

## Background

Congress created the RCDI in fiscal year (FY) 2000 to develop the capacity and ability of nonprofit organizations, low-income rural communities, or Federally recognized tribes to undertake projects related to housing, community facilities, or community and economic development in rural areas. Numerous changes have been made each year since. Congress appropriated \$6 million in FY 2003 for the RCDI. Qualified private and public (including tribal) intermediary organizations proposing to carry out financial and technical assistance programs will be eligible to receive the funding. The intermediary will be required to provide matching funds in an amount at least equal to the RCDI grant.

## Definitions for RCDI Purposes

**Agency**—the Rural Housing Service (RHS) or its successor.

**Beneficiary**—entities or individuals that receive benefits from assistance provided by the recipient.

**Capacity**—the ability of a recipient to finance and implement housing, community facilities, or community and economic development projects.

**Federally recognized tribes**—tribal entities recognized and eligible for funding and services from the Bureau of Indian Affairs, based on the notice in the **Federal Register** published by the Bureau of Indian Affairs on July 12, 2002, volume 67, number 134, page 46328. Tribally Designated Housing Entities are eligible RCDI recipients.

**Financial assistance**—Funds used by the intermediary to support the recipient's program, including funds that pass through the intermediary to the recipient for eligible RCDI purposes.

**Funds**—the RCDI grant and matching money.

**Intermediary**—a qualified private, nonprofit, or public (including tribal) organization that provides financial and technical assistance to multiple recipients. The applicant entity must have been organized for a minimum of 3 years.

**Low-income community**—an authority, district, economic development authority, regional council, or unit of government representing an incorporated city, town, village, county, township, parish, or borough. The location of the low-income community office that will be receiving the financial and technical assistance must be in a community with a median household income at, or below, 80 percent of either the State or national median household income.

**Matching funds**—cash or confirmed funding commitments. Matching funds

must be at least equal to the grant amount. These funds can only be used for eligible RCDI activities. In-kind contributions cannot be used as matching funds.

**Nonprofit organization**—a private, community-based housing or community development entity with evidence of their nonprofit status. Examples of valid documentation of nonprofit status include, but are not limited to, a letter from the Internal Revenue Service (IRS) or a confirming certificate from the Secretary of State where the entity is located.

**Recipient**—the entity that receives the financial and technical assistance from the intermediary. The recipient must be a nonprofit organization, a low-income rural community, or a Federally recognized tribe.

**Rural and rural area**—a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than urbanized areas immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

**Technical assistance**—skilled help in improving the recipient's abilities in the areas of housing, community facilities, or community and economic development. The Agency will determine whether a specific activity qualifies as technical assistance.

1. The recipient and beneficiary, but not the intermediary, must be located in an eligible rural area. The applicable Rural Development State Office can assist in determining the eligibility of an area. A listing of Rural Development State Offices is included in this notice.

2. The name and location of recipients must be included in the grant application.

3. The recipients must be nonprofit organizations, low-income rural communities, or federally recognized tribes based on the RCDI definitions of these groups.

4. Documentation must be submitted to verify recipient eligibility. Acceptable documentation varies depending on the type of recipient: A letter from the IRS, confirming certificate from the Secretary of State, or other valid documentation of nonprofit status is required for nonprofit recipients; for low-income community recipients, the Agency requires (a) evidence the entity is a public body and (b) census data verifying that the median household income of the community where the office receiving the financial and technical assistance is located is at, or below, 80 percent of the State or national median household income; for Federally recognized tribes, the Agency needs the page listing their

name from the current **Federal Register** list of tribal entities recognized and eligible for funding services (see the definition of Federally recognized tribes for details on this list).

5. Individuals cannot be recipients.

6. The intermediary must provide matching funds at least equal to the amount of the grant.

7. The intermediary must provide a program of financial and technical assistance to the recipient.

8. The intermediary organization must have at least 3 years prior experience working with nonprofit organizations, low-income rural communities, or tribal organizations in the areas of housing, community facilities, or community and economic development.

9. The respective minimum and maximum grant amount per intermediary is \$50,000 and \$500,000.

10. Proposals must be structured to utilize the grant funds within 3 years from the date of the award.

11. Each intermediary, whether singularly or jointly, may only submit one application for RCDI funds under this NOFA unless the intermediary's participation is limited to providing all or part of the matching funds.

12. Recipients can participate in more than one RCDI application; however, after grant selections are made, the recipient can only participate in multiple RCDI grants if the type of financial and technical assistance they will receive is not duplicative.

13. The intermediary and the recipient cannot be the same entity. The recipient can be a related entity to the intermediary, if it meets the definition of a recipient.

14. A nonprofit recipient must provide evidence that it is a valid nonprofit when the intermediary applies for the RCDI grant. Organizations with pending requests for nonprofit designations are not eligible.

15. If the recipient is a low-income community, identify the unit of government to which the financial and technical assistance will be provided, e.g., town council or village board. The financial and technical assistance must be provided to the organized unit of government representing that community, not the community at large.

16. Nonprofits located in a rural area that is also a census designated place (CDP) are eligible. CDPs are not considered eligible rural areas under low-income communities because they do not have a unit of government to receive the financial and technical assistance.