

Serving America's Rural Housing & Community Development Needs



National Rural Housing Coalition Members in Action

A Report by the

NATIONAL RURAL HOUSING COALITION

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This report was prepared by the National Rural Housing Coalition (NRHC), a national membership organization. NRHC is the principal advocate for federal policies and programs aimed at promoting better housing and community facilities in rural America. Since 1969, NRHC has defended the principle that rural people have the right, regardless of income, to a decent and affordable place to live, clean drinking water, and basic community services. NRHC sponsors regular conferences at which specific policies and legislative proposals are developed. Over the years, NRHC has worked to: design new programs and improve existing programs to improve services to the rural poor; ensure adequate funding levels for rural housing programs; promote a non-profit delivery system for rural housing and community development programs.

“Serving America’s Rural Housing & Community Development Needs: National Rural Housing Coalition Members in Action” contains a collection of project descriptions and success stories submitted by 28 NRHC member organizations in 19 states. Each page offers a glimpse into the work being performed by an organization dedicated to addressing the housing and community development needs of low income rural communities and households across America. This report should be taken as a cross-section of the wide ranging initiatives currently being undertaken by NRHC member organizations in all 50 states, Puerto Rico, and the U.S. Virgin Islands.

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CASA of Oregon

Hacienda West Apartments Hermiston, Oregon



The City of Hermiston (population 11,595) is located in northern Umatilla County, Oregon just south of the Columbia River. Agriculture is the primary industry in Umatilla County, with an estimated \$218 million in gross farm sales – 6.5 percent of the state's total. The cities of Hermiston, Umatilla, Echo and Stanfield are at the center of the agriculture activity, with over 100,000 acres of irrigated land under active production.

The demand for farmworkers in Umatilla County averaged 2,190 a month during 1998, according to the State Employment Department, from 1,680 workers in December to a peak of 2,670 workers in June. Many farmworkers reside in Umatilla County with their families year-round and must make ends meet on very low incomes. As a result of the low wages, they have difficulty securing decent, safe and affordable housing and often reside in overcrowded and unsafe conditions. Without a supply of safe, decent affordable housing in proximity of employment, schools and services, farmworkers are left with few options.

In response to this need, in 2003 CASA developed "Hacienda West Apartments", 32 units for farmworkers and their families in Hermiston. Hacienda West Apartments consists of 16 two-bedroom, 11 three-bedroom and 5 four-bedroom units, with rents of \$382 for a two-bedroom, \$443 for a three-bedroom, and \$493 for a four-bedroom. With the aid of Rental Assistance, tenants pay no more than 30 percent of their income toward rent.

The development also offers a community room with a meeting space, laundry facilities, and the managers' office centrally located on the property. There are two play areas, including a tot lot with age appropriate apparatus and a large play area with a permanent soccer net and basketball court.

Hacienda West Apartments is owned by The Hacienda West Apartments Limited Partnership and managed by the Umatilla County Housing Authority, which received a variety of funding for this project. The primary sources were \$475,000 in grant funds from the HOME program; \$2,463,754 in equity from Federal Low Income Housing Tax Credits; \$405,000 loan from USDA Rural Development section 514; \$531,183 in equity from the State Farmworker Tax Credits; \$100,000 grant from State Housing Trust Funds; \$100,000 1 percent loan from Oregon Rural Rehabilitation program (ORR); and a \$216,969 grant from Federal Home Loan Bank Affordable Housing Program.

CASA of Oregon is a non-profit organization dedicated to improving the quality of life for farmworkers and their families in Oregon. CASA works primarily with local housing providers to develop housing and resources. The organization's mission is to develop housing, programs, and facilities that promote the quality of life and self-sufficiency of farmworkers and their families. Over the past 16 years, CASA of Oregon has completed over 1,000 units throughout the State of Oregon.

For more information on CASA of Oregon, please visit www.casaoforegon.org.

City of Casa Grande
Self-Help Housing
Casa Grande, Arizona



Before



After

The City of Casa Grande began its neighborhood revitalization efforts in 1974, starting out with a single purpose: to rehabilitate owner

occupied homes. It was not long, however, before the City realized that poor housing conditions was only one of the factors contributing to the accelerated deterioration of its older neighborhoods. A lack of proper sewers, streets, parks and other infrastructure, in addition to environmental hazards such as junk cars and trash, was also contributing to the decay. The City faced a multi-faceted problem and needed more than a single-faced response.

So the City of Casa Grande developed and implemented a comprehensive approach that included improvement of the physical, social, and economic health of the area through public and private investment. Emphasis was placed on the preservation of existing housing stock and new affordable homeownership opportunities.

The pictures showcase an example of the transformation taking hold in many of the City’s older neighborhoods. The resident family applied for Housing Rehabilitation assistance for its dilapidated home, but the unit was deemed beyond repair: the structure was unsound and failed health and safety tests. The family was referred to the City’s Mutual Self-Help Housing Program for replacement housing. Casa Grande’s Public Works crew demolished the old unit at no cost, and the family was able to build a new home on their old lot through Self-Help.

Such projects are made possible by housing program partnerships between the City and entities like Central Arizona College, USDA, and HUD. Resources are used to rehabilitate owner occupied units to meet all local codes, including general property improvements for “curb appeal”. They are also used to demolish decrepit structures, creating redevelopment and homeownership opportunities through Mutual Self-Help housing.

Due to a lack of non-profits and other affordable housing providers in the area, the City has assumed responsibility for providing housing assistance in the form of direct loans, deferred loans, and grants. Funding has come from a variety of sources, including USDA RD Self-Help technical assistance grants, State of Arizona HOME & Housing trust funds, State of Arizona CDBG funds, USDA RD Housing Preservation grants, and HUD RHED grants.

Partnerships among funding sources, housing and social service providers, business and educational communities, and the residents themselves have helped the city create a plan, or “blueprint,” to follow for the planning of service delivery. Today, every component of the revitalization effort – including housing, infrastructure, demolition, redevelopment, and educational code enforcement – is in concert with the objectives outlined and adopted in the plan. This results in a pride of ownership not just for the homeowner, but for the city as a whole.

The City of Casa Grande, Arizona is a rural community of 33,000 located between Phoenix and Tucson. The City’s rapid growth has inflated the housing market and eliminated all entry-level housing products for buyers at or below 80 percent of the median income, which affects over half the City’s population. To date, Casa Grande has rehabilitated more than 500 units, replaced 65, and built more than 400 units through the Mutual Self-Help Housing program. All participants receive budget and homeowner responsibility counseling as well as referral services when needed.

For more information on the City of Casa Grande, please visit www.ci.casa-grande.az.us.

Coachella Valley Housing Coalition

Desert Garden Apartments Coachella Valley, California

Located in Indio, California about one hundred miles east of Los Angeles, the Coachella Valley Housing Coalition (CVHC) is an award-winning non-profit housing development corporation dedicated to helping low and very-low income families improve their living conditions through advocacy, research, construction, and operation of housing and community development projects.



In the Coachella Valley, agriculture and farm labor fuel the local economy and incomes are low: in 2000, the cities of Coachella and Mecca in the eastern Valley had a median family income of just \$27,000. After farm labor, most of the remaining residents are minimum wage employees in service industries such as landscape and tourism. In 1992, the Coachella Valley Housing Coalition broke ground on the Desert Garden Apartment complex, which was ready for occupancy in 1998.

Desert Garden Apartments consists of 88 units of affordable multi-family housing – one, two, three and four bedrooms apartments – on 8.8 acres of land. Thirty-six units of the project serve retired farmworkers and 52 units are designated for farmworker families who work in the rural areas of Coachella, Mecca and Thermal.

On-site amenities include a community building; a courtyard with a covered patio; community gardens where tenants can grow their own vegetables, fruit and flowers; recreation areas for basketball and soccer; a separate childcare center; an after-school kids club; a computer training lab; and courses in English as a Second Language.

The complex, while for both families and retired farmworkers, had the older generation in mind when it created a landscaped hill that actually forms two complexes within one development wherein seniors have some separation from larger families. There are also classes just for seniors such as art lessons, cake decorating and candle making.

Financing was obtained for Desert Gardens Apartments from various federal, state and local sources. USDA's Rural Development 514 and 516, the State of California Family Housing Demonstration program, and the Riverside County Economic Development Agency were all utilized to make Desert Gardens a reality.

To date, CVHC, in Riverside and Imperial Counties in Southern California, has built 23 multi-family developments (totaling 1,513 units), including two migrant farmworker facilities and two special-needs complexes. Eight apartment complexes provide family housing for farmworkers, funded by the USDA Farmers Home Administration. CVHC has completed 13 tax credit financed rental complexes (755 units). CVHC has also built over 1,000 single-family homes for low and very low income families through its mutual Self-Help program.

For more information about Coachella Valley Housing Coalition, please call (760) 347-3157 or visit www.cvhc.org.

Comité de Bien Estar

Bien Estar Resource Center

San Luis, Arizona

San Luis, a border town in the extreme southwest corner of Arizona, is located in Yuma County – the third fastest growing county in the U.S. Its growth is mainly due to the influx of immigrants from Mexico, and 99 percent of the population of San Luis is Latino. Two-thirds of the economic activity is agricultural, with a resulting seasonal employment rate that fluctuates between 35 and 70 percent.



Comité de Bien Estar (Comité) is a membership organization which was formed in San Luis in 1981 when 400 families banded together to save enough money to purchase and develop 100 acres of land for lots on which they could build their own homes. They accomplished their vision: the families pooled \$1.4 million for the land and infrastructure – with no outside financial assistance.

Comité established the Bien Estar Housing Resource Center (HRC) in July 1999 to act as a one-stop housing resource for residents. Client incomes range from \$10,000 to \$30,000 annually, and many have no previous credit. The HRC helps families establish a credit record, finance their homes through construction loans, forgivable loans, and closing cost grants, and provides homebuyer and budget counseling.

In February 2000, Comité opened "Las Casitas para Niños" Day Care Center assisting 36 children and their parents. It was the first day care center in San Luis. A second center opened in November 2004 serving 75 children. In addition to the child care centers, Comité also empowers more than 275 low income women to deliver home day care to up to six children each. The women receive training in nutrition, assistance in upgrading their homes to qualify as day care sites, income supplements for each child served nutritional meals, inspections to ensure that they continue to receive supplements, and encouragement to improve their childcare skills and make the transition to being center care providers.

With financing from USDA, Comité provides technical assistance to families building self-help homes. In addition to sweat equity, families receive Affordable Housing Program subsidies from the Federal Home Loan Bank, and Individual Development Accounts (IDAs) are available as a source of down payment assistance.

Comité works to empower Mexican-American residents and immigrants who encounter many barriers, including low wages, little access to conventional financing, and limited political representation. Its development strategy addresses the realities of a bi-national local community. Working with its members it acquires, develops and subdivides large parcels of desert, installing water and sewer systems, streets and street lights and dedicating land for schools and parks. Once the infrastructure is complete, members purchase individual lots. In some cases, they develop homes on their own; in others, Comité assists them.

Over fifty percent of all new housing in San Luis has been developed by Comité on lots which it has financed. Since its first subdivision in 1981, Comité has completed six more, bringing the total number of single-family lots developed to 2,607. Comité also develops affordable rental housing financed with federal Low Income Housing Tax Credits, including the Bien Estar Apartments which houses 92 families and a second development with 62 apartments which is nearly complete.

For more information about Comité de Bien Estar, please visit www.ruralisc.org/comite.htm.

Community Housing Partners Corporation

The Woods at Yorktown

Yorktown, Virginia



Laurie Ramos moved into The Woods at Yorktown property shortly after it was acquired by Community Housing Partners Corporation (CHPC) in 2001. At the time, the interior walls were exposed cinder block and both the interior and exterior needed significant repairs.

Ramos was concerned about her sons, Mark Maxim, 7, and Raphael, 3, and the loud, disorderly climate that permeated the community.

“When my son first heard nearby gunshots, he thought they were fireworks,” Ramos stated. However, as a single working mother with a limited income, she needed affordable housing and there were few options in the area for the Philippine native.

Then things began to change. CHPC’s full rehabilitation of the Woods at Yorktown entailed a complete exterior transformation, including the installation of new siding, front porches, rear decks, new windows and doors, and landscaping. CHPC updated the interiors of the apartments by installing drywall, new kitchen cabinets, fixtures and appliances, and new carpet and vinyl flooring. In addition, the organization provided new energy efficient HVAC (heating, ventilating, and air conditioning) systems and remodeled the bathrooms in each unit.

CHPC reduced the density at the 130 unit property by combining some units to create more space for larger families. Today, the Woods at Yorktown offers 117 two-bedroom, three-bedroom and four-bedroom townhouse-style apartments for low-income individuals and families. The multi-family development provides affordable housing for wage earners who earn 50 percent or less than the area’s median income.

Furthermore, the former maintenance shop was converted into a community room to be used for resident activities. Training programs are offered for children and adults, including nutrition and health seminars, job training skills, and homeownership counseling. And the Woods at Yorktown has a resident council and a Neighborhood Watch.

Ramos was offered relocation assistance or the opportunity to move into a renovated apartment in the Woods at Yorktown. She chose the latter, where she and her family now reside. “I’m really proud of this place now,” Ramos said. “Someday I hope to buy a house and bring my other three children (who are currently living in the Philippines) to America. Until then, this is our home and I can’t imagine living anywhere else!”

The total development cost for The Woods at Yorktown exceeded \$7.2 million. The rehabilitation was funded through loans from the Virginia Housing Development Authority, a grant from the Federal Home Loan Bank of Atlanta, and a capital investment from the Virginia Community Development Corporation. Additional financing – a loan of \$800,000 loan at 6 percent for 12 months – for the construction phase was provided by the Federation of Appalachian Housing Enterprises, Inc. (FAHE). The property also offers federal housing tax credits to the investors as way to generate equity for affordable housing. That equity reduces the amount of debt and mortgage payments for the property, thereby allowing for lower rental rates for the residents.

Community Housing Partners Corporation (CHPC) is a multi-state non-profit corporation dedicated to providing affordable housing opportunities and community development services for low-wealth individuals and families. Since 1975, CHPC has served more than 100,000 people.

For more information about CHPC, please visit <http://www.chpc2.org>.

Creative Compassion, Inc.
Serving Special Needs Communities
Crossville, Tennessee

Creative Compassion, Inc (CCI) celebrated the completion of three new homes for Cecil Martin, Faron Myles and Clarence Scarlett on September 24, 2004. The homeownership obstacles for these clients were a distinctive challenge for CCI because Cecil, Faron and Clarence are mentally-challenged and live on small disability incomes.



Many in the special needs community, CCI found, live in substandard housing with plastic for windows, leaky roofs, improper plumbing and inadequate heating. To help bring more adequate housing stock within the reach of this community, the CCI Board of Directors established the cultivation of housing opportunities for people with special needs as one of its goals. In partnership with its many local, state and regional partners, this initiative has proven to be a tremendous success.

CCI knew building for Cecil, Faron, and Clarence would not be an easy task. First, in Crossville, as in many other parts of rural America, homes cost more to construct than they appraise, forcing developers to sell below cost. Second, individuals living on disability income alone garner less than \$10,000 a year. And third, special needs clients need personalized guidance throughout the process and case management post-purchase. In order to help Cecil, Faron and Clarence achieve homeownership, CCI needed to find flexible financing to write down construction costs, a source to subsidize low monthly incomes, an affordable house design, and a social services partner to provide post purchase financial management counseling.

To make the homes affordable, CCI blended financing from the Housing Assistance Council and Tennessee Housing Development Agency to write the \$75,000 construction cost down to \$60,000. Unfortunately, subsidy alone cannot assure long term affordability when monthly incomes are less than \$600. So CCI used HUD "Section 8 Mortgage Assistance" Vouchers to cover the principle, interest, taxes and insurance (PITI) and make payment towards the clients' utilities. By blending permanent financing from Rural Development and FAHE, CCI was able to obtain low-interest loans to keep the PITI within the range of the Voucher.

With financing in place, CCI needed to find a contractor to build a quality, efficient home within budget parameters. Modular One, LLC and Home Connection proposed a modular home as the most economical solution. Modular One agreed to design custom plans utilizing the system building process, which ensures consistency, quality and reduced prices through volume purchasing. Finally, CCI convinced Hilltoppers, which offers living support and supervision for mentally challenged individuals, to assist CCI clients. Hilltoppers provided the post-purchase case management that Cecil, Faron and Clarence need to make their homeownership a success.

For more information on Creative Compassion, Inc, please call 931-456-6654 or visit www.creativecompassion.com.

Florida Non-Profit Housing, Inc.

The Palms

Wauchula, Florida

The small town of Wauchula, located in Hardee County in southwestern Florida, has a population of fewer than 5,000 residents, 40 percent of which are Hispanic. Approximately 30 percent of Hardee County's entire population of 29,000 is comprised of migrant and seasonal farmworker (MSFW) families, which lack adequate housing.



To address the need for affordable, safe and sanitary farmworker housing, Florida Non-Profit Housing, Inc. (FNPH) partnered with the Board of County Commissioners to create the Hardee County Housing Authority (HCHA). Governor Bush had appointed the group of volunteer commissioners in 1997. With assistance from FNPH, the HCHA succeeded in developing The Palms in Wauchula, Florida.

The Palms is a 58-unit multi-family farmworker rental development and has the capacity to house approximately 200 people. Services offered at the development include ESOL, GED, First Time Home Buyer Education, and Neighborhood Watch Classes. A medical van also visits the site and provides medical services.

The Palms was completed in July 2003 for a total development cost \$3,835,525. Financing was provided by USDA Rural Development (70 percent), Florida Housing Finance Corporation (24 percent), and local government and private contributions (6 percent).

The development was in rent up when it got hit by Hurricanes Charley, Frances, and Jeanne during the summer of 2004, and an estimated \$750,000 in damages was incurred. Fortunately, with FNPH's assistance the Commissioners succeeded in identifying funding to repair the 20 damaged units, office and laundromat. FNPH is now working with the HCHA to develop a second migrant and seasonal farmworker rental development in Hardee County through a special set-aside from USDA's hurricane relief fund.

Florida Non-Profit Housing, Inc. provides technical assistance and training for the Section 523 Mutual Self-Help Housing Program and in the development of rental housing for farmworkers. The organization assists housing providers who serve low and very low income rural residents in the following service areas: Alabama, Delaware, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Puerto Rico and the Virgin Islands.

For more information on Florida Non-Profit Housing, Inc., please visit www.fnph.org.

Frontier Housing

Phase III Community Development Block Grant Development Morehead, Kentucky

If you were to visit Morehead, Kentucky today and take a drive through the heart of this small town, you would almost certainly notice the quaint atmosphere of its cozy downtown area and curvy, scenic Main Street. There are dozens of locally owned businesses and community banks, and the street is verdant with trees and flowers.

A Morehead native would almost certainly tell you that the town has not always looked this way. For several years Morehead has been in the process of creating a new atmosphere through restoration and renewal projects, and housing has been a critical element of the transformation.



One such project, the Phase III Community Development Block Grant development of West Morehead, has been the driving force behind the new environment that many families now call home. In an effort to rejuvenate a section of Morehead's downtown area, the city purchased dilapidated homes, relocated families, demolished decrepit structures, and made lots, normally sold for at least \$18,000 on the open market, available to Frontier Housing for only \$4,000 each.

In the lots, Frontier Housing built new affordable family homes and leveraged RHS 502 direct loans to provide housing to six families; the average loan was \$40,000. The RHS loans leveraged \$1 million in CDBG funding and the revitalization served 30 low and moderate income individuals.

Kyle, a police officer, and his wife Amanda, had wanted to own a home since they married. "We really didn't like paying rent to someone else," says Amanda. They had applied for a mortgage through a bank, but were denied because they did not have enough cash for a down payment. "We tried saving money," says Kyle, "but we'd go back to the bank, and they'd say 'No, you have to have more than that.'" One day, when Kyle called City Hall in Morehead to inquire about job openings for police officers, he learned about a unique opportunity to purchase a home. He was told that Phase III of the City's revitalization project was underway with new, affordable homes being built by Frontier Housing in his old neighborhood.

Thanks to a \$35,800 loan from RHS, Kyle and Amanda were able to purchase a new home in the Phase III Development. Less than a year after they applied with Frontier, the Callahan's comfortably settled in their new house. Kyle is now the D.A.R.E. officer with the City of Morehead, where he goes into area schools to educate kids about the dangers of drug use. They have since had their first baby and are delighted to be starting their family right where they grew up.

Frontier Housing has been providing housing solutions to build better communities for 31 years. Over 850 families have received housing solutions and Frontier has built over 650 single-family homes. Our service area includes 9 rural, Appalachian Kentucky counties with a median income of \$24,000. Frontier is a community builder, lender, educator and advocate for quality, affordable housing.

For more information about Frontier Housing, please visit www.frontierhousing.org.

Interfaith Housing Alliance

Freestate Subdivision

Taneytown, Maryland

After the mayor of Taneytown, Maryland, population 5,100, visited a community of homes built by the residents in a nearby county with help from Interfaith Housing Alliance, he pledged to help Interfaith Housing do the same in his small town. Seven years and three subdivisions later, a huge block party is planned to celebrate 106 new affordable homes.



The three subdivisions are a fraction of the thirty nine affordable housing developments built with help from Interfaith Housing in the mostly rural western part of Maryland. As Interfaith Housing nears a milestone of 1000 units, the organization remains focused on its primary mission of strengthening families and communities. Many of the Taneytown self-help builders benefited from the recent increase in housing values. For many, this first time wealth acquisition brings economic stability and a means of sending children to college.

Contributions from local banks, state grants and HUD SHOP funds made the development of the three Taneytown subdivisions possible. USDA provided technical assistance grants and Section 502 loans with interest rates as low as 1 percent. In addition, soft second mortgages were obtained from the FHLB system to fill funding gaps along the way. As the gap between slow growing incomes and fast growing housing costs is exacerbated, more sources of funding are needed.

The “sweat equity” program demands months of hard physical work, but Interfaith Housing knows that people of all backgrounds are willing to help themselves. Successful builders include persons with handicaps, the elderly and, groups made up of female heads of household, as is pictured above.

Eligible participants learn about the financial responsibility of homeownership and contribute up to 30 hours per week in their sweat equity to build or rehabilitate their home. Self-help participants build in groups with each family working on all the homes in their group until they all are finished.

Interfaith Housing recognizes that when families own their own homes, they connect better with their communities. With the recent housing boom homeownership rates are at an all-time high, but the prosperity isn’t reaching everyone. Without a hand up, it is nearly impossible for many working families to achieve the American dream. Interfaith Housing helps low and moderate income families become homeowners using strategies appropriate to each community.

For More information about Interfaith Housing, please visit www.interfaithhousing.org.

Kentucky Mountain Housing Development Corp., Inc.

***Single Family Housing
Southeastern Kentucky***

Kentucky Mountain Housing Development Corporation, Inc. (KMHDC) serves the Appalachian counties of Clay, Jackson, Owsley, Leslie and Bell. These five counties are primarily rural and have populations ranging from 24,556 (Clay County) to only 4,858 (Owsley County). With an average per capita income of only \$15,955 and approximately 30 percent of the population living in poverty, each of these counties is distressed and in need of affordable housing solutions.



One of Kentucky Mountain Housing's responses to the housing crisis was to develop its own HOME Loan Fund, through which KMHDC offers clients low-interest loans. The interest rate is based on family income and is not subject to market fluctuations like loans from traditional lenders. KMHDC clients typically pay between only 1 and 3 percent interest.

KMHDC and its clients also benefit from several partnerships with federal, state and local organizations. In one case, KMHDC partnered with USDA Rural Development, the Appalachian Regional Commission, Federal Home Loan Bank of Cincinnati, and HUD's HOME program (through Kentucky Housing Corporation) to make homeownership a reality for a struggling, single mother.

Crystal was a recently divorced, single parent who desperately needed a home for her and her young son when she came to KMHDC. Earning only \$14,527 a year and with a small child to care for, Crystal could not afford rent and did not qualify for a traditional home loan. Nonetheless, KMHDC was able to help build and finance a safe, quality home that Crystal and Ethan could call their own. Today, thanks to the HOME Loan Fund and KMHDC partners, Crystal and Ethan are enjoying their three bedroom home and enjoying life – with a low monthly mortgage payment that does not exhaust their finances.

Kentucky Mountain Housing Development Corporation, Inc. is a faith-based, non-profit housing and community development organization whose mission is to provide low income families with quality, safe, affordable housing. The organization was incorporated in 1973 through a cooperation of churches and community-based organizations and continues to provide affordable homeownership and rental opportunities for some of the most impoverished families in the nation. KMHDC Kentucky Mountain Housing employs its own construction crews, originates and services low-interest loans, provides jobs and promotes economic development through housing production. To date, KMHDC has developed four subdivisions, built five apartments and nearly 700 new homes, and completed 427 home repairs, all for needy families in southeastern Kentucky.

For more information on KMHDC contact Donna G. Harris, Executive Director, at (606) 598-5128.

Kitsap County
Consolidated Housing Authority
Family Self Sufficiency Program
Kitsap County, Washington

Donna, a single mom, dreamed of having a safe place for her kids to play, even a backyard with a garden. But she was bankrupt, over \$15,000 in debt, had no credit, and lived in a subsidized apartment. But five years later she has repaired her credit, is working toward her teaching degree, and just bought a new home.



Donna's success is thanks in part to a partnership between Kitsap County Consolidated Housing Authority (KCCHA, the Authority) and USDA-Rural Development. In 2001, Donna entered KCCHA's Family Self Sufficiency Program (FSS), which helped her develop a personal five year plan. Following this plan with support from KCCHA, Donna worked her way through a progression of courses that taught her money management and job skills, and then found a family wage job, repaired her credit, became financially independent, and started a savings account.

Nevertheless, despite having taken so many life-changing steps, Donna still did not earn enough to qualify for a conventional home loan. So KCCHA HUD certified Housing Counselor Marvelle Lahmeyer referred Donna to USDA-Rural Development Manager Patrice Varela-Daylo in Port Angeles who helped her get a 1.5 percent interest 38-year loan through the Section 502 program.

KCCHA's Family Self-Sufficiency Program was created under the Home Ownership and Opportunity for People Everywhere (HOPE) enacted in 1990. Since 1992, FSS families work in partnership with KCCHA to set goals and obtain the skills they need to achieve financial independence. The use of housing as a stabilizing force permits families to invest their energy in other efforts including employment, education, and job training that are necessary for self-sufficiency. The key to success of the program has been the flexibility, compassion, and the one-on-one support from the housing authority's staff.

Kitsap County Consolidated Housing Authority was created in 1982 and became the first joint city-county housing authority in the state. The Authority's area of operation includes all of Kitsap County as well as the cities of Bainbridge Island, Port Orchard, and Poulsbo. Its mission is to build strong communities by creating housing and economic opportunities that promote self-sustaining families.

The Authority's activities primarily involve administration of various federal housing programs, low-rent Public Housing and the Section 8 Housing Assistance Payments Program. The Authority also administers a federally funded Self Help Housing Program of the Rural Housing and Community Development Services (RHCDs), and operates several programs designed to expand affordable housing opportunities. General funding for KCCHA services come from a number of sources including, but not limited to, bond issues and bank loans (27 percent), rents and tenant charges (18 percent), property sales proceeds (17 percent), USDA-RD loans (10 percent), and HUD Housing Assistance Programs (7 percent).

For more information on opportunities or programs at KCCHA, please visit www.kccha.org.

Mercy Housing

Sierra Vista Subdivision

Linda, California

In the unincorporated community of Linda, Yuba County, Mercy Housing is developing the Sierra Vista subdivision to assist low and very low income homebuilders attain their dream of homeownership. The Sierra Vista subdivision will consist of 102 lots and land upon which a neighborhood park is planned. House design choices include three, four and five-bedroom homes ranging in size from 1,100 to 1,400 square feet, and each floor plan offers three different elevations, making for a visually diverse neighborhood.



Yuba County has one of the lowest median incomes in the state of California (\$44,800). Half of the families assisted in the Sierra Vista mutual self-help subdivision will have incomes of less than 80 percent area median income (\$39,300), while the other half will have incomes less than 50 percent AMI (\$24,550). Self-Help program participants in Yuba County come from a variety of backgrounds: farm laborers, teachers, grocery store clerks and Yuba County employees. Yet they share a determination to work hard alongside other families in the building of their new homes and community.

In partnership with USDA, Mercy Housing secures building sites, assists eligible families with mortgage origination, and guides groups of 8-12 families in the creation of neighborhoods like Sierra Vista that are strong and healthy. With housing costs approaching \$200,000, Mercy Housing has accessed a variety of financing in order to achieve affordability. Partners include USDA-RD (Sections 502 and 523), Community Development Block Grant, HOME Program, SHOP, AHP, and local and state funded programs. Mercy Housing also works with its Catholic Strategic Healthcare Partners and other private donors to facilitate the development of its housing.

Mercy Housing is a faith-based, national not-for-profit organization, sponsored by communities of Catholic Sisters, dedicated to creating and strengthening healthy communities. Since 1981, Mercy Housing has developed nearly 17,000 units of housing that serve over 50,000 people on any given day. Mercy Housing operates in 41 states and Washington, DC and has an additional 4,500 units in development. The organization's mission is to create stable, vibrant and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs.

A variety of programs are sponsored by Mercy Housing to address the needs of rural residents, and its rural properties portfolio consists of over 120 family and senior rental properties and homeownership developments. Over 5,000 homes (3,367 homeownership, 1,349 rental family units and 481 rental senior units), or nearly one-third of Mercy Housing's portfolio, have been developed in rural communities, including communities in California and Idaho. And annually, Mercy Housing assists 70-90 families to attain homeownership through its sweat equity program in rural communities.

Mercy Housing also assists rural communities to develop or expand community facilities. Successes include water and wastewater systems, youth facilities, non-profit office space, childcare centers and domestic violence centers. Additionally, Mercy Housing designs and implements programs offering housing rehabilitation and first-time homebuyer services that benefit low income households.

Finally, rental properties developed by Mercy Housing provide on-site resident service programs that enrich lives and position residents to break out of poverty. Program activities include financial literacy, homeownership classes, Head Start and preschool programs, after-school programs for students, civic engagement, social activities and computer classes.

For more information on Mercy Housing, please visit www.mercyhousing.org.

Midwest Assistance Program

Wastewater Treatment Program

Igloo, South Dakota

The small community of Igloo is located in a very rural area of South Dakota's Fall River County. At one time, Igloo was a United States military post and arms depot. Phased out in the late 1950's, the post left many outbuildings and other infrastructure, which were acquired by private parties, and today all of the property around the Igloo area is privately owned and maintained.



Igloo is not organized as a legal entity, such as a municipality or sanitary district, which would be responsible for operating and maintaining the wastewater treatment system. Serving as additional obstacles, the population of the service area is only fourteen people, and the median household income is extremely low at \$8,534. These community characteristics placed great limitations on Igloo's capacity to properly manage and operate a wastewater facility. Therefore, over the years, Igloo's lagoon-type wastewater system slowly deteriorated.

The South Dakota Board of Water and Natural Resources ordered Igloo residents to "cease and desist" using the lagoon-type system for treating their wastewater. South Dakota Department of Environment and Natural Resources officials contacted R. J. Inskeep with the Midwest Assistance Program, Inc. (MAP) to assist in finding an affordable, effective solution for treating the community's wastewater.

MAP served a vital role in the early project development in seeking out a solution that would be affordable to implement and maintain. MAP assisted with percolation tests, site location selection, and sizing issues to determine the viability of transforming the current lagoon system to a soil-based treatment system, which would have lower capital and operational costs. MAP facilitated communication between the engineer, the community, and South Dakota Department of Environment and Natural Resources to ensure the project proceeded in a timely manner. MAP assisted Igloo residents with contracting to have a subsurface wastewater treatment system installed, which is now complete and functioning properly. The residents of Igloo are pleased with their new system.

Igloo was awarded a Community Development Block Grant (CDBG) from the State of South Dakota to finance the project. Fall River County sponsored the grant application for the community on the condition that the Igloo citizens form a sewer users association or district within the community to operate and maintain the new wastewater treatment system. MAP facilitated meetings between Igloo residents and an attorney to form a legal sewer users association. MAP also coordinated between the South Dakota Department of Environment and Natural Resources and the Black Hills Council of Local Governments to ensure that all requirements for the Community Development Block Grant were satisfied.

Midwest Assistance Program, Inc. is a non-profit organization founded in 1979. Its purpose is to help small, rural communities improve their quality of life. MAP accomplishes this by providing technical assistance and training to improve water, wastewater and solid waste management system. MAP serves the nine states of Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota and Wyoming.

For more information about Midwest Assistance Program, please visit www.map-inc.org.

Motivation Education & Training, Inc.

Amistad Farm Labor Housing

Hereford, Texas

When Motivation Education & Training, Inc.(MET) began working to bring farmworker housing to Hereford almost 20 years ago, Hispanics had recently become the majority population in the West Texas agricultural town of 15,000 people (and 300,000 cows). Yet city leaders did not recognize Hispanic leadership and no person of color had ever been elected to public office.



In 1986, MET helped the Amistad Housing Development Corporation organize and apply for funding to build the 30 unit “Amistad” Farm Labor Housing development in Hereford. Initially, neighbors voraciously opposed its development fearing new residents would bring noise, crime, and unwelcome activity to the area.

Today, neighbors enjoy their proximity to the “best looking housing” in town, which brought hard-working neighborly families to the community. 20 units supplement the original 30. Amistad’s property manager is a recognized community leader and serves on the city council, one of several Hispanics now in public office. City leaders and USDA tout the facility for its design and operations. Farmworker residents enjoy safe, comfortable homes with low rents that allow them to maximize their modest earnings and raise their children in a secure environment.

Including the original 30 units in Hereford, MET has assisted in the construction of 130 farm labor housing units in Eagle Pass, Texas and Independence, Louisiana. In Texas and Louisiana MET has rehabilitated and/or weatherized 2,800 units owned by very low income farmworker families living in substandard homes. The organization has helped more than 15,000 farmworkers with lodging, emergency shelter, homeownership counseling, and development services. Since 1999, similar crisis intervention and services to prevent homelessness have also been offered to rural Minnesotans. And since 1969 MET has helped house 1,000 farmworkers through a program that combines housing with family relocation, training and job placement services in East Texas.

97 percent of the farmworkers enrolled with MET in Texas are Hispanic, while in Louisiana 94 percent are African American. Most of the households face extreme poverty: MET’s Texas clients have an average annual income of \$7,710; in Louisiana incomes average only \$4,809 – well below the poverty level. Moreover, most participants have not graduated from high school or received a GED, and many have difficulties with English. A recent survey of MET’s participants in the Rio Grande Valley found 30 percent of farmworkers who rent or have no home found a lack of housing to be a barrier to employment.

MET has leveraged \$10 million from cooperating partners for its housing activities. Primary funding has come from sources including USDA-Rural Development (Housing Preservation Grants and Sections 504, 502, 306, and 514/516), DOL Employment and Training National Farmworker Housing Program, HHS Office of Community Services grants and Community Services Block Grant weatherization funds, HUD Emergency Shelter Grant program, Rio Grande Valley’s Empowerment Zone Corporation, and Minnesota’s Rural Housing Assistance and Stability Program.

Motivation Education & Training, Inc. provides employment, training, and housing services to migrant and seasonal farmworkers in Texas, Louisiana, Minnesota, and North Dakota. Since its inception in 1967, MET has strived to improve the economic earnings and self-sufficiency of the nation’s farmworker population.

For more information on MET and its programs, please visit www.metinc.org.

NCALL Research, Inc.

The Rural Delaware Homeownership Initiative Dover, Delaware

USDA Rural Development's Section 502 homeownership loan program provides attractive mortgages to residents of rural America. The terms, rates, and servicing all are designed to better serve rural and remote areas that do not have access to sufficient credit from conventional sources. Despite the program's potential, NCALL Research, Inc. recognized back in 1985 that very few Delawareans were aware of the program and even fewer felt empowered to go through the intensive application process alone. NCALL envisioned that it could help Delawareans gain access to Section 502 if it could Rural Housing Counselors to assist families through the application process, and so began the Rural Delaware Homeownership Initiative.



The initiative was targeted to central and southern Delaware. Typical of rural areas, the counties had high incidences of substandard housing and poverty. The two primary counties of intervention, rural Kent and Sussex Counties, had income levels 30 percent lower than urban New Castle County. In general, NCALL graduates have very low incomes – less than 50 percent of the countywide median income. Many are the heads of single parent households and have incomes averaging only about \$20,000.

The Rural Housing Counselors helped to get the word out about Section 502 and began providing counseling, training, and packaging services. The education and support provided by NCALL has paid off: in past years, despite the acute need for affordable housing in rural Delaware, some of the USDA funds allocated to the state went unused; today Delaware's Section 502 allocation is used in its entirety.

The Presbyterian Speer Trust funded NCALL for three years as a test case for whether NCALL had a proper bearing on the problem and solution. Ultimately, the experiment proved NCALL's projections correct, and the organization witnessed closing after closing for families on new homes. The Delaware State Housing Authority then stepped in and agreed to fund half the Rural Delaware Homeownership Initiative's annual budget from housing trust fund appropriations. Other funding comes primarily from annual bank contributions and supplemental fundraising.

The Rural Delaware Homeownership Initiative is still helping families become homeowners in 2005 and closes over thirty Section 502 loans each year. The Initiative leverages about \$4 million in federal assistance each year and serves people with the lowest incomes of virtually any federal or private mortgage program. Since 1985, NCALL has closed over 650 Section 502 homeownership loans and has leveraged more than \$40 million in attractive Rural Development mortgages to Delaware. Many of the homes purchased in Delaware under NCALL's direction have been new construction, adding to the affordable housing stock. A recent University of Delaware study shows an economic impact rate for affordable housing of \$7 to \$1, meaning NCALL's impact in rural Delaware can be measured at \$280 million. Moreover, since 1989, NCALL has managed a large scale statewide housing counseling program.

NCALL provides a combination of development technical assistance (TA) to nonprofit organizations and direct services to lower income households. TA services have resulted in development of more than 40 multi-family housing complexes. Section 502 packaging and conventional homeownership counseling have resulted in more than 5,000 closings leveraging half a billion dollars in attractive mortgages.

For more information on NCALL Research, please visit www.ncall.org.

Northwestern Housing Enterprises, Inc.

Historic Elk Park School

Elk Park, North Carolina



Elk Park, North Carolina is a small town (population 480) in rural Avery County (population 16,000). It is situated in the Blue Ridge District of the Appalachian Mountains in the northwestern corner of the state. Because of the regional loss of manufacturing jobs in furniture and textiles, both employment opportunities and the number of persons per household have been on the decline for the past twenty years.

Fully 25 percent of the renter households in the area have annual incomes below \$10,000. The shortage of affordable housing for seniors and for persons with disabilities has been exacerbated by a recent surge in tourism and in construction of luxury homes for immigrating retirees. One older building site, however, held promise as an adaptive reuse candidate for affordable purposes.

The existing Elk Park School was constructed by the Works Progress Administration between 1935 and 1938 and served as an elementary school for its Appalachian community for over 60 years. The historic stone-faced school building lies on a 5-acre, multi-level site with magnificent views of the surrounding mountains.

Northwestern Housing Enterprises, Inc. (NHE) performed an historic rehabilitation on the old school and built a new structure to the rear of it, providing 40 units of affordable housing for low-income elderly and disabled residents. There are 3 two-bedroom and 37 one-bedroom units, 10 of which are fully accessible for mobility-impaired residents. The development was placed in service in April of 2004.

The original historic school building now contains 16 residential units, along with a manager's office, social services office, laundry room, library and television room. The existing gymnasium, stage and adjacent baseball field have been refurbished and made available for public use, providing much needed community facilities for the Elk Park residents.

The new three-story building is comprised of 24 units, an elevator, and two laundry rooms. Additional on-site amenities include community gardens, landscaped conversation areas in two courtyards, a gazebo and a walking trail.

The \$4.7 million cost of the rehabilitation and new construction has been financed by the syndication of Low Income Housing Tax Credits and Historic Tax Credits, along with below-market rate loans from the Federal Home Loan Bank of Atlanta and the North Carolina Housing Finance Agency. Affordability for tenants is assured through Project-Based Section 8 Vouchers provided through NHE's affiliate, the Northwestern Regional Housing Authority (NRHA), which also contracts for property management of the apartments. The Historic Elk Park School development received Awards of Merit from the Historic Preservation Foundation of North Carolina and from the National Association of Housing and Redevelopment Officials for excellence in adaptive reuse.

NHE is affiliated in purpose with the public non-profit NRHA and shares its mission to provide housing and economic opportunity free from discrimination for those less fortunate in our mountain communities. Working together with NRHA and with government agencies, private investors and local commercial lenders, NHE has produced more than thirty million dollars worth of new housing opportunity in its ten year history, all of the highest quality and affordable to very low and extremely low income households.

For more information on NHE contact E. G. "Ned" Fowler, Vice President, at (828)264-6683.

Office of Rural and Farmworker Housing

Heritage Glen

East Wenatchee, Washington



The Office of Rural and Farmworker Housing is a private, statewide nonprofit corporation that develops housing for farmworkers and other rural, low income residents of Washington State. One community of intervention, the city of East Wenatchee, was incorporated in the heart of central Washington in 1935 on only 50 acres of land. Today the City's incorporated boundaries have grown to 1,873 acres and East Wenatchee's total population has swelled to 5,813. Labor-intensive agriculture is the mainstay of the local economy.

The Heritage Glen development was built in 2002 on 2.4 acres and serves both seasonal (migrant) and year-round farm workers. Heritage Glen consists of seven buildings with a total of 35 units, configured in two 8-plexes, one 6-plex, two 4-plexes, one 3-plex, and one duplex. Its one-to four-bedroom units uniquely serve both the seasonal-occupancy and year-round farmworker housing needs. The site is within walking distance of schools, churches, a fire station and commercial services such as grocery stores, restaurants, and banks.

Heritage Glen was developed by the Office of Rural and Farmworker Housing (ORFH) in partnership with the Chelan County/Wenatchee Housing Authority (CCWHA), the owner/operator of the property. CCWHA has been actively serving the affordable housing needs of Chelan and Douglas counties for over 20 years and knows resident success is enhanced through intentional supportive services. For Heritage Glen, these services include Consumer Credit Counseling Services; access to the Wenatchee Valley Community College, Department of Social and Health Services; and access to the Columbia Valley Housing Association for homeownership opportunities. CCWHA has bilingual staff to provide information and translation to monolingual households, and an informative tenant newsletter that circulates three to four times per year.

As in most rural communities, the local rental market does not serve the low income population well. Simple economics dictate that private market rentals in East Wenatchee cannot set rents at affordable levels for a family of four earning farmworker wages. Heritage Glen's financing structure, however, allows the owner to rent to households earning at or below 50 percent of the area median income annually (approximately \$25,000 or less for a family of four).

Heritage Glen was financed through loans and grants including: an \$800,000 USDA-RD Section 514 loan; a \$700,000 USDA-RD Section 516 grant; \$1.4 million from the Washington State Housing Trust Fund; a \$1 million Fund for Rural America grant; and Section 521 Rental Assistance.

The Office of Rural and Farmworker Housing is a private, statewide nonprofit corporation that develops housing for farmworkers and other rural, low income residents of Washington State. ORFH provides comprehensive development services to local nonprofit corporations, housing authorities, growers, municipalities and others interested in developing farmworker housing. The organization's primary focus is multi-family rental housing and related facilities such as day care, laundry and tenant/management meeting rooms. ORFH offers all the necessary services to obtain capital financing and assure the quality of both housing construction and management.

ORFH has developed over 1,000 affordable housing units on 94 sites in 22 communities throughout Washington State. These units serve over 5,000 farm workers, their dependents, and other rural low income persons.

For more information on the Office of Rural and Farmworker Housing, visit www.orfh.org.

Peoples' Self-Help Housing Corporation

***River View Master Planned Neighborhood
Guadalupe, California***



River View is new a master planned neighborhood in the City of Guadalupe, a small, impoverished farm-worker town on California's Central Coast. Guadalupe has a population of less than 5,000 – most of them employed in the agricultural sector – and has long struggled to provide safe, affordable housing and basic services to its predominantly lower income population.

Peoples' Self-Help Housing Corporation (PSHHC), a non-profit housing and community development organization, is the sponsor and developer of River View, which has been lauded for its comprehensive planning, innovative financing, range of housing types offered, and neighborhood amenities and services.

The River View development was completed in early 2005, built on a 25 acre piece of land purchased by PSHHC from the City Redevelopment Agency. It includes a new 15 acre city park, a 10,000 square foot Community Center that offers health, education and recreation programs, 50 single family homes for first time homebuyers participating in Peoples' Self-Help mutual self-help housing program, and 80 town homes for families needing decent, affordable rental housing. As a result of River View, new water and sewer systems, public utilities and paved streets also came to Guadalupe.

For the 130 families residing in the new Guadalupe development, River View represents the first time they do not have to share overcrowded, unsanitary, and/or unreasonably high-priced shelter. For the 50 first-time homebuyers, Peoples' Self-Help's owner-builder program provided the opportunity to build assets through home ownership. It also developed their construction and home maintenance skills, built self-esteem, and instilled pride of ownership. The 80 families residing in the rental town homes are able to create a savings program as a result of new affordable rents and participate in on-site programs. Perhaps most importantly, all 130 River View families now feel a sense of safety and community.

River View's Community Center offers a broad range of services coordinated by PSHHC. These include primary healthcare services and health education at the Health Clinic incorporated within the Center. After-school programming is offered for children grades K-12th using credentialed teachers through PSHHC's Education Enhancement Program. Adult education classes in homeownership training, financial literacy, English as a Second Language (ESL), and the nationally recognized "Mommy (Daddy) and Me" Program are also conducted at the Center. River View amenities include a commercial kitchen in the Community Center, several outdoor play grounds, laundry facilities, bike paths and built-in outdoor group barbeque facilities.

PSHHC successfully leveraged \$26 million in new investment into the City of Guadalupe. River View financing was provided by a wide range of sources including HUD RHED program; State Department of Housing and Community Development HOME program; USDA Technical Assistance Grant program and Section 502 loans; Rural Community Assistance Corp Agriculture Health and Housing program; California Community Reinvestment Corp; Alliant Capital; HAC – SHOP Program; State of California Joe Serna Jr. Farmworker Grant program; Wells Fargo Bank; and Federal Home Loan Bank of San Francisco.

Peoples' Self-Help Housing Corporation (PSHHC) is a national award-winning non-profit organization celebrating 35 years of experience in creating affordable housing for cities, counties and community groups in California's Central Coast region. PSHHC works in over 25 communities throughout the 200 mile tri-county area of San Luis Obispo, Santa Barbara and Ventura.

The mission of Peoples' Self-Help Housing is to provide affordable housing and programs leading to self-sufficiency for low-income families, seniors and other special needs groups on California's Central Coast.

For additional information on Peoples' Self-Help Housing Corporation, please visit www.pshhc.org.

RCAP Solutions

***Alburg Springs Water Company
Alburg, Vermont***

The town of Alburg sits on a finger of land that extends south from Canada into the northern shores of Lake Champlain and includes part of Grande Isle County, VT. The entire county has fewer than eight thousand residents, but Grande Isle heads the list of Vermont's fastest growing counties.



The blue liner is a temporary portable dam; the two workers at left middle are working with the pump system that's helping keep open water. The area is being prepared for blasting prior to the creation of an infiltration gallery for the new water system.

Keeping up with the service needs in such an environment is challenging. All at once, the hamlet of Alburg Springs is shifting from a private water system and forming a public water Fire District, assessing its needs for an upgrade, bringing its user costs under control, and consolidating its debt. In such a small place, with a population of less than 100 to be served, any one of these tasks alone is daunting. The barriers to success are formidable and are exacerbated by limited financial and human resources.

A "Vermont Fire District" has the right to design, construct, upgrade, operate, and maintain a water supply and distribution system, including the maintenance and repair of water mains and the provision of a limited water service to a designated area. This is a typical mechanism for dealing with the spread-out rural communities of Vermont. In fact, it is common for one town to have multiple fire districts.

In Alburg Springs, RCAP Solutions assisted in the development of, and is now working with, a new fire district. And in the fall and winter of 2004, RCAP Solutions helped prepare the district to undertake significant projects to repair and fortify its water infrastructure.

First, the project in Alburg Springs required construction of a new water intake from Lake Champlain. Four foot waves, wind, and ice actions were repeatedly destroying the intake structure and the cost of replacement was driving up users' annual rates. With technical assistance from RCAP Solutions, the community has created an under-lakebed infiltration gallery to protect its water intake from the waves, wind, and ice.

After completing the requisite environmental studies and obtaining state approval for the project, the district was able to advance to the bidding process for the water intake phase. The assembly of the water intake structure, initiated in March 2005, required construction of a temporary coffer dam in the lake. The contracting company pumped water out from the dammed area so the underlying bedrock could be blasted out and the necessary piping and intake infrastructure installed.

The water projects in Alburg Springs were made possible by grants from USDA Rural Development (RD). Due to frequent water outages, the town was also eligible for funding under RD's Rural Emergency Responders Initiative. The total funding will be approximately \$346,000, all through Rural Development.

For more than 30 years, the RCAP network has been a leader in rural community development. RCAP is a national service delivery network comprised of six regional partners and a national office located in Washington, DC. Every year more than 200 RCAP specialists provide technical assistance, training, and financing to more than 2,000 small rural communities in all 50 states, Puerto Rico, and the Virgin Islands.

The RCAP national office engages in applied research, policy development, public education, and advocacy on rural issues, particularly with respect to community infrastructure. In addition, the national office supports the network by obtaining funding, sharing knowledge and best practices, and promoting dialogue on the changes needed in rural communities to enable them to protect public health and the environment, and create wealth. It does this by representing the partnership in rural associations, networks and coalitions.

For more information on the RCAP Partnership, please visit www.rcap.org.

Rural Community Assistance Program

Westport Water

Westport, New York

Situated on the western shore of Lake Champlain in northern New York State, the town of Westport faces difficulties familiar to small communities in the Adirondack region: winters are long, snowy and cold, economic opportunities are limited, and the community is heavily dependent on summer tourism.



The town of Westport operates a water system that serves approximately 900 residents out of a total population of 1362. In 1999, the NYS Department of Health notified the system that their groundwater source was under the direct influence of surface water, which means the groundwater source is located close enough to nearby surface water to receive direct surface water recharge from a river or lake (in this instance the interstate and international body of water called Lake Champlain). Once a portion of the groundwater source's recharge is from surface water, the groundwater source is considered at risk of contamination from pathogens such as *Giardia lamblia* and viruses, which are not normally found in groundwater.

Westport was left with two options: develop a new water supply or provide proper filtration for the current one. The water system had insufficient storage capacity (large portions of the distribution system were undersized and in need of replacement), the treatment plant was over 30 years old, and the sewer collection system had major infiltration and inflow problems. The system was deemed a potential threat to water quality in Lake Champlain. The necessary improvements and upgrades were expected to cost \$10.5 million.

Rural Community Assistance Program (RCAP) worked extensively with town officials and members of a Water & Sewer committee to address Westport's water needs. An RCAP specialist assisted in the selection of an engineer and advised the community on project financial assistance, groundwater and treatment options, regulatory compliance issues, and adoption of updated system operating ordinances. RCAP also assisted the community with income surveys to demonstrate their need for financial assistance.

Westport is currently moving ahead to implement the needed water supply and wastewater system improvements. Construction bids were issued in the summer of 2005 and construction work is ready to begin. These infrastructure improvements will prevent the microbial and contamination conditions identified in the "under the influence" order. Although these improvements will place a heavier financial burden on users, the technical assistance from RCAP will help the community achieve its goals while keeping the costs as low as possible.

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For more information on the RCAP Partnership please visit www.rcap.org for resources, information and stories that celebrate the sense of place, richness and strength of rural America.

Rural Opportunities, Inc.
Section 8 Family Self-Sufficiency Program
Batavia, New York

Terri Sliker, a single mother of twin 15-year old girls, is one of hundreds of new homeowners that have benefited from the partnership between Rural Development and Rural Opportunities, Inc. (ROI), a regional rural development and services organization based in upstate New York.



Homeless, Terri first came to ROI seeking housing assistance for herself and her two young daughters. ROI placed her in its Section 8 Family Self-Sufficiency Program (FS-S) where she received a Section 8 rental assistance voucher. The voucher qualified her family to live in a rental complex that ROI had developed in Batavia, New York. She studied and trained as a phlebotomist at Genesee Community College and began working at the local hospital.

Four years after enrolling in the FS-S Program, Terri signed up for ROI's First Time Homebuyer program. She attended mandatory pre-purchase counseling courses covering readiness to buy, credit and budgeting, house shopping, processing and underwriting, and closing. Terri also enrolled in ROI's First Home Club, a Federal Home Loan Bank of New York program that matched Terri's savings 3 to 1.

A year later, after having saved enough money for her down payment and closing costs, Terri purchased a \$60,000 three-bedroom, one-bath colonial home financed through the Rural Home Loan Partnership Program (RHLP). The RHLP is a collaborative effort between Rural Development, private financial institutions, private non-profit organizations, and several national partners including Rural LISC, the Federal Home Loan Bank System and the Federal Housing Finance Board. The RHLP entices private financial institutions to participate in lending to low income families by dividing up the loan costs between Rural Development and commercial banks, placing greater than 50 percent of the costs with Rural Development. Terri used a loan from Rural Development's Section 502 program at 1 percent and a second loan from the Bank of Castille, a local community bank, at 6 percent.

Terri would tell you she would not be a homeowner today were it not for the RHLP and Rural Opportunities, Inc.'s First Time Homebuyer program. With determination, guidance from ROI staff and the Rural Home Loan Partnership, Terri Sliker used the Section 8 Program to go from homelessness to homeownership in five years. Today, Terri and her daughters are doing well in their new home and secure in the knowledge that ROI's post-purchase counseling and the staff of both Rural Development and the Bank of Castille are there for her if her family should ever need them.

Begun in 1969, Rural Opportunities, Inc. (ROI) provides services to farmworkers, low income families and economically depressed communities throughout New York, Pennsylvania, New Jersey, Ohio, Indiana, and Puerto Rico. ROI has successfully operated a wide array of programs funded by federal, state, local, faith-based and private sources.

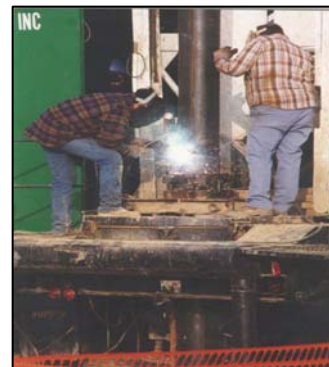
ROI is governed by a 40-member Board of Directors comprised of representatives from Program Area Advisory Committees, Migrant Head Start Advisory Councils, Affiliate and Subsidiary Corporations and Collaborative Organizations. Farmworkers retain majority control of the Board of Directors as required by the ROI Corporate By-Laws.

For more information on Rural Opportunities, Inc., contact Lee Beaulac, Senior VP for Housing and Economic Development, at (585) 340-3300 or visit ROI's website at www.ruralinc.org.

Self-Help Enterprises

Community Sewer and Water Systems San Joaquin Valley, California

Small rural communities in California's San Joaquin Valley often lack the most basic of services: clean drinking water and sanitary sewer systems. Often located amid vast agricultural areas, rural residents have historically relied on well water that is often tainted by pesticides or other contaminants. Likewise, individual septic systems can cause significant health and safety problems and pose a threat to precious groundwater supplies. SHE provides the technical assistance necessary for residents to develop local solutions to water delivery and wastewater disposal needs.



Installing a new community well

SHE's sewer and water efforts are community development in its purest sense. SHE staff works with communities to assess health problems, educate the community, develop project and funding alternatives, and assist in a community decision-making process with local water and sewer system Boards and residents.

The low-income, farmworker community of Doney Street was originally subdivided out of a 1940's dust bowl labor camp. Its privately-owned water system was composed of old oilfield pipelines, a pesticide contaminated well and leaking pressure tank. In the 1980's and early 1990's, SHE helped the 125 residents acquire the water system and obtain \$142,500 in USDA Loan and Grant funds, and a \$150,000 USDA Emergency Water Grant. In combination with state and local assistance and grant funds from a local foundation, the community was able to build a new well and community water system.

But Doney Street was just one of five small local community systems, and each had its problems. Four wells failed the Safe Drinking Water standards because of excessive levels of coliform bacteria. Two other wells failed the Safe Drinking Water Standards for uranium and nitrates. One water system had very low water pressure levels. None of the systems had backup water supplies. SHE staff worked to annex and connect all five of these small water systems to the much larger East Niles Community Services District. SHE helped the District obtain \$1,982,000 in USDA loan and grant funds to connect these systems to the East Niles District's water supply and to drill a new well. Today, the communities' 350 residents, many of whom are farmworkers and elderly residents, finally have what most Americans take for granted —clean drinking water and fire protection.

In most cases, USDA/Rural Development Water and Waste Disposal Loan & Grant Program is core funding for rural water and sewer projects. With its local presence, USDA Rural Development understands the financial and technical challenges faced by rural communities. In addition, USDA's loan and grant financing is the most responsive to the severe fiscal limitations of poor rural communities.

Self-Help Enterprises (SHE) is a nonprofit housing and community development organization founded in 1965 to improve the living conditions of farmworkers and other low income people of the San Joaquin Valley. The heart of California's agricultural industry, the 15,000 square mile valley is known for the contrast of rich farmland, low incomes, substandard housing, and serious infrastructure problems. SHE has worked in partnership with USDA's Rural Development mission for over 40 years, together investing valuable resources in the lives of low income people and the communities they call home.

For more information on Self-Help Enterprises (SHE), please call (559) 651-1000 or visit www.selfhelpenterprises.org.

Self-Help Housing Corporation of Hawaii

Ewa-Area B Subdivision

Honolulu, Hawaii

In the state with the highest housing prices in the country, the Self-Help Housing Corporation of Hawaii (SHHCH), a private, non-profit housing corporation, has a mission to improve the living conditions of lower income families.



In the past three years the Hawaiian housing market has become increasingly restrictive for local residents. With low interest rates, there have been rapidly escalating sales to out-of-state investors, including a dramatic increase in transient vacation rentals. By 2003 there was a deficit of 9,289 units and a waiting list of 12,000 people for Section 8 assistance. Families whose incomes are at or below 80 percent the median income, representing 40 percent of the population, account for 48 percent of the unmet need. With the median sales price for a single family house on Oahu at \$645,000, low income families are shut out of the conventional market. Only through alternative methods such as the self-help housing approach can low income families attain homeownership.

In 2000 the City and County of Honolulu awarded SHHCH a bid to purchase a 19 acre parcel of 126 lots in the Ewa-Area B Subdivision. SHHCH purchased the parcel for \$11.2 million with a five year mortgage.

Ewa-Area B was a peripheral subdivision developed outside of several old plantation villages that were revitalized in the 1970s when the sugar industry was in decline. In partnership with the City and County of Honolulu, SHHCH developed the subdivision as a 201 G project (Hawaii Revised Statutes), waiving planning, zoning, and subdivision requirements as an affordable housing project.

SHHCH provided technical assistance to help 126 lower income families build their own homes, carrying out nine self-help housing projects of 10-15 families per team. Of the families, 43 percent have incomes below 50 percent of the median income and 49 percent have incomes from 51-80 percent of the median income. The families are of various ethnicities, but are predominantly Asian, Hawaiian, and part-Hawaiian. The self-help families include individuals with occupations including policemen, retail workers, laborers, and nurse's aides.

The families built three and four bedroom, two bath double-wall houses with carports priced at \$85,000/unit. With an additional \$5.2 million in CDBG and HOME funding from the City and County of Honolulu, SHHCH wrote down the costs of the land. Today, houses on golf course lots are valued at \$150,000 to \$180,000, and \$370,000 to \$450,000 for house and lot. There are 10 year buy back and shared equity appreciation covenants in favor of the City and County of Honolulu to recoup the subsidies upon resale.

SHHCH has obtained financing from a wide range of sources including USDA RD, American Savings, Territorial Savings, Bank of Hawaii, HomeStreet Bank, First Hawaiian Bank, Office of Hawaiian Affairs, and the Department of Hawaiian Homelands. SHHCH has also received CDBG and HOME funding from the City and County of Honolulu, County of Kauai, and County of Maui; SHOP Program and RHLF funding from HAC; FHLB of Seattle's Affordable Housing Program, Community Investment Program, and Homestart financing.

Over the past 21 years SHHCH has completed 39 self-help housing projects on Oahu, Kauai, Maui, and Molokai for 514 low income families. SHHCH has also completed 11 contractor built houses, both rehab and new construction. Moreover, for the past three years SHHCH has trained YouthBuild participants in construction, building self-help projects and a homeless shelter.

The technical assistance (TA) provided by SHHCH includes: the development of suitable land sites; financial counseling; loan counseling and packaging; drafting of house designs, site plans, septic tank systems; teaching homeownership education; and providing on-the-job instruction in construction skills. With TA from SHHCH low income families have built three and four bedroom homes for half the cost of contractor built homes.

For more information contact Claudia Shay, Executive Director, at (808)842-7111 or self@aloha.net.

South County Housing

Los Arroyos

Gilroy, California

South County Housing Corporation (SCH) is one of the leading developers of affordable housing in California's Silicon Valley and Central Coast Regions. For 26 years, SCH has been in the business of "building community." Its initial mission focused on the housing needs of low income farmworker families in southern Santa Clara County. Over time, its target area has expanded to four counties, and the population it serves has expanded to include all low and moderate income residents, including seniors, the disabled, single parents, families and the homeless. One community of intervention, the town of Gilroy in Santa Clara County, is home to SCH's Los Arroyos.



Los Arroyos is a master planned mixed income, mixed use development on 62 acres. Breaking the modern subdivision mold, Los Arroyos fosters a strong sense of place by creating a neighborhood with many housing types and offering choice and opportunity to households with different income levels. It has become a model for others to follow.

Los Arroyos contains 373 homes and apartments, including below market and market rate single-family homes, and self-help homes built in large part by the new owners. The housing mix also offers affordable rental apartments for seniors, families and disabled adults. Los Arroyos also contains a child care center, a community center and a neighborhood park.

Mark and Amanda Milwee and their three children live in one of the below-market-rate single-family homes. Pastor Milwee said: "We had lived in California for 14 years and we never thought we would be able to own our own home. This program has been a tremendous blessing."

The Juarez family moved into the development in 2001: "Choosing a floor and tiles, that's when it hit us we were homeowners. Our three children love it; they always want to be home and go play with their friends. We feel safe and that's the most important thing for us. Owning a home has changed our life."

SCH negotiated a 90 percent seller take back for each of the five parcels acquired for Los Arroyos. Some parcels were at a below market price and involved a charitable contribution. Lot sales to a private development partner and market rate home sales in the early stages of the development were reinvested, making 60 percent of the homes affordable. This strategy allowed SCH to leverage \$8 million in public funding for the \$75 million affordable component.

Since 1979, South County Housing has developed over 2000 quality affordable homes and today has nearly 1800 more homes in the development pipeline. SCH is committed to addressing community needs and creating economically integrated and sustainable communities.

For more information on South County and its contributions to communities in California, please call (928) 627-8559 or visit www.ruralisc.org/sch.htm.

Southeastern Wisconsin Housing Corp.
of Racine County
Self-Help Housing
Racine County, Wisconsin



Located in southeastern Wisconsin, Racine County contains a varied landscape of both urban and rural communities. Its population of over 190,000 resides in an expanse of land bordered by Lake Michigan to the East and drained by the Fox and Root Rivers to the West.

Southeastern Wisconsin Housing Corporation (SEWHC) of Racine County is currently managing a self-help project with a group of three single-female head of households in the village of Clinton, Wisconsin. Living in the rural community of Clinton, these women all hold down full-time jobs while at the same time as working to build their own homes. They have a strong desire to provide a home for their children and value being able to do it themselves.

One of the women in the group is a third generation self-help builder. In March of 1978, Norbert and Susan Elsworth built their home through SEWHC's self-help program. Their daughter Jill and her husband built in July of 1985. And twenty-seven years later, the granddaughter of Norbert and Susan, Angela Meyer, has built her home by the same means.

Financing for this and other related projects comes from USDA Rural Development's Section 523 Self-Help Housing Program, mortgage loans, funds from Federal Home Loan Bank's Affordable Housing Program, and the State of Wisconsin's HCRI and HOME Homebuyer Programs. SEWHC itself is funded solely through Section 523.

SEWHC of Racine County and its sister corporations have utilized many Section 523 Self-Help grants over the past 35 years, producing over 1200 single-family homes for low and very low income families in Southeastern Wisconsin. The number of minority households assisted continues to rise and is presently about 73 percent of the families served. In addition, approximately 23 percent of the families that build through the self-help program are single heads of household.

Southeastern Wisconsin Housing Corporation was established in 1970 to address the lack of adequate housing for many rural households in Racine County. A separate non-profit housing corporation named Southeastern Wisconsin Housing Corp. of Racine County was incorporated in 1975 and began to develop and produce affordable housing in these target areas. In 1991, the Board of Directors decided to combine all self-help housing efforts under SEWHC of Racine County to cover three of Wisconsin's southeastern counties.

The original corporation continues to operate and focus its programs on Rural Development Section 515 for elderly residents in Darien, Wisconsin. Another non-profit housing corporation, Southeastern Wisconsin Housing Programs was incorporated in 1990 and acts as the holding company for the Self-Help Program, in addition to purchasing and developing land.

The longevity of the program staff continues to benefit the program: among the Executive and his staff of four, SEWHC personnel have a combined 97 years of housing experience. This experience allows SEWHC to expertly address complicated issues facing the target population and facilely network with local agencies and organizations.

For more information about Southeastern Wisconsin Housing Corporation, contact Arturo Gonzales at 262-763-7851.

Southwest Minnesota Housing Partnership

Uptown Apartments

Silver Lake, Minnesota



Before



After

On January 2, 2002 the Southwest Minnesota Housing Partnership (SWMHP) closed on its first Rural Development 515 preservation project: the Uptown Apartments in Silver Lake, Minnesota. Located in McLeod County, Silver Lake is less than 10 miles from Hutchinson, a regional employment center, and only 50 miles from the Twin Cities. The town has prospered due to this proximity to the larger communities, but with a population of only 773, the community's largest employers are the City of Silver Lake and the Glencoe-Silver Lake School District.

In 2000 the Buffalo Rural Development (RD) office contacted SWMHP about purchasing Uptown Apartments, a 12-unit senior development property. The owner had indicated he did not wish to comply with the affordable housing requirements, stipulated by USDA RD as rental rates at or below the fair market rent and occupant incomes at or below 80 percent of area median income. Uptown Apartments was facing a 40 percent vacancy rate and was at risk of losing its rental assistance, from which 11 of the 12 units benefited. The owner had allowed the property to fall into serious disrepair, refusing to make even simple health and safety improvements. In response, RD threatened to foreclose on the mortgage unless he agreed to a transfer.

After 18 months, a transfer was completed through Buffalo Rural Development and SWMHP assumed responsibility for the property. SWMHP performed additional landscaping, added insulation, and installed new steel siding, windows, entrance doors, flooring, lighting, appliances, and a new site sign.

Financing for rehabilitation of Uptown Apartments was provided by the Minnesota Housing Finance Agency Rental Rehabilitation Loan Program (\$57,000), Federal Home Loan Bank Affordable Housing Program (\$60,000) and escrowed equity deposited by the seller as a requirement of the sale (\$79,000). SWMHP has employed Lloyd Management from Mankato to manage the property.

The tenants of Uptown Apartments are thrilled by the new ownership, property management, and improvements. During the rehabilitation process, several tenants would visit the construction workers and bring them cookies. The Southwest Minnesota Housing Partnership is proud to report the property now has a steady 100 percent occupancy rate with a waiting list.

The mission of the Southwest Minnesota Housing Partnership is to provide a sufficient supply of adequate, safe, sanitary and affordable dwellings to ensure the health, safety and welfare of the citizens of southwestern Minnesota. Its primary services include community planning and technical assistance, homeownership assistance, single and multi family housing development, and housing preservation and rehabilitation. Since the formation of the SWMHP in 1992, the agency has developed, financed, or rehabilitated over 4,100 housing units providing \$160,000,000 investment into the region.

For more information on the Southwest Minnesota Housing Partnership contact Rick Goodeman, Executive Director, at 507-836-8673 extension 402 or rickg@swmhp.org, or visit www.swmhp.org.

Tierra Del Sol

Desert Sun Apartments

Deming, New Mexico

The City of Deming, New Mexico is the Luna County seat along the United States and Mexico Border. While the border county is designated by USDA as a Rural Enterprise Zone due to its distressed socio-economic population, it is a dynamic rural agricultural region that attracts a vast population of farmworkers. As in most rural communities, the local rental market in Deming does not adequately serve the very low income population, where a farmworker family of four earns wages of just \$7,500 annually.



The Desert Sun Apartments were built in 2001 and expanded in 2005 by Tierra del Sol (TDS) to provide assisted rental housing to migrant and year-round farmworkers and their families. The property is occupied by 96 families and their over 200 children who find stability in the affordable apartments while they work to establish themselves financially. The hope for most is to eventually achieve home ownership through TDS's self-help housing program.

The Desert Sun Apartments are a garden-style site design with 96 rental units of two, three, and four bedrooms, 1-3/4 bathrooms apartments. The development also offers residents two activity rooms, laundry and an office for the site manager and social services. This design uniquely serves the needs of both the seasonal-occupancy and year-round farmworker households. The site is accessible to schools, a health center, ball parks, a fire station, the Department of Labor and retail services. The flexible financing structure of Desert Sun Apartments offers affordable rents to farmworkers earning income at or below 50 per cent of the area median income.

Tierra del Sol Housing Corporation developed the Desert Sun Apartments in partnership with the nonprofit owner/operator Housing & Economic Rural Opportunity, Inc. (HERO, Inc.). Both organizations have worked closely with USDA Rural Housing Services for 32 years to actively serve the affordable housing needs of New Mexico and West Texas. Resident success is enhanced through supportive social services, which include home buyer education, credit counseling services, the Deming Public Schools Migrant/Seasonal Farm Worker Program, youth employment training, the State Department of Social Services, the State Department of Labor Migrant/Seasonal Farm Worker Advocate program, the local health center and hospital services and others. The property management company has bilingual staff to provide information and translation to monolingual households.

The development was financed through \$8 million from private and public loans and grants, and private investors purchasing tax credits, including: \$5,000,000 from USDA-RD Section 514 loan; \$240,840 HUD HOME loan via New Mexico Mortgage Finance Authority; \$2,782,382 from equity provided by private investors purchasing Low Income Housing Tax Credits; and USDA Section 521 Rental Assistance.

Tierra del Sol is a private, statewide nonprofit corporation that has produced 5,000 units of affordable housing and whose work supports multifamily rentals, home ownership, home rehabilitation, neighborhood revitalization, and related community infrastructure development. For 32 years, Tierra del Sol has been the leader in New Mexico in developing housing for farmworkers and other low income rural residents. It provides direct development services to local nonprofit corporations, housing authorities, growers, municipalities and others interested in developing farmworker housing. Tierra del Sol leverages flexible capital financing and assures the quality of both housing construction and management.

For more information on Tierra del Sol, please visit www.tierradelsolhousing.org.

WNC & Associates, Inc.

Mac Arthur Apartments Los Banos, California

The City of Los Banos, population 32,380, is located in Merced County approximately one hundred miles east of San Jose, California. In recent years Los Banos has experienced a transition to higher priced housing development, reflecting its position as a “bedroom community” for Silicon Valley commuters.



Mac Arthur Apartments was developed in 1974 on 3.6 acres and is designed to provide housing to elderly people 62 years or older. It consists of 14 buildings with a total of 50 units of one or two bedrooms. The property is situated in a beautifully landscaped setting and has a large community room, a gazebo and community gardens available for use by tenants. The site is within walking distance of community centers, churches, emergency services and commercial services such as supermarkets, restaurants and banks. WNC Management, Inc., the managing agent, has also advocated for and obtained a city sponsored bus stop located at the entrance to the property.

Mac Arthur Apartments was developed by a limited partnership that includes WNC & Associates, Inc. and operates pursuant to Section 515 of the National Housing Act. WNC believes that the quality of life of residents is enhanced through supportive services and therefore sponsors or facilitates a range of services, including a daily free lunch program, senior aerobics exercises, dial-a-ride, bingo and weekly free bread distribution.

As in many rural communities, the local rental market does not serve the elderly low income population well. It is difficult in Los Banos to find rents that are affordable to very low income earners in general. The Mac Arthur Apartments financing structure, however, allows the owner to rent to households whose annual income is at or below 50 percent of area median income – \$19,650 or less for a two person household in Merced County. Tenants pay just 30 percent of their annual adjusted income for rent.

Mac Arthur Apartments was financed through loans provided by the USDA Rural Development, the payments for which are reduced by a monthly Rural Development interest subsidy. There is also a Housing Assistance Payment contract provided by the Department of Housing and Urban Development, which allows for further subsidy of each unit.

WNC & Associates Inc. is the fourth largest privately held owner of affordable housing in the United States and has over thirty-one years of experience in the field. WNC provides investment opportunities, develops and operates properties. WNC is engaged in these activities so that people can have safe, clean and affordable places to live and work.

For more information on WNC & Associates, please visit www.wncinc.com.

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