



Committed to the future of rural communities.

2003 Annual Report

Nevada



Certificate of Outstanding Service Presentation

(Left-Right) Larry Smith, State Director, USDA Rural Development, Paul Lathrop, Vice President and Loan Support Team Banker, Wells Fargo Bank, Herb Shedd, Business Programs Director, USDA Rural Development



Pioche Fire Rescue Truck



U.S. Senator John Ensign joins the Dayton Self-Help Housing Groundbreaking Ceremony



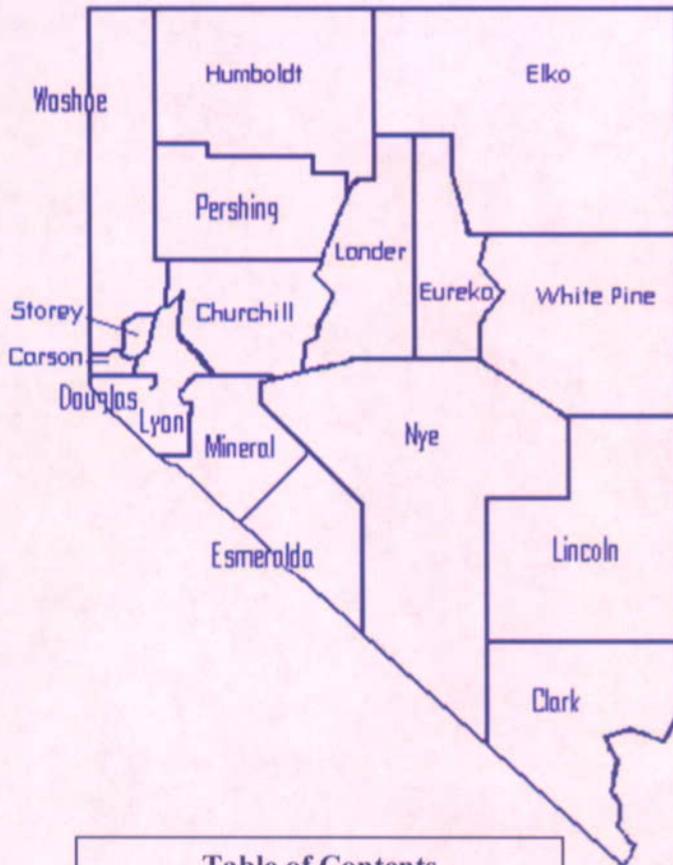
Red Ribbon - Child ID Kits
October 15, 2003

Red Ribbon Campaign 2003
Child ID Kits and Senior Medical Kits
Laughlin, Nevada



Tonopah Water Tank Under Construction

Contact Information



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Serving Elko, Eureka, Nye and White Pine Counties

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Fallon, NV 89406
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Serving Churchill, Douglas, Esmeralda, Lyon, Mineral, Nye, Storey and Washoe Counties

Winnemucca Local Office
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Serving Humboldt, Lander and Pershing Counties

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Statement by Ann M. Veneman, Secretary of Agriculture



ANN M. VENEMAN
Secretary of Agriculture

The Bush Administration has made great strides in supporting investments in America's rural communities. From the successful implementation of the 2002 Farm Bill to passage of the Healthy Forest Restoration Act, President Bush's policies are helping strengthen the economic health of rural America.

In 2003, we saw record net cash farm income, which is expected to total \$65 billion, up 33 percent over 2002, and strong exports, which are expected to reach \$56.2 billion for 2003. The demand for farm products is being spurred by the President's tax cuts, low interest rates and inflation and decline in the value of the dollar. Expanding payrolls and declining unemployment in the coming year are expected to further accelerate food demand.

Also fueling this growth are the programs being implemented by USDA's Rural Development. Through USDA's Rural Development programs, it is estimated that over 510,000 jobs have been created or saved since the beginning of the Bush Administration. USDA has invested nearly \$2.5 billion for rural business development in the form of loans, grants and technical assistance.

We are also working with local communities to build and strengthen economic development partnerships with state and local governments. Some \$183 million has been invested in Empowerment Zones and Enterprise Communities (EZ/ECs). This investment is complemented by the leveraging of USDA funds to help attract \$422 million in other federal investments and \$739 million in non-federal investments to EZ/ECs and other supported communities.

To improve economic and community development opportunities in underserved rural areas, the Administration has entered into agreements with 20 National Centers of Excellence and Historically Black Colleges and Universities to advance business development through improved information technologies and entrepreneurial skills training.

Major investments have been made in developing value-added industries, with a focus on promoting renewable energy. Over \$35 million has been provided to support the development and marketing of renewable energy and the creation of energy efficient systems in rural areas.

Rural infrastructure, such as education, healthcare, telecommunications, water treatment and community facilities, has been supported by more than \$13 billion in grants and loans. More than \$10.2 billion has been invested in rural housing, much of which supports the President's ambitious goal to increase minority homeownership by 5.5 million by 2010.

As we look to the future, we remain dedicated to ensuring that investments in rural Nevada continue to bring new economic opportunities and an improved quality of life to rural families and communities.



Statement by Gilbert Gonzalez, Acting Under Secretary for USDA Rural Development



GILBERT GONZALEZ
Acting Under Secretary



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Citizens and community leaders throughout rural America share a common desire to bring economic opportunity and an improved quality of life to their community. There is a remarkable cohesiveness amongst rural citizens that allows the energy and enthusiasm of local citizens to harness the resources needed to bring solutions to economic and social issues facing their community.

As rural America's venture capital bank, USDA Rural Development seeks to support local efforts by providing financing to create housing, business development, technology and community infrastructure and essential community facilities. Over the last year, the Bush Administration through USDA Rural Development has provided over \$13 billion in capital financing to assist rural citizens and communities invest in their future.

USDA Rural Development capital investments in FY 2003 include; assisting over 43,000 families realize their dream of homeownership; assisting over 100 rural agri-businesses with financing of energy and renewable energy systems that support America and that supports President Bush's national energy plan; assisting with the financing of over 12,000 business ventures to create or save nearly 90,000 jobs; and assisting with the financing of community infrastructure and facilities that will benefit an estimated 7 million rural citizens. In total, over 350,000 jobs are expected to be created or saved as a result of the financing provided by USDA Rural Development.

USDA Rural Development has a dedicated team of professionals with over 40 financial and technical assistance programs available to assist rural communities improve their economic opportunities and an improved quality of life. I encourage you to contact our staff in Nevada to learn more about ways that USDA Rural Development can be of assistance to you and your community.

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*To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD).
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Message from the State Director, USDA Rural Development Nevada

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As a proud member of the USDA Rural Development team in Nevada, I am pleased to provide you with this Annual Report which cites our many accomplishments in Fiscal Year 2003. As we all know, it is the families, communities, and businesses located in rural Nevada who are the ultimate beneficiaries of our accomplishments. Our Nevada customers benefited from national Presidential Initiatives and some "first ever" accomplishments by the Rural Development team. Utilizing housing, community facilities, utilities, and business programs, Nevada's rural homeowners, communities, and businesses received increased services from USDA Rural Development.

In Fiscal Year 2003, the Bush Administration increased its strong commitment to rural America with a number of initiatives that involve USDA Rural Development programs. In Nevada, as a result of Presidential Initiatives, homeownership by minorities increased as did funding of faith-based and community sponsored facilities. Rural Development's business programs helped improve economic opportunities and our telemedicine funding is improving the quality of health care for many Native Americans.

Nevada was awarded its first Value-Added Agricultural Producers Grant. The grant will be used to determine the feasibility of establishing an agricultural producer and marketing cooperative for the growing and marketing of native seeds. The availability of native seeds is important for the restoration of lands destroyed by wildfires and for environmental restoration of mining properties.

Last fiscal year USDA Rural Development played a pivotal role in the formation and support of Nevada's first Rural Development Council. Nevada joins 40 other states in the Rural Development Council Partnership throughout the nation. The Nevada Rural Development Council is a non-profit, volunteer organization comprised of individuals from across the state representing local, state and federal agencies, tribal organizations, and private businesses that are deeply committed to sustainable economic improvement for rural Nevada.

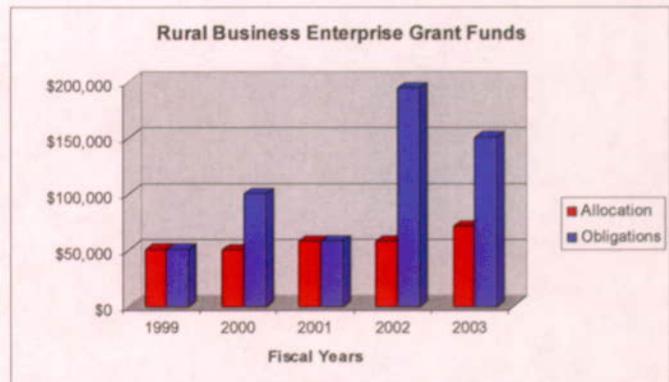
LARRY J. SMITH
State Director

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Business and Cooperative Programs

The Business and Cooperative Programs, in Nevada, was again successful during Fiscal Year 2003 in obtaining funding for business development projects in excess of their initial allocation for the Rural Business Enterprise Grant program (RBEG).

The RBEG program is designed to support the development of small and emerging private business enterprises in rural areas. Eligible applicants are public bodies (the State of Nevada, counties, cities, economic development authorities/districts and federally recognized Indian Tribes or Tribal organizations), and private nonprofit corporations that serve rural areas of the state.



A majority of this year's funds were used specifically for technical assistance in providing product and/or service improvements to businesses located in Hawthorne and Tonopah, two rural Nevada communities that have suffered economic downturns during the past few years due to the decrease of military operations in their areas. Another grant was used to fund a feasibility study on a small and emerging business venture in Eureka where the area's mining industry is slowing down. The RBEG program is a vital economic development tool available to rural communities that need assistance in financing or facilitating development of private business enterprises.

For the first time in Nevada the Business Programs staff was able to fund a Rural Economic Development Loan (REDL) in the amount of \$200,000. After working many years with the Board of Directors and staff at Mt. Wheeler Power Company in Ely, we were able to assist this rural electric cooperative in putting together an application for the eventual purchase of the Nevada Northern Railroad. Instead of the rail line on the eastern border of Nevada being sold to a salvage company and the tracks removed, Mt. Wheeler will assist the White Pine Historical Railroad Foundation in purchasing it and allowing an oil refining business to transport their products to markets outside Nevada.



Another new business program introduced in Nevada this fiscal year was the Value Added Producer Grant (VAPG) which enables producers of agricultural commodities to participate in the economic returns to be found in the value-added market. An extensive promotion of the program by the field based Business and Cooperative Specialist resulted in the receipt of six applications totaling \$658,574 in funding. This program is a nationwide competitive grant and only one Nevada application was selected for funding; the Nevada Wildland Seed Producers will have a feasibility study completed by the University of Nevada at Reno to determine the market demand and economic impact of such a business within the state.

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Business and Cooperative Programs (continued)

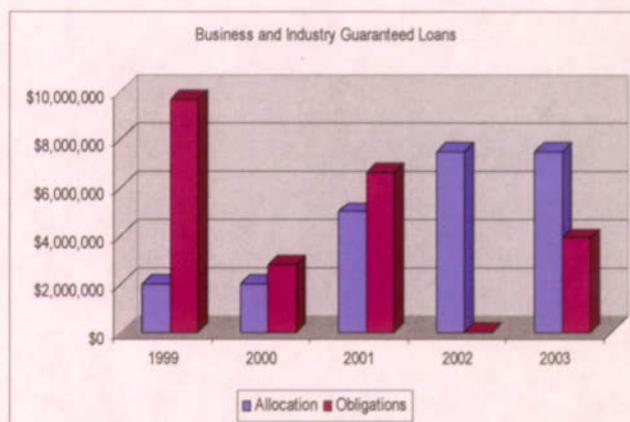


Nevada Wildland Seed Producers Value-Added Producers Grant Signing

Front row left to right – Karen Grillo, Nevada Association of Counties, Kip McAlexander, Vice President, Nevada Wildland Seed Producers, Dr. Rang Narayanan, University of Nevada Reno. Back row left to right – Bob Dexter, Secretary, Nevada Wildland Seed Producers, Dr. Kynda Curtis, University of Nevada Reno, Gail Munk, Treasurer, Nevada Wildland Seed Producers.

The Guaranteed Business and Industry Loan program appears to be rebounding in Nevada after a dramatic decline last fiscal year, the year immediately following the 9/11 attacks, the drop in tourism within the state and the retraction of the gold mining industry.

Total gB&I funding of \$3,910,000 will create 15 new jobs along with saving an additional 13 jobs in two rural Nevada communities. This USDA – Rural Development program is the flagship of the business programs with the express purpose to improve, develop, or finance business, industry and employment in rural communities with populations of less than 50,000.



Lastly, although Nevada did not receive any applications for the new Renewable Energy/Energy Efficiency program this past fiscal year, the Business Programs staff continues to promote this valuable rural economic development tool. Numerous discussions have taken place with the Nevada State Office of Energy on how to weave the program into the overall goal of Nevada Renewable Portfolio Standard. Potential energy system projects eligible for the program are wind, solar, biomass, or geothermal. Also eligible for the program are improvements to a facility or process that reduces energy consumption. Agricultural producers or small business owners are encouraged to contact their closest USDA Rural Development office for more information and an application on this new program.

Community Programs

Community Programs had the pleasure of assisting a record number of rural Nevada communities in fiscal year 2003. A total of 34 communities received loan and/or grant funds through our Community Facilities (CF) and Water and Environmental Programs (WEP).

USDA Rural Development's Community Facility and Water and Environmental Programs partnered with the Community Development Block Grant Program, the State of Nevada's Board for Financing Water Projects (AB 198) water grant program, Indian Health Service, and the Army Corps of Engineers to fund over \$30 million of projects that will benefit rural Nevada.

The Community Facility direct and guaranteed loan program received an initial allocation of \$2,500,000 and funded a total of \$4,072,045. The CF grant program initially received \$75,000 and was able to fund \$231,377 in projects.



Central Lyon Fire Protection District will be able to provide additional emergency service to Dayton, Stagecoach and Silver Springs with a new ambulance. The Central Lyon fire fighters are also benefiting from an air-refill station. This equipment provides a way for fire fighters to refill their self-contained breathing apparatus.

USDA Rural Development financed the purchase of a new ambulance for the Pahrangat Valley Fire Protection District. The Fire District serves the communities of Alamo, Hiko and Crystal Springs, as well as most of southern Lincoln County.



The Water and Environmental loan and grant program also had a very busy year, funding over \$8,653,493 in water, wastewater and solid waste projects.

Nevada WEP funded their first ever 306C Native American Set-Aside projects this year. Loans and grants were made to the Duckwater Shoshone Tribe for improvements to their water system and the Yomba Shoshone Tribe for a new transfer/drop box station and a collection trailer. Loan and grant funds were also awarded to the Te-Moak Housing Authority for construction of a new well and pump house on the South Fork Reservation.

(Continued Next Page)

Community Programs (continued)

Three Emergency Community Water Assistance Grants of \$500,000 each were awarded this year to the communities of Midas in Elko County, Baker in White Pine County and the China Springs youth facility in Douglas County. All of these communities are suffering a loss or lack of access to water and Rural Development is looking forward to providing a safe, reliable supply of water to these rural residents.

Jarbidge, in north central Elko County, has started construction on a new water treatment plant, distribution system improvements and a new 150,000 gallon storage tank. Rural Development provided loan and grant funds to match the State of Nevada's Board for Financing Water Projects (AB198/237) grant.



Caliente, in Lincoln County, was able to complete the third phase of the rehabilitation of their wastewater collection system. This project was made necessary due to the collection line infiltration and overflows to the sewer treatment ponds. The slip lining will save substantial money by not digging new lines for sewer collection.



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Housing Programs

Housing had a strong year in FY 2003 with the state office and local office staff working together to obligate or leverage over \$28 million in loans, grants and rental assistance for rural Nevada. Eighty-one families enjoyed Christmas 2003 in their own home thanks to these programs, and another 28 families are safer and more comfortable in homes that were repaired with USDA Rural Development funds. Approximately 218 very-low income households, including 122 senior households, will benefit from very affordable rents provided by Rural Development rental assistance.

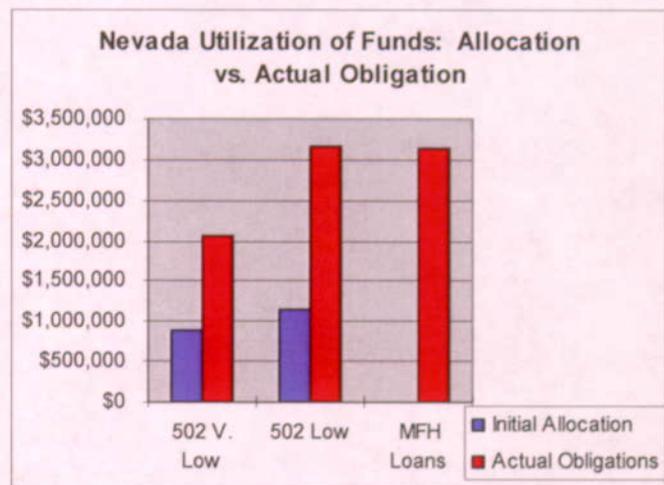
Nevada obligated its first guaranteed multi-family housing project in FY 2003 – a group of single family homes developed in partnership with Low-Income Housing Tax Credits. The housing will be rented for 15 years (under the terms of the tax credit financing) and then will be sold to occupant families. A long-awaited renovation of two multi-family properties is underway in Winnemucca. This renovation will not only beautify both projects, but will provide amenities such as air conditioning and dish washers.

Seven families completed construction of their own homes under the self-help housing program. A site loan was made to Citizens for Affordable Homes Inc. which assisted in the development of 28 building sites for self help housing in Dayton. Nevada now has two active self-help organizations operating in northern Nevada, and a new organization is considering a self-help program for southern Nevada.

Guaranteed Single Family Housing loan processing was moved to the local offices at the first of the fiscal year, which should provide greater service and program outreach in all of our rural communities. Local offices also gained some servicing responsibilities for the multi-family housing program, signifying Rural Development's intent to keep its programs as close as possible to the communities it serves.

A little-known program brought transitional housing to the Elko area, and will allow for Friends In Service Helping (FISH) to provide temporary homes to three families at a time. As a non-profit agency, FISH leased the foreclosed homes for \$1 a year. Two of the homes are located in Elko, and a third in Carlin.

We expect to have an even better year in 2004, with increased funding levels due to the implementation of the 2000 census data in the allocation formulas. We will continue to work alongside our numerous partners to assist many more rural Nevada families in obtaining or maintaining comfortable, attractive, safe, and sanitary housing.



Multi-Family Housing Site Managers of the Year
(Left-Right) William Brewer, Housing Programs Director, USDA Rural Development, Geri Deal, Manager, Rancho Vista Apartments, B. J. Foster, Manager, Silverado Apartments and Angilla Denton, Carson City Area Director, USDA Rural Development

USDA Rural Development Helping Rural Families Buy Homes

Lisa Irribarren's dream was to own her own home and provide a safe environment for raising her two sons. She had tried in the past to obtain financing and realized her monthly debt was too high and her income was too low to afford a home.

Lisa worked with Nina Hooks of the Las Vegas USDA Rural Development office, who provided credit counseling for lowering Lisa's debt (the amount of monthly debt she could afford based on her income) and provided guidance on the minimum income she would need to qualify for a home mortgage in Overton, Nevada.

When Lisa had a strategy of how she could obtain a home for her children, she planned a comprehensive budget to reduce her debt. Lisa volunteered to work overtime hours and was rewarded by her employer with a pay increase. This additional income allowed Lisa to pay off a portion of her debt, which reduced her overall debt. On June 23, 2003, Lisa applied for a home mortgage loan with USDA Rural Development and on July 27, 2003 she received a Certificate of Eligibility.

Lisa met with a local contractor, Dennis Humes of Humes Construction, who submitted plans and specifications for the construction of a new home for the Irribarren family. Their new home was completed on January 23, 2004 and the family moved in January 28, 2004. Lisa has realized her dream, a new home for her family. "We love our new home and want other families to know about your program. Without your assistance we couldn't afford to own a home. We will enjoy our home and take care of it," said Lisa.



A New Home for the Irribarren Family
Overton, Nevada

*Las Vegas Area Office Staff
Helping rural families realize the
dream of homeownership.*

*A house is more than a roof over our
heads; it is often the cornerstone
upon which rests our ability to live
near good jobs and to gain access to
good schools and other public
services.*

*Homeownership builds economic
stability, better lives and
communities.*

Assisting minorities in rural America realize the dream of owning a home for their family is one of the major goals of the Bush Administration. With down payment assistance provided by Rural Nevada Development Corporation, homeownership education given by Consumer Credit Counseling Service of Southern Nevada, and a single family housing loan from USDA Rural Development, this family was able to realize their dream of homeownership.

USDA Rural Development
2003 Annual Report

<http://www.rurdev.usda.gov/nv/misc/2003%20Annual%20Report.pdf>

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Prepared by:

USDA Rural Development