

North Dakota Rural Catalyst Grant (RCG) Guidelines

1. Program Overview

- **Purpose:** SB 2390; To support quality of life improvement and economic development projects for rural communities, created and enacted in the state beginning July 1, 2025 and ending June 30, 2027. This grant program aims to assist communities to address a critical need in the areas of community and economic development, education, health and wellness, or for the purpose of preserving or reopening rural grocery stores.
- **Administering Agency:** North Dakota Department of Commerce
- **Funding Source:** State legislative general funds, \$2.5 million is appropriated for the Rural Catalyst Grant program: Strategic and Investment and Improvements Fund. This is one-time funding and requires matching funds. Funds are provided through reimbursement and are authorized for after the date the award contract is signed by both parties.

2. Eligibility Criteria

Applicant Eligibility

- Be a municipality, county, tribe, job development authority, regional council or political subdivision of the state of North Dakota to apply.
- Must be a rural community with a population of 4,500 or fewer.
- *At least 50% of the grant funds must be allocated to communities with populations of fewer than 1,500.
- Submit a complete application for RCG funding to North Dakota Department of Commerce (Commerce).
- Comply with the requirements, conditions, restrictions, and limitations imposed by SB 2390.

Project Eligibility

- Support quality of life improvement and economic development such as improving access to healthcare, food, essential services, education, housing or transportation within the community.
- Promotes community vitality such as livability, safety, recreational opportunities, cultural enrichment or walkability.
- Must have local match: one dollar for every dollar provided from the Rural Catalyst Grant must come from non-state sources. Up to 100% of the match requirement may come from in-kind donations. In-kind donations are defined as donated labor (must submit labor payroll), product donation (supplies, computers, furniture, building materials, etc),

services (graphic design, accounting, or other professional services donated at no cost) or the use of property (free or reduced-cost use of space or vehicles). Upon application, proof of in-kind match amount/type must be provided.

Eligible Uses of Funds. The total project cost may include the direct costs associated with:

- Slum/blight removal and/ or remediation
- Community health and wellness project
- Expansion or new business project that addresses a critical need in the area of: quality of life improvement, economic development projects, education, or health/wellness
- Preserving or opening a rural grocery store
- Libraries
- Placemaking, vibrancy, and downtown improvement area projects
- Museums
- Recreation-related projects
- Transportation

Ineligible Uses of Funds. RCG grant dollars may not be used for the following:

- Reimbursement without city or political subdivision approval and or written support
- Debt of the applicant
- Architecture and engineering fees, city planning fees, legal fees, permit fees, inspection fees, miscellaneous fees, taxes, or mortgages
- Salaries / operating expenses
- Planning grants
- Childcare

3. Grant Amounts & Limits

- Communities may apply for multiple, separate projects per round. A community may re-apply in the second round only if there are unexpended funds. On April 1, 2027, if there are any unspent or unobligated funds, the Rural Catalyst Committee may reallocate or award any remaining funds to viable projects.
- Must have local match: one dollar for every dollar provided from the Rural Catalyst Grant must come from non-state sources. Up to 100% of the match requirement may come from in-kind donations. In-kind donations are defined as donated labor (must submit labor payroll), product donation (supplies, computers, furniture, building materials, etc), services (graphic design, accounting, or other professional services donated at no cost) or

the use of property (free or reduced-cost use of space or vehicles). Upon application, proof of in-kind match amount/type must be provided.

- Grant amounts and limits are appropriated using the 2020 Census Data:
 - a. Maximum of \$500,000.00 per community that has 4,500 or fewer individuals.
 - b. At least 50% of the RCG funds must be allocated to communities with populations of 1,500 or fewer individuals.
 - c. Reimbursement cannot be made for purchases prior to the grant agreement being signed.

4. Application Process

- **Timeline:** Applications will be accepted for submission on October 28th, 2025. The application window will close on January 7th, 2026. If there are remaining funds, a second round will be opened on March 2nd, 2026 and will close on April 15th, 2026.
- **How to Apply:** Online portal only, located at the ND Department of Commerce website. All documents will be reviewed through the portal. Emailed and/or mailed documents will be returned without action.
- **Required Documentation:** Information and documentation necessary for the Rural Catalyst Committee (RCC) to evaluate the proposed project based on the criteria set forth. A submitted application must contain plans demonstrating that the total project cost is reasonable based on current market conditions and the components included in the total project cost are necessary and allowable. Application documents are complete, accurate and are the applicant's original work and authentic voice. Fully computer AI-generated documents may be disqualified by the Committee.
- See complete application at the ND commerce website.
- **Review Process:** Applications will be reviewed by the Rural Catalyst Committee (RCC) comprised of 13 members. Committee members include the Department of Commerce Commissioner (or designee appointed by the Commissioner), one individual from each Regional Council (appointed by executive boards of the Regional Councils), two members from communities eligible for grants under this chapter (Governor appointed), one member of the legislative assembly (appointed by the Chairman of Legislative management), the Governor or a designee appointed by the Governor. The Governor and the Commissioner are permanent members. The term of office for the remaining members is four years.

- **Criteria:** The Rural Catalyst Committee shall evaluate an application based on the following criteria:
 - Economic development impact. The ability for the project to create or preserve jobs and/or to support entrepreneurship or new business activities.
 - Quality of life improvement. The ability to improve access to healthcare, essential services, educations, housing or transportation.
 - Innovation and replicability. Ability to create creative, replicable solutions to address rural challenges.
 - Local commitment and match. Financial or in-kind contributions from local government or partners. Demonstrates strong local buy-in and input through community letters of support.
 - Community vitality. Promotes livability, safety, recreational opportunities or cultural enrichment.
 - Project sustainability. How likely the project is to sustain itself after the grant has been awarded.
 - Application completeness. Documents are complete, accurate and reflects the applicant's original work and authentic voice. It represents critical thinking and is not fully AI-generated.
 - Other factors relevant to the Committee in making a sound decision to award funding to applicants.
 - **Approval by local governing body:** An applicant shall submit with the application a resolution of support from the city, political subdivision or tribal council stating:
 - The city, county, political subdivision, or Tribal Council has approved the proposed project.
 - The project satisfies the requirements of the city, political subdivision or Tribal Council/Segment.
 - The city, political subdivision or Tribal Council/Segment shall own or has confidence in the maintenance, or support the public infrastructure to be developed in the project; and the city, political subdivision or Tribal Council/Segment has the capacity to support the public infrastructure to be developed in the project.
 - **Notification:** Notification to grantees on acceptance, adjustments or denial will be provided within 30 days after the grant closes. Applicants may correct the application and reapply to a second round, if funds remain.
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5. Program Requirements & Compliance

- Reimbursements are to be expended no later than June 30, 2027.
 - Periodic reporting. Applicants must provide quarterly progress reports that includes a report on money expended and current pictures of the project. This will be reported through the application portal every 90 days after the grant was awarded.
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6. Monitoring and Evaluation

- The Rural Catalyst Committee will track outcomes (e.g., number of projects completed, new residents to the community, geographic reach, capacity building, testimonial).
- On-site inspections or desk side audits may occur.
- Final project evaluation form. A final project evaluation will be submitted through the portal. Additionally, to measure return on investment and success of the grant, projects are subject to follow-up 1-3 years post award.
- The Rural Catalyst Committee shall provide a report to the legislative management and the Governor by September 1st, 2026, regarding the status of the program, including expenditures to date, the number of projects supported, communities applying for grants and matching funds raised by political subdivisions, local developers, and communities, in addition to how the project has affected local communities.

7. Disbursements

- To receive periodic reimbursement of funding, the applicant must:
 - Enter into a written grant agreement.
 - Remain in compliance with the written agreement, applicable law, SB 2390.
 - Provide all required documentation as required by the Rural Catalyst Committee.
 - The Department of Commerce will reimburse funds based on receipts provided periodically or at the conclusion of the project but will NOT advance funds. All receipts must be uploaded online. Emailed and/or mailed receipts will not be accepted.
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8. Contact Information

- Your local Regional Council member; your region can be found here:
<https://www.commerce.nd.gov/community-services/low-income-programs/community-development-block-grant-cdbg/regional-councils>
- The Department of Commerce point of contact for this grant is Nicolette Blumler, nblumler@nd.gov, 701-328-7924.