
- Community Capital

BALLE brings together independent business leaders, economic development professionals, government officials, social innovators, and community leaders to build local living economies. We provide local, state, national, and international resources to this new model of economic development.



A Partner for Rural Communities

USDA B&I Guaranteed Loans USDA Intermediary Relending



BACKING THE BUSINESS OF RURAL AMERICA

LEVERAGING USDA GUARANTEED LOANS
with NEW MARKET TAX CREDITS (NMTC)



DIRECT
PUBLIC
OFFERING

- Expanded Use of Bonds
- Retirement Accounts Invested Locally
- Program Mission Related Investments
- and ???



Center for Regional Change, U.C. Davis
FINANCIAL INNOVATIONS ROUNDTABLE:
Identifying strategies that will lead to
mobilizing and capturing local capital
and turning it into an engine for growth...



**COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND**

UNITED STATES DEPARTMENT OF THE TREASURY

**Economic
Development
Administration
(EDA)**

Eliminate barriers to commercialization within regional innovation ecosystems through a \$12 million competitive grant

**Small Business
Administration
(SBA)**

Provides up to \$600,000 for business training, technology transfer, and mentoring services to regional clusters

**Department of
Energy (DOE)**

Connects DOE, EDA, SBA, NSF, the Department of Commerce's Manufacturing Extension Partnership, the Department of Labor, and the Department of Education in joint funding opportunity of \$130 million over five years to support regional research on energy cluster growth

**U.S. Dept. of
Agriculture
(USDA)**

Pilots strategic regional planning that connects rural communities to core local and metropolitan assets through a **\$176 million fund that pools and coordinates a share of resources from existing USDA programs**

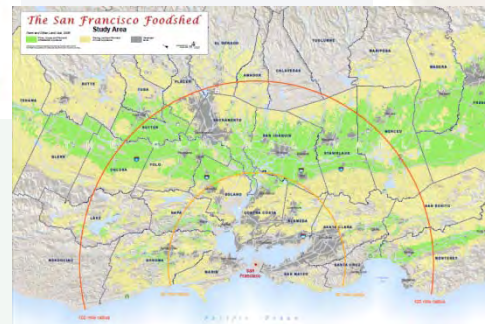
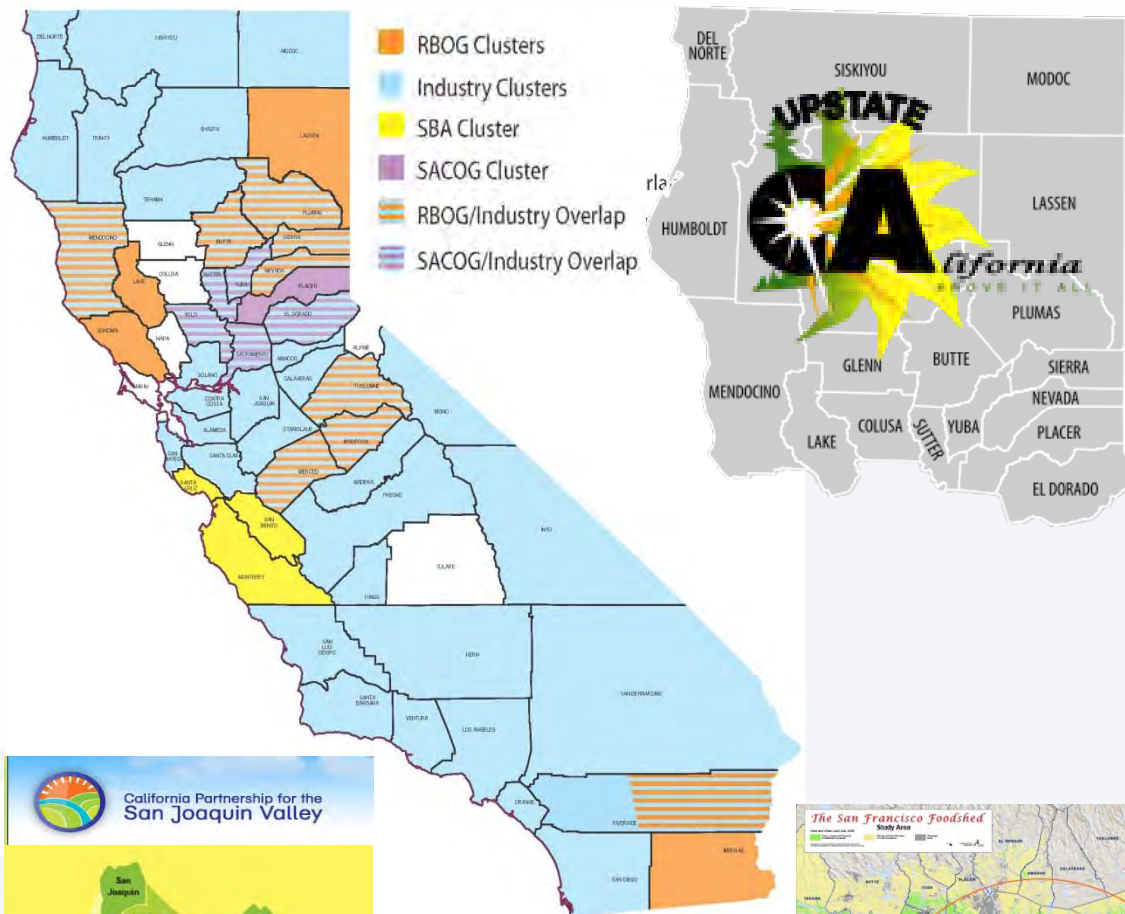
**National
Science
Foundation
(NSF)**

Aims to support regional clusters around universities with \$12 million directed at increasing the impact of promising innovations through commercialization, industry alliances, and start-up formation

**Ten Regional Industry Cluster teams:
Industry Clusters identified as of November 2010**

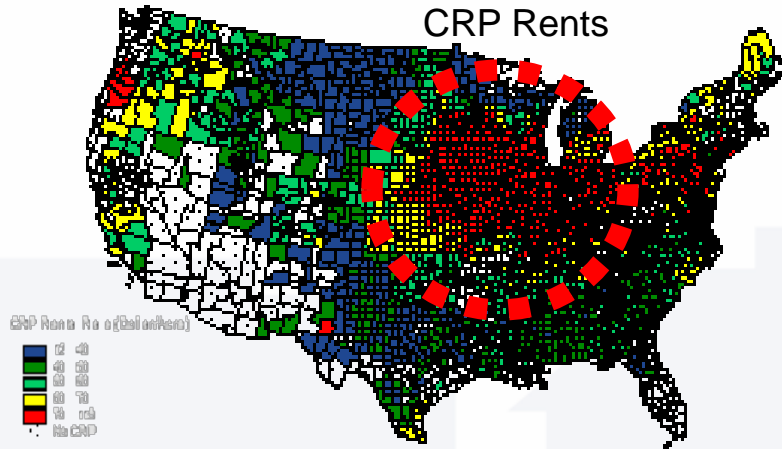
Local Workforce Investment Board	Lead	Email	Counties	Targeted Clusters of Opportunity
*Central Coast	Nick Schultz Office: (805) 781-1833	nschultz@co.slo.ca.us	San Luis Obispo, Santa Barbara, Ventura	Green Building& Design; Agriculture; Tourism
*Greater LA Region	Bryan Rodgers Office: (562) 570-3701	bryan.rogers@longbeach.gov	Los Angeles, Orange, Ventura	Energy Efficiency/Green Building; Alternative Transportation/Fuels/Energy Storage; Water-Waste Water
*Inland Empire	Nick Demartz Office: (909) 387-9841	ndemartz@wdd.sbcounty.gov	Riverside, San Bernardino	Green logistics(including alternative transportationand fuels); Health Services
*Northern Rural Training and Employment Consortium (NoRTEC)	Stewart Knox Office: (530) 892-9600	sknox@ncen.org	Butte, Del Oro, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity	Renewable Energy/ Alternative Fuels; Allied Health
East Bay	Stephen Baiter Office: (925)602-6820	sbaiter@ehsd.cccounty.us	Alameda, Contra Costa, Solano	Energy Efficiency(particularly products); Energy Generation/Energy Storage; Water/Wastewater
North Valley Job Training Consortium (NOVA)	Luther Jackson Office: (408) 730-7832	ljackson@novaworks.org	Santa Clara, San Mateo	Health and IT (Convergence)
Redwood Coast	Jacqueline Debets Office: (707)445-7747	debets@co.humboldt.ca.us	Del Norte, Humboldt, Mendocino, Siskiyou, Trinity	Specialty Agriculture, Food and Beverages; Building and Construction; Management Innovation Services; Diversified Healthcare
Sacramento Employment Training Agency	Robin Purdy Office: (916)263-3860	robin@delpaso.seta.net	El Dorado, Sacramento, Sutter, Yolo, Yuba	Clean Energy; Energy Efficiency;Clean Transportation; Green Building
San Diego Workforce Partnership	Chuck Flacks Office: (619) 228- 2935	chuckf@workforce.org	San Diego	Health and IT (Convergence)
San Joaquin Valley	Pam Lassetter Office: (559) 490-7132	plassetter@workforce-connection.com	Amador, Calaveras, Fresno, Kern, Kings, Inyo, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tuolumne	Healthcare

*Regional Clusters that also include funding from The California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program (AB118).

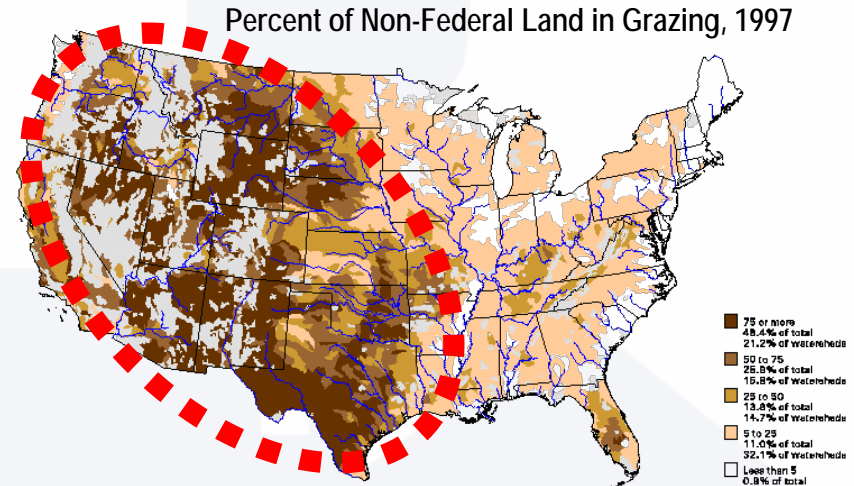


Ag Politics are Regional and Issue-Driven

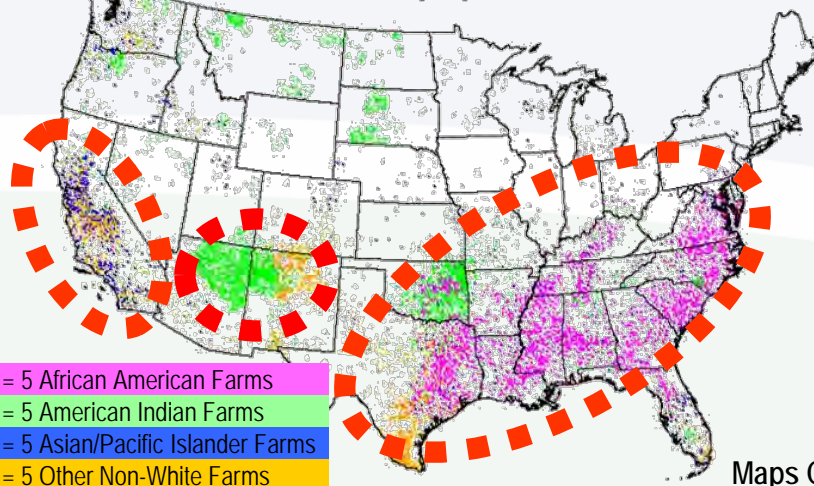
CRP Rents



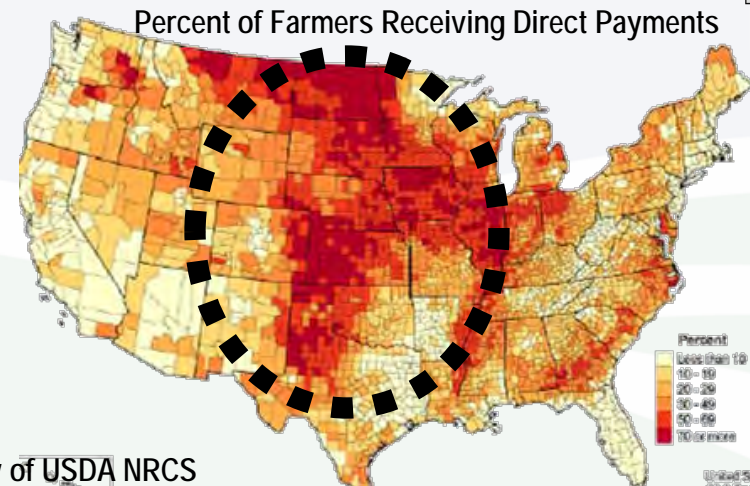
Percent of Non-Federal Land in Grazing, 1997



Distribution of Minority Operated Farms, 1997



Percent of Farmers Receiving Direct Payments



Maps Courtesy of USDA NRCS

Next Farm Bill Will Be Here Very Soon!



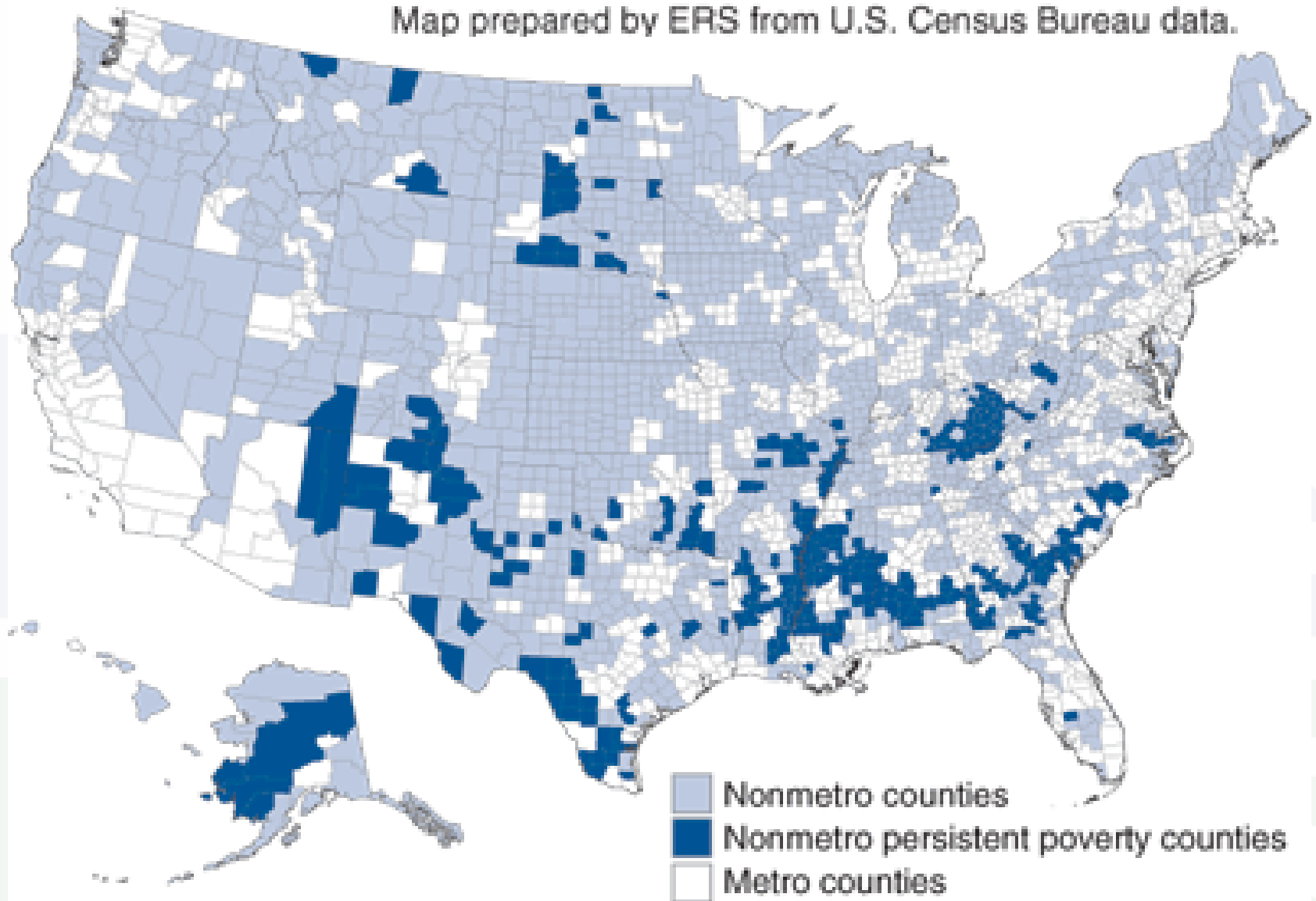
Courtesy of CSU Chico,
Center for Economic
Development

A map of California with county boundaries outlined. Numerous small, irregular areas within various counties are shaded in dark red, indicating census tracts with persistent poverty. The shading is distributed across the state, with notable concentrations in the Central Valley, the San Joaquin Hills, and parts of the South Coast and Inland Empire. The surrounding states and the Pacific Ocean are shown in light yellow and blue, respectively.

Persistent Poverty by Census Tract

**Yet...Not A
Single County in
California is
Considered to
Have Persistent
Poverty!!**

Map prepared by ERS from U.S. Census Bureau data.



California

FSA - Service Centers

**58
Counties**

30 Service Centers

157,776 Square Miles

Avg. 5259 Sq. Miles per Service Center



**Virginia - North Carolina
South Carolina - Georgia**

FSA - Service Centers

**400
Counties**

226 Service Centers

178,400 Square Miles

Avg. 789 Sq. Miles per Service Center



**Using Counties as Jurisdiction
Creates Serious Inequities**

**Resource
Conservation &
Development
Councils**

**Community
Colleges &
Job Training**

**Economic
Development
Corporations**

GoED

**Local
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Micro

**Enterprise
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Capital
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**Research
Institutions**

