

# Rural Health Capital Resources Training Series

## 101 Introduction to Rural Health Capital Resources

*Basic Concepts of Rural Health Capital and  
Community Finance*

National Organization of State Offices of Rural Health

May 6, 2025





# Rural Health Capital Resources (RHCR) Training Series

## 100 SERIES—FREE

- ▶ **May 6 - 101:** Introduction to Rural Health Capital Resources—Basic Concepts of Rural Health Capital and Community Finance
- ▶ **May 13 - 102:** Rural Health Capital Resources—Financing Rural Health Infrastructure and Community Development Projects
  - ▶ Brian Haapala, CEO, Stroudwater Capital Partners
  - ▶ Garland Burnette, Director, Community Programs and Program Support, North Carolina, USDA Rural Development
- ▶ **June 18 - 103:** Philanthropy for Rural Health The World of Rural Philanthropy: How to Effectively Engage and Partner
  - ▶ Allen Smart, Rural Philanthropic Advocate Emeritus, PhilanthropywoRx



# 101 Speakers

**KRISTIN  
JULIAR**

*NOSORH  
Rural  
Health  
Capital  
Resources  
Consultant*



**JANA REESE**

*Funding  
Resources  
Specialist,  
Rural  
Health  
Information  
Hub*





# Overview

- ▶ Why does the rural health sector need capital?
- ▶ What types of health projects attract capital?
- ▶ What are the most common sources of capital for rural health?
  - ▶ USDA, CDFIs, local banks, philanthropy, state health finance agencies, other federal agencies
- ▶ How do we find out more? Who can we call?
- ▶ You don't have to be an expert!
- ▶ RHHub Resources
  - ▶ Live demonstration of the RHHub
- ▶ Next classes!



# Why does rural health need capital?

- ▶ Aging health facilities
- ▶ Expanding services
- ▶ Attracting health care professionals by modernizing hospitals and clinics
- ▶ Changing demographics
- ▶ Adequate housing for workers, students, and new residents
- ▶ Supporting community vitality and prosperity
- ▶ Addressing health needs: aging, youth, substance abuse, access to food and active lifestyles
- ▶ Broadband, transportation services, safe streets, environmental health (sewer, food safety, radiation, etc.)



# What types of projects attract rural health capital resources?

- ▶ Capital resources are grants, loans, investments, income and equity.
- ▶ Rural health projects needing capital may be hospitals, clinics and services—the infrastructure of our rural health systems.
- ▶ Community needs that support well-being are increasingly seen as fundamental to rural health.
- ▶ Funding streams are often very separate for:
  - Healthcare infrastructure
  - Housing
  - Transportation
  - Broadband
  - Food security
  - Early childhood
  - Aging services
  - Economic development
  - Recovery programs
  - Safe water
  - Community infrastructure



# Common Sources of Rural Health Capital Resources

## Federal agencies

- ▶ US Department of Agriculture
- ▶ US Small Business Administration
- ▶ US Treasury Programs
- ▶ US Economic Development Administration
- ▶ US Housing and Urban Development
- ▶ US Department of Commerce
- ▶ US Department of Health and Human Services

## Loans and Grants

- ▶ Programs funded at the state and regional level by federal partners
- ▶ Community Development Finance Institutions (CDFIs)
- ▶ Appalachian Regional Commission
- ▶ Banks
- ▶ State and Local Government
- ▶ Foundations and donors

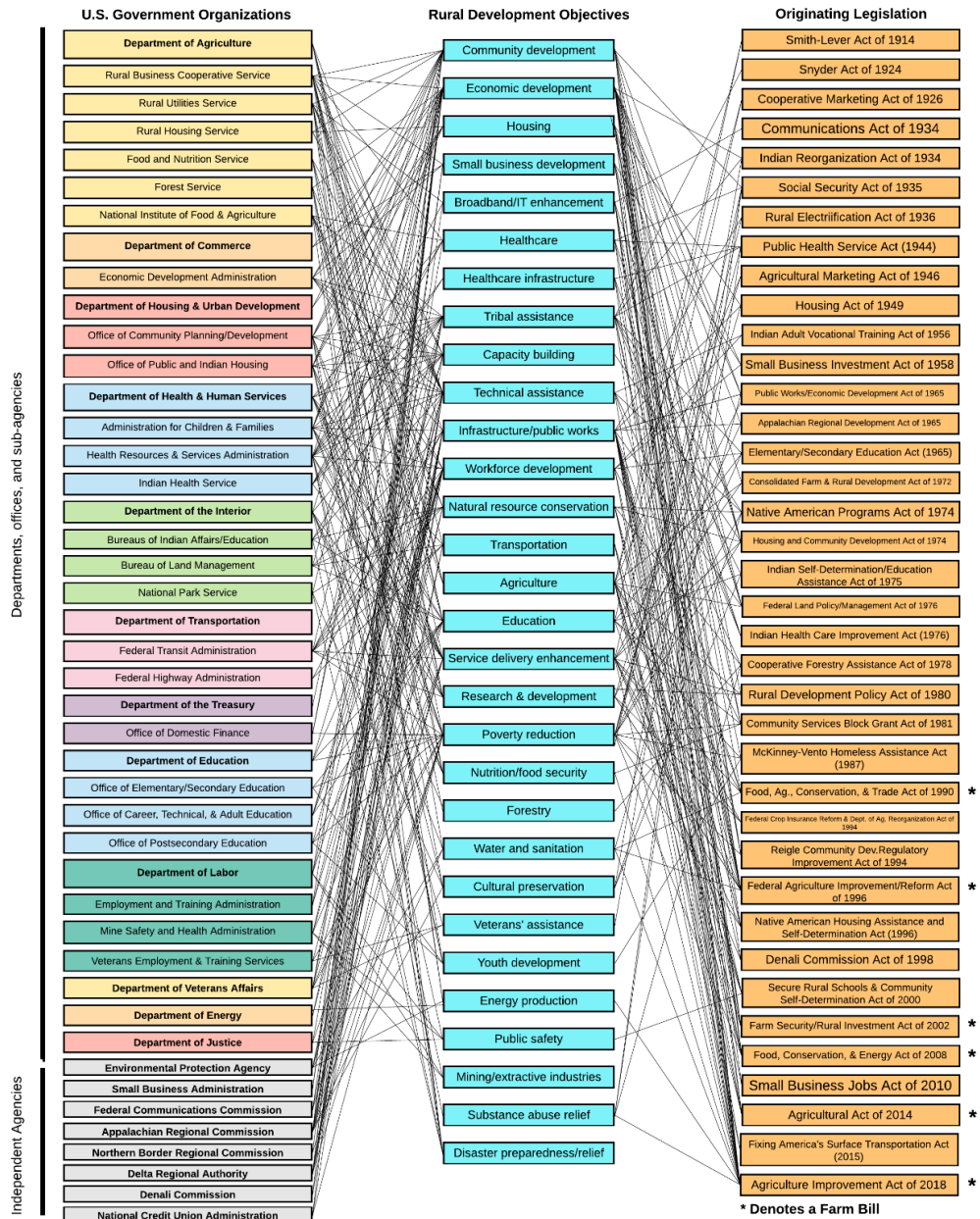


# What's so hard to understand?

Source: *Brookings Institute, Reimagining rural policy: Organizing federal assistance to maximize rural prosperity. Anthony Pipal and Natalie Geismar, November 19, 2020*

## Federal Development Assistance for Rural and Tribal Communities

While USDA is technically charged with directing federal rural policy, programs that promote rural and tribal development are spread widely throughout the government. No comprehensive and integrated strategy exists. As shown below, the array of legislation, directives, and programs meant to help these communities leads to significant confusion and fragmentation.







# Partners who can help—short list

- ▶ American Hospital Association
- ▶ Anchor Healthcare Network
- ▶ Appalachian Regional Commission
- ▶ Community Development Finance Organizations (CDFIs)
- ▶ Federal Reserve Bank
- ▶ Foundations
- ▶ Grantmakers in Health
- ▶ PhilanthropywoRx
- ▶ NORC
- ▶ RHlhub
- ▶ Regional Development Commissions
- ▶ Small Business Administration
- ▶ State Offices of Rural Health
- ▶ State Community, Economic, Housing and Health Agencies
- ▶ Stroudwater Capital Partners
- ▶ US Department of Agriculture



# USDA Rural Development Designates Rural Health Liaison

## ARC Awards Nearly \$14 Million to 43 Projects Supporting Appalachians Recovering from Substance Use Disorder

Investments Supporting Partnerships In Recovery Ecosystems (INSPIRE) Initiative funding will help partners continue building and expanding services in the recovery ecosystem. WASHINGTON, D.C., September 11, 2023—The Appalachian Regional Commission (ARC) awarded nearly \$14 million to 43 projects through its Investment

# Recreation Economy for Rural Communities

The Recreation Economy for Rural Communities planning assistance program helps communities identify strategies to grow their outdoor recreation economy and revitalize their main streets.

# Center for Indian Country Development

Since the mid-1990s, the Minneapolis Fed has worked with tribal communities in the Ninth District to explore solutions to the economic development issues they face. In 2015, in a shift to a nationwide focus on addressing financial needs and barriers in Indian Country, the Minneapolis Fed established Center for Indian Country Development (CICD). As a center of excellence within and a resource for the Federal Reserve System, CICD serves as the System's primary connector and catalyst to Indian Country leaders and to policymakers at the federal, state, and tribal levels.



Updates & Alerts

- Online Library
- Topics & States
- Rural Data Visualizations
- Case Studies & Conversations
- Tools for Success

Rural Health > The Rural Monitor

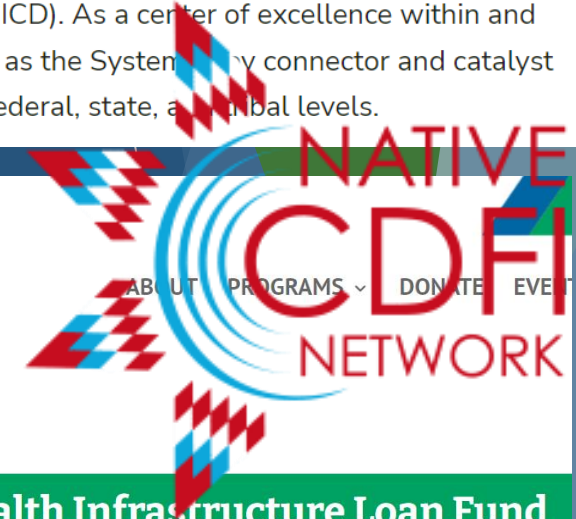
Dec 04, 2019

- Rural Data Explorer
- Chart Gallery
- Maps



## WV Rural Health Infrastructure Loan Fund

Stories from Borrowers ROI to WV Apply Now



## West Virginia Rural Health Infrastructure Loan Fund

SAN JUAN COLLEGE

# SJC Small Business Development Center

An accredited business development center where small businesses and aspiring entrepreneurs can get training and assistance

Menu

OneDrive - Personal Finance





[ABOUT](#) [PROGRAMS](#) [DONATE](#) [EVENTS](#) [CONTACT](#) 

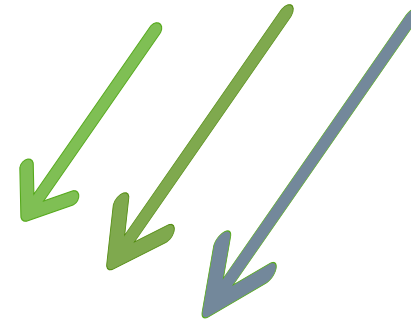


*Leading the way for rural health*





# New to RHCR? Start here.



- ▶ USDA Rural Development—Contact the state directors  
<https://www.rd.usda.gov/about-rd/leadership/state-directors>
- ▶ Small Business Administration District staff  
<https://www.sba.gov/about-sba/sba-locations/sba-district-offices>
- ▶ Small Business Administration Local Assistance  
<https://www.sba.gov/local-assistance/resource-partners>
- ▶ Opportunity Finance Network <https://www.ofn.org/cdfi-locator/>



*What capital resource agencies  
or organizations have been  
helpful to you in your work or  
community?*





# Can you really call these people?

# Yes!

- ▶ At various stages in project development—from idea to ready for funding
- ▶ To gain better understanding of their programs and guidelines
- ▶ To engage in strategic planning discussions
- ▶ To find out how to refer local communities to needed resources
- ▶ For technical assistance and project planning help
- ▶ To build partnerships and disseminate information about programs, funding opportunities, and technical assistance.



# How to Build a Capital Stack

- A capital stack is the funding or investment structure of a project.
- The bottom of the capital stack has first priority for repayment if the organization defaults on its obligations.
- Unencumbered funds sit at the top of the capital stack. These funds are the last to get repaid in the event of a default.
- Equity in a project helps attract funders who bring in senior debt.



- Local Programs
- Owner/Developer Equity
- Grant Equity
- Government Programs
- Subordinate Debt (CDFI)
- Tax Credit
- Conventional Debt



# Community Development Financial Institutions: *Key Partners for Rural Health*







*How many of you have worked  
with a community  
development finance  
institution?*





# Community Development Financial Institutions



- ▶ Community development financial institutions (CDFIs) are lenders with a mission to provide fair and responsible financing to rural, urban, Native and other communities that traditional finance entities do not reach.
- ▶ To support the growth and objectives of CDFIs, the U.S. Treasury Department established the CDFI Fund in 1994.
- ▶ There are more than 1,300 certified CDFIs nationwide; at least 60 established CDFIs have a client portfolio that is more than 50% rural.
- ▶ In 2019, CDFIs originated more than \$1.25 billion dollars in financing in rural areas.



# Types of Community Development Financial Institutions



## COMMUNITY DEVELOPMENT BANKS

Provide capital to rebuild economically distressed communities through targeted lending and investing.



## COMMUNITY DEVELOPMENT CREDIT UNIONS

Promote ownership of assets and savings by providing affordable credit and retail financial services to low-income households.



## COMMUNITY DEVELOPMENT **LOAN FUNDS**

Provide financing and development services to businesses, organizations, and individuals in low-income communities.



## COMMUNITY DEVELOPMENT **VENTURE CAPITAL FUNDS**

Provide equity and debt-with-equity features for small and medium-sized businesses in distressed communities.



# Eligibility Criteria for CDFI Certification

To be eligible for CDFI certification, an organization must meet the following criteria:

- ▶ Have a primary mission of promoting community development
- ▶ Provide both financial and educational services
- ▶ Serve and maintain accountability to one or more defined target markets
- ▶ Maintain accountability to a defined market
- ▶ Be a legal, non-governmental entity at the time of application (with the exception of Tribal governmental entities)



# Certified entities are eligible for CDFI fund program dollars

## CDFI FUND PROGRAMS



- ▶ Bank Enterprise Award
- ▶ Capital Magnet Fund
- ▶ CDFI Bond Guarantee
- ▶ CDFI Program
- ▶ Native Initiatives
- ▶ New Markets Tax Credit
- ▶ Small Dollar Loan Program

- ▶ CDFI Rapid Response Program
- ▶ Economic Mobility Corps
- ▶ Healthy Food Financing Initiative
- ▶ Training and Technical Assistance



## CDFI FUND SPECIAL INITIATIVES



# Community Development leaders on partnering with the health sector

“THE TRADITIONAL COMMUNITY DEVELOPMENT CONVERSATION WAS ONE ABOUT SITING, AND DENSITY AND AFFORDABILITY REQUIREMENTS. FRAMING OUR WORK AS ‘BUILDING HEALTHY COMMUNITIES’ HAS HELPED US TO BROADEN THE CONVERSATION AND BRING MORE PEOPLE TO THE TABLE.”

“Community Development has always been in the business of health, we just didn’t know it.”

“ONE OF THE WAYS CDFIS ADD VALUE TO THE HEALTH SPHERE IS BY BRINGING INNOVATIVE FINANCING TOOLS TO THE MARKETPLACE. OUR UNIQUE POSITION IN THE CREDIT MARKET ALLOWS US TO SUPPORT PROJECTS THAT MIGHT CONSIDER TOO RISKY TO BE BANKABLE. CDFIS OFTEN PROVIDE THE GAP FINANCING NEEDED FOR A PROJECT, IN COMBINATION WITH INVESTMENTS FROM GOVERNMENT, PHILANTHROPIC, OR BANK PARTNERS.”

# How CDFIs support health in rural communities



**Affordable  
Housing**



**Healthy  
Food Access**



**Community  
Facilities**



**Small Business  
Development**



**Hospitals  
Clinics**



# CDFI Fund Program Highlights



## CDFI Bond Guarantee Program- enacted through the 2010 Small Business Jobs Act

- ▶ Qualified issuers apply for authorization to issue bonds.
- ▶ Provides a source of low-cost capital that can be used to develop housing units, healthcare centers, daycare facilities, charter schools or commercial real estate.
- ▶ Eligible CDFIs may use the capital to extend credit to other community development borrowers or refinance existing loans at low interest rates.

## New Markets Tax Credit Program- established in 2000

- ▶ Attracts private capital by permitting individual and corporate investors to receive a tax credit against their federal income tax owed in exchange for making equity investments in Community Development Entities (CDEs).
- ▶ The credit totals 39% of the original investment amount and is claimed over a period of seven years.
- ▶ For every \$1 invested by the federal government, the NMTC Program generates more than \$8 of private investment.

## Healthy Food Financing Initiative- created in 2010

- ▶ First coordinated effort to address federally designated food desert areas.
- ▶ Awards granted to CDFIs to support healthy food businesses.
- ▶ New federal HFFI investment through the Farm Bill and American Rescue Plan- USDA/Reinvestment Fund partnership.





# For further information on CDFIs

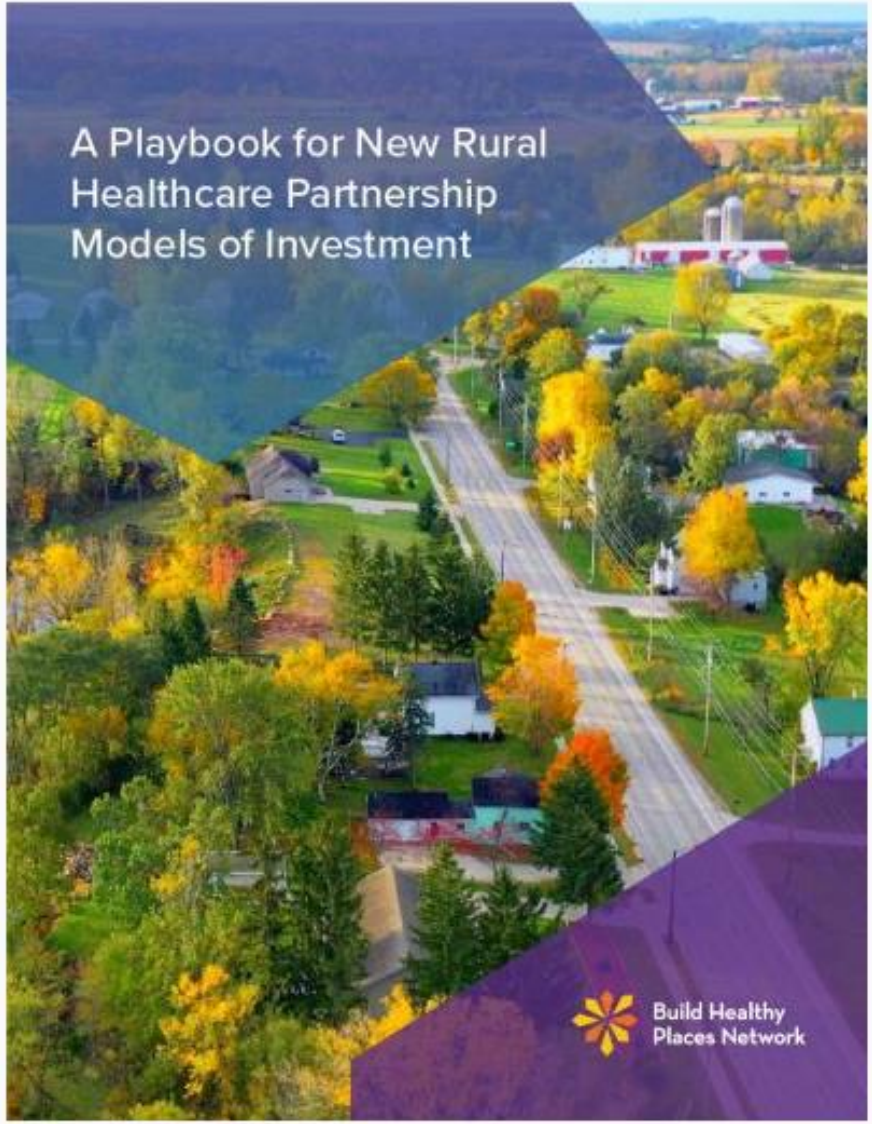
- ▶ Opportunity Finance Network (OFN) <https://www.ofn.org/>
- ▶ U.S. Treasury CDFI Fund <https://www.cdfifund.gov/>
- ▶ Carsey School of Public Policy Center for Impact Finance <https://carsey.unh.edu/center-for-impact-finance>
- ▶ Federal Reserve Bank of Minneapolis CDFI finder <https://www.minneapolisfed.org/about-us/community-development-and-engagement/find-a-cdfi>
- ▶ NOSORH Rural Health Capital Resources Program <https://nosorh.org/rural-health-capital-resources-council-project/>

Information prepared by Ela Rausch, PH.D,  
Consultant to NOSORH



# Capital Resource Connections

- ▶ Community Development Finance Institutions <https://www.ofn.org/cdfi-locator/>
- ▶ Small Business Administration <https://www.sba.gov/about-sba/sba-locations/sba-district-offices>
- ▶ US Department of Agriculture Rural Development <https://www.rd.usda.gov/about-rd/state-offices>
- ▶ State agencies: Contacts in economic development, commerce, healthcare finance, transportation, and housing
- ▶ Philanthropy <https://cof.org/page/community-foundation-locator>;  
<https://cof.org/page/philanthropic-infrastructure> ; Grantmakers in Health  
<https://www.gih.org/>
- ▶ Economic Development: Appalachian Regional Commission <https://www.arc.gov/> ;  
Regional Development Organizations <https://www.nado.org/member-map/>
- ▶ Healthcare Anchor Institutions <https://healthcareanchor.network/about-the-healthcare-anchor-network/>



## A Playbook for New Rural Healthcare Partnership Models of Investment



## Rural Playbook

This playbook is designed for healthcare institutions who want to pursue partnerships with local community and economic development organizations and other sectors in rural areas to create the conditions that support improved community health. After interviewing dozens of experts, the playbook shares case studies from all over the country highlighting core strategies used by rural healthcare entities as examples for future multi-sector partnerships to follow.

<https://buildhealthyplaces.org/downloads/Build-Healthy-Places-Network-Rural-Playbook.pdf>

# Thank you!

Kristin Juliar

NOSORH Rural Health Capital Resources  
Consultant

[kjuliar@montana.edu](mailto:kjuliar@montana.edu)

406-600-8124



# Jana Reese

## Funding Resources Specialist

### Rural Health Information Hub





# ruralhealthinfo.org

*Your first stop for rural health information*

**RHIhub**  
Rural Health Information Hub

[Updates & Alerts](#) |

- [Online Library](#)
- [Topics & States](#)
- [Rural Data Visualizations](#)
- [Case Studies & Conversations](#)
- [Tools for Success](#)

*Your First Stop for Rural Health Information*

[Get Rural Updates & Alerts](#)

[Find Rural Data](#)

[Exploring Rural Health Podcasts](#)

Check out our latest podcast episode: [Heart Health and Community Partnerships](#)



# Keep learning for free!

## 102—Rural Health Capital Resources: Financing Rural Health Infrastructure and Community Development Projects

Tues., May 13, 2:30-4:00 pm ET

- Brian Haapala, CEO, Stroudwater Capital Partners
- Garland Burnette, Director, Community Programs and Program Support, North Carolina, USDA Rural Development

In this foundational session, participants will explore how to access federal, state, and private capital sources to support rural health initiatives. The discussion focuses on practical strategies for utilizing these resources to achieve meaningful community health improvements in rural settings.

## 103—The World of Rural Philanthropy: How to Effectively Engage and Partner

Wed., June 18, 12-1:30 pm ET

- Allen Smart, Rural Philanthropic Advocate Emeritus, PhilanthropywoRx

This session provides an overview of the structure of the rural-serving philanthropic sector, explores how philanthropy views rural organizations and communities, and shares practical lessons for engaging and building long-term partnerships with rural funders.



# *Questions?*

