

SUPPORTING MAIN STREETS IN THE 2023 FARM BILL



Main Street America (MSA) leads a nation-wide network of local community revitalization organizations with a 40-year record of success, reviving historic commercial corridors in rural and other communities through a preservation-focused economic development methodology. Main Street America collaborates with state, county, and local partner organizations to provide technical assistance, funding resources, education, advocacy, and networking to enhance commercial district revitalization.

FARM BILL CONSIDERATIONS FROM MAIN STREET AMERICA

Enable rehabilitation of existing property for mixes of residential and commercial uses, including facilities for emerging entrepreneurs, workforce housing, and remote workers.

Existing downtown buildings are often underutilized resources in rural communities. Rehabilitation of downtown buildings adds to the local tax base, provides affordable rental units, and creates a more dense, walkable environment. These buildings can provide essential housing, business development, and civic space. However, redevelopment of these buildings is difficult:

- 87% of Main Street America local leaders state that there is not enough housing to accommodate those who want to live in the district.
- 70% of Main Street America local leaders reported that the lack of built-out space holds back economic development in their downtowns or district.

In addition to local issues and capacity to redevelop buildings, federal programs and incentives are often difficult to utilize for projects mixing commercial and residential components.

Current federal program regulations can limit mixed-use rehabilitation. For example, USDA Rural Energy for America Program (REAP) funds cannot be used for any residential spaces (see 77 CFR 4280.114(d), limiting potential for energy efficiency upgrades in downtown buildings with ground floor commercial storefronts and upper floor residential space.

Main Streets need additional support in the redevelopment of downtown properties, specifically:

- **Providing workforce housing in underused upper floors of downtown buildings.** 45% of Main Street small business owners cite a lack of housing availability as a concern for staffing.
- **Creating flexible and right-sized spaces for entrepreneurs.** Microenterprises desire smaller spaces to develop products, including commercial kitchens.
- **Right-sizing retail spaces to fit newer business models.** Desired retail square footage needs are declining, requiring Main Street developers to reimagine first floor spaces. Many downtowns have large “white elephant” spaces that require subdivision and rehabilitation to help reinvigorate rural communities.

Incorporate explicit opportunities for Entrepreneurial Ecosystem building as part of Rural Development programs, particularly Rural Business Development Grants (RDBG), to foster a systems-based approach to small business creation in rural areas.

Young, small firms create new, rural small businesses, and 70% of new small businesses created in rural Main Street districts are started by entrepreneurs from within the community – not external business attraction. Catalyzing place-based entrepreneurial activities requires a bottom-up approach, but many communities struggle to align resources to support this holistic form of economic development. Entrepreneurial Ecosystem building activities provide communities with a comprehensive approach to increasing access to capital, reducing regulatory hurdles, and creating local wealth.

Main Street communities and statewide programs that participate in the Main Street network have been beneficiaries of USDA RD programs, but there are regulatory hurdles to application and implementation of these valuable programs. Specifically, RDBG application scoring related to an estimated number of new jobs created or supported (7 CFR 4280.435(h)) may limit approaches to entrepreneurship that are not solely or directly tied to job creation.

Rural entrepreneurs also need additional supports to thrive, such as:

- Mentorship and network building opportunities regionally and nationally.
- Upskilling entrepreneurs on technology resources to create workforce efficiency.
- Physical spaces for entrepreneurs to develop and test products and for retail environments.

Encourage building “civic infrastructure” in rural communities to enhance community assets, build local wealth, and increase social capital particularly within Rural Development Community Facilities loans and grants.

We define “civic infrastructure” as public places that boost local economies, increase resiliency, support health and well-being, create a more equitable society and strengthen democracy: parks, trails, Main Streets, town squares, play spaces, libraries, recreation centers and other public spaces.

Civic infrastructure projects play a vital role in creating quality of life in rural communities. High-quality, shared community assets improve physical and mental health, reduce socioeconomic disparities, reduce crime, and activate communities to build social capital, the individual connections that help build thriving neighborhoods.

Modifications to Community Facilities statutory language, to regulatory and other agency guidance such as through report language accompanying the Farm Bill, can better help communities invest in civic infrastructure projects. Also, we encourage clarification of Community Facilities guidelines that loan, and grant funds can be used for recreational facilities.

CONTACT US

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