



Fast Facts!

Self-Help Housing Builds Strong Rural Communities

The Fiscal Year (FY) 2021 budget proposed by the US Department of Agriculture (USDA) eliminates the Mutual Self Help Housing program authorized under Section 523 of the Housing Act of 1949, as amended. The final FY 20 appropriations bill -- HR 1865 -- rejected a similar proposal and increased section 523 to \$31 million.

If the President's FY21 budget is approved by Congress, Mutual Self-Help Housing appropriations will end after being in service for more than 50 years, decimating the network of over 100 Self-Help organizations and deserting more than 50,000 families currently on their waiting lists. We urge Congress to provide \$38 million for Mutual Self Help Housing for FY 2019.

USDA's Self-Help program has a track record of success that extends over 50 years and boasts more than 50,000 families served in its lifetime. The USDA's Mutual Self-Help Housing program is authorized under Section 523 of the Housing Act of 1949. Under this program, small groups of six to 12 families work together to build their own homes and build equity.

What is it?

- ❖ Self-Help Housing is the *only* federal program that combines “sweat equity” homeownership opportunities with technical assistance and affordable loans for America's rural families:
 - Self-Help Housing families work nights and weekends to provide 65 percent (or 1,000 hours) of the construction labor on their own and each other's homes. In doing so, families earn an average of \$18,215 in equity, decrease construction costs, and make lasting investments in their community;
 - Section 523 grants help experienced non-profit developers provide training, supervision, and technical assistance to Self-Help Housing families; and
 - With a Section 502 Direct Loan, these families can access affordable mortgages with interest rates starting at just 1 percent.
- ❖ The Self-Help Housing program is exclusively targeted to very low- and low-income families.
- ❖ Almost half of the participants in Self-Help Housing are minority households, and over 50% are single-parent households, populations that typically face greater barriers to affordable housing.

Proposed Funding Levels

Mutual Self Help Housing

FY 20 Final:	\$31M
FY 21 Budget:	\$0
FY 21 NRHC:	\$35M

Why is it important?

- ❖ Self-Help Housing expands affordable homeownership opportunities. With affordable mortgages and savings from “sweat equity,” some of rural America's poorest families can become homeowners.



- ❖ Some 100 organizations in 40 states and territories participate in the Mutual Self-Help Housing program. Because of this program, in the past three years more than 3,500 families have been able to realize the American Dream. For this reason, demand for affordable, decent rural housing for very low- and low-income families continues to outpace supply; more than 50,000 families are currently on Self-Help Housing waiting lists and many rural communities have been hit hard by significant increases in worst-case housing needs.
- ❖ Self-Help Housing promotes stronger civic commitments and community ties. Self-Help Housing children are also more likely to be active in their communities, graduate from high school, attend college, and become homeowners themselves.
- ❖ The Self-Help Housing program is cost-effective and creates jobs. Every 100 homes built under this program creates 324 jobs, \$21.1 million in local income, and \$2.2 million in tax revenue.

Coachella Valley Housing Coalition And Organized The Los Jardines Mutual Self-Help Housing Project That Resulted In 205 Single Family Homes

- ❖ Thanks to their own hard work and guidance from CVHC, 205 families have completed the construction of their own single family homes in Los Jardines through the Mutual Self-Help Housing program in Coachella, California.
- ❖ Coachella has a median income of \$40,423 and an unemployment rate of 8.3 percent. The poverty rate is over 38 percent. A study ranked California as having the third highest housing wage: in order to rent a two bedroom unit, tenants must have an hourly wage of \$28.59 per hour and work 114 hours per week.
- ❖ CVHC has a wait list of 8,258 persons for its Mutual Self-Help Housing program.
- ❖ 60% of the Los Jardines homeowners have incomes that fall within 31 percent to 50 percent of the area median income of Riverside County. Los Jardines Mutual Self-Help Housing was able to reach very low-income households because of a combination of cost-reducing program elements that included their own sweat equity labor and affordable permanent financing from USDA.
- ❖ The total cost of the project was \$34,595,107. The Self-Help Housing program also creates jobs. By building 205 single-family homes, the Los Jardines project helped create 600 year-long jobs.





Self-Help Enterprises Utilized Mutual Self-Help Housing To Develop 126 Homes And 96 Units Of Affordable Rental Housing In Parksdale California

- ❖ Self-Help Enterprises (SHE) is a nationally recognized community development organization whose mission is to work together with low-income families to build and sustain healthy homes and communities.
 - SHE's efforts in the San Joaquin Valley – an area comprised of Kern, Kings, Fresno, Madera, Mariposa, Merced, Stanislaus, and Tulare County – encompass a range of programs, including mutual self-help housing, sewer and water development, housing rehabilitation, multifamily rental housing and homebuyer programs. Since 1965, SHE has served low-income individuals and families, many who provide the source of labor for the San Joaquin Valley's largely agricultural region.
- ❖ Today, Self-Help Enterprises is the largest producer of mutual self-help housing in the nation with 6,206 homes built under program. Additionally, SHE has built and operates 1,347 units of rental housing that provides residents with access to key community services. SHE's combined efforts have touched the lives of more than 55,000 low-income families, providing security and stability for families and building more productive communities.
- ❖ Parksdale, California had not seen comprehensive housing opportunities for local working families for many years. Combining funding from USDA Sections 502 and 523, Low-Income Housing Tax Credits, HOME and CDBG, Parksdale Village is being developed and will include 126 mutual self- help homes (49 are completed), two affordable rental housing communities (96 units total), a new water well, sewer lift station, and park improvements. The self-help homes are being completed in phases of 40 units each.



- ❖ USDA Rural Development provided nearly \$6 million in loans to build the first phase of homes for families who are unable to buy decent housing through conventional methods.
- ❖ The two rental housing projects feature 48 units each, a playground, and basketball court, community center, and computer lab. SHE provides health and nutrition, work readiness, and afterschool programs.
- ❖ In addition to providing affordable housing opportunities, SHE worked with Madera County to improve the park built by SHE in the center of Parksdale Village, which includes playground equipment and a full soccer field.

