

A joint issue of HAC'S *Rural Voices* and RCAP'S *Rural Matters* magazines
HAC *Rural Voices* Volume 15 / Number 4 • RCAP *Rural Matters* 2011 Issue 5

RURAL matters



Building
Rural
Communities

Rural Voices



HOUSING AND WATER:
THE CRITICAL CONNECTION

A message to our readers

Dear Friends:

What tools and opportunities are available during a time of reduced resources and increased rural community development needs? One measure would be to strengthen the partnerships and collaborative efforts that have proved successful in the past in order to maximize our collective effectiveness in meeting the needs of rural communities. Over the last 40 years, the Housing Assistance Council (HAC) and the Rural Community Assistance Partnership (RCAP) have worked individually and cooperatively to improve the living conditions of the lowest-income rural residents throughout America.

Never satisfied with just what's worked before, we are constantly looking at more comprehensive and cost-effective activities that improve the living and economic conditions of impoverished communities. Both HAC and RCAP support policies and programs at the local, state, and federal level that work to provide vital human necessities to rural families regardless of their distressed economic status. Together, we emphasize practical strategies to place families in affordable housing with safe and cost-effective utility services.

This joint issue of *Rural Matters* and *Rural Voices* provides examples of successful projects that have improved opportunities for affordable housing and water and waste services for low-income rural families and communities. These basic developmental programs provide the foundation for wealth creation and economic opportunities in rural America. Both are necessary and dependent on one another. Without access to safe and cost-effective water services, affordable housing is not possible. In addition, water systems can only survive with the active engagement of the families that are being served. In all cases, HAC and RCAP strive to implement solutions developed by and for local communities. Our emphasis is on building capacity within rural communities to promote independence and empower local residents to continue to meet emerging challenges.

The projects presented in this issue demonstrate how local residents and communities have worked – often in collaboration with RCAP and HAC staff – to complete much-needed housing and infrastructure projects. It is important to note that in each case, HAC and RCAP did not work alone; collaboration with local and regional nonprofits and development organizations as well as with a variety of local, state, and federal agencies was crucial in making these projects successful.

The partnerships and collaboration demonstrated in these projects are indicative of what is possible when committed stakeholders work together to build rural communities. ■




Moises Loza,
HAC Executive Director




Robert Stewart,
RCAP Executive Director

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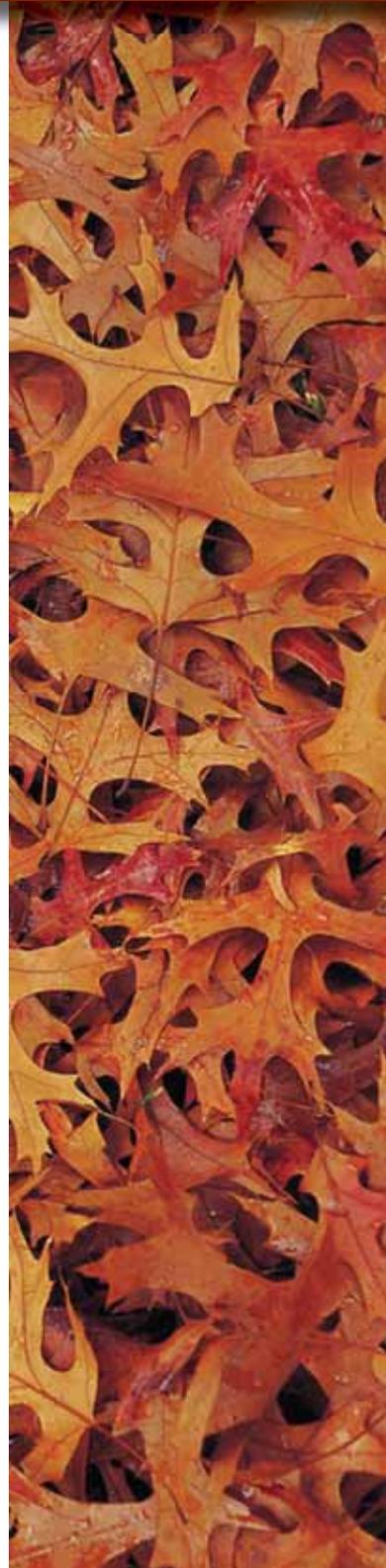


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Rural Voices

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Cover photos provided by: Clockwise from top left, Rural Housing Development Corporation, RCAP, RCAP, Helping Overcome Poverty's Existence, RHDC, RCAP. Unless otherwise noted, all photos in this publication were provided by the organization featured in the article.



About HAC



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The Housing Assistance Council (HAC) is a national nonprofit corporation established in 1971 to increase the availability of decent and affordable housing for rural low-income people.

HAC provides below-market financing, technical assistance, training, research, and information services to the for-profit, nonprofit, and public sectors.

HAC is governed by a 27-member board of directors. Board members include representatives of private industry, government, and public and nonprofit housing agencies at the national, state, and local levels.

HAC is an equal opportunity lender.

Mission

HAC's mission is to improve housing conditions for the rural poor, with an emphasis on the poorest of the poor in the most rural places. To fulfill this mission, HAC's major program and policy goals are to

- preserve and increase the stock of low-income rural housing and promote rural community development;
- assist in the creation and expansion of housing development capacity in rural areas;
- increase the use of low-income rural housing and community development programs by minorities and women in underserved areas;
- promote a strong, effective, and supportive governmental role in rural low-income housing and a broader public understanding of rural America;
- provide information and education about rural housing needs and poverty to the public; and
- proactively analyze the changing resource needs for housing production in rural areas, design national programs to address resource gaps, and seek partnerships to help fund them.

For more information on HAC and its services, please visit www.ruralhome.org 

SAVE THE DATE

2012 National Rural Housing Conference
December 6-8 with pre-conference activities on
December 5

Hyatt Regency on the Hill - Washington, DC.

Check back with HAC at www.ruralhome.org for more information as the Conference approaches.



About RCAP



The Rural Community Assistance Partnership (RCAP) is a nonprofit organization that has been providing technical assistance, training and financial resources to water and wastewater systems in 2,000 small, rural communities and tribes annually across the U.S. since 1973.

“RCAP is dedicated to improving the lives of rural residents by ensuring that everyone has access to safe and affordable water and wastewater services,” said RCAP Executive Director Robert Stewart.

The RCAP network includes a national office in Washington, D.C., and six regional partners that support small communities throughout the U.S. and its territories. Many of the communities that RCAP works with are economically disadvantaged, have fewer than 2,500 residents, and have a significant minority population.

RCAP’s six regional partners employ a total of approximately 150 field staff who are registered professional engineers, certified operators, utility finance and board specialists and community planners. Staff are local to the communities they assist. Because they live close the communities they work with, they know and understand the concerns of an area and how to relate to residents.

Staff members work with communities that are often referred to RCAP in a variety of ways, such as the state health department or the state office of the U.S. Department of Agriculture-Rural Development. Staff work with the leaders of communities or staff of utilities—councils, utility board members, and water plant operators—over a period of months to identify issues and help them find sustainable solutions. They do this by providing customized and in-person assistance in the technical, managerial or financial areas of running a water or wastewater system.

RCAP provides its assistance to communities free of charge. It receives its funding for its work from two federal agencies—the Department of Agriculture and the Department of Health and Human Services, and formerly from the Environmental Protection Agency.

RCAP works to achieve several outcomes in each community it assists, including improving environmental and community

health and ensuring that utilities are in compliance with federal and state regulations. Other goals include installing sustainable water and waste disposal systems and empowering local leaders to address current and future needs in their community.

RCAP’s regional partners each offer an array of services that directly respond to the needs of its area. Some regional partners, which are all autonomous nonprofit organizations, operate other programs outside the water and wastewater sector, and these include housing assistance, business development and community and economic job development.

“Our national office supports many EPA and Rural Development initiatives aimed at small communities, and we are able to bring new practical tools and resources to the attention of our field staff as they work to assist small communities,” Stewart said.

RCAP also produces resources for small communities. Its magazine, *Rural Matters*, is published every other month and highlights national trends, case studies and developments in the regulation arena, and includes technical articles. The eBulletin, an electronic newsletter, contains practical tips for board members and operators of small systems. RCAP is also producing many new publications that will help small communities in the areas of setting rates for customers and maintaining a distribution system, among others.

For more information on RCAP and its services, visit www.rcap.org ■



The view from Washington

USDA and the Obama Administration: Working to Meet the Needs of Rural Homeowners

by Undersecretary Dallas Tonsager, USDA Rural Development

While US housing activity has been in the news lately, USDA Rural Development continues to work diligently with credit-worthy rural residents to help them achieve their goals. Our story is a good one. The mission of Rural Development's Rural Housing Service (RHS) is to create vibrant, thriving rural communities, a strong housing stock, access to safe, decent and affordable rental housing and access to high quality essential community infrastructure.

With the support of President Obama and Secretary Tom Vilsack, we are achieving the goal of placing credit-worthy Americans in safe, sanitary housing. According to preliminary figures, at the end of the just-completed fiscal year, USDA processed (made) over 4,000 direct loans to eligible applicants classified as "very-low" income. That is more than 40 percent of all the direct loans we made in FY 11. In all, we processed about 9,677 direct loans and we guaranteed another \$16.9 billion in loans made by financial institutions. In fact, in the three years from FY 2009 to FY 2011, more than 52,000 SFH Direct loans were made to very low and low-income rural Americans.

To ensure the effectiveness of efforts to improve capital access in rural areas, RHS over the past two years has reevaluated programs from both delivery and beneficiary perspectives, and made important enhancements, including:

- Reengineering the Section 502 Single Family Housing Guaranteed program such that fees are expected to offset losses, allowing the program to facilitate rural borrowers' access to credit while mitigating costs to the taxpayer;
- Increasing flexibility in lending programs for better responsiveness to changing economic conditions; and
- Actively emphasizing loan modifications and work-out solutions designed to keep homeowners in their homes.

Since FY 2008, the program level for the Section 502 Single Family Housing Guaranteed program has increased almost

four-fold. The strategic realignment of the fee structure, lowered the cost of new guarantees and has helped the program expand to the current program level of \$24 billion from \$6.2 billion in Fiscal Year (FY) 2008. The number of loans provided to families throughout rural America more than doubled from 63,833 in FY 2008 to 129,560 in FY 2011. In the three years from FY 2009 to FY 2011, this program spurred \$49.7 billion in new loans, making the dream of home ownership a reality for more than 395,000 Americans with limited credit access.

The SFH Direct and Guaranteed homeownership programs reflect the long-term benefits such ownership confers not just on families, but on society as a whole. Homeowners enhance community stability and they attract private capital in the form of businesses seeking established communities in which to invest. But above all, under normal conditions, home ownership provides one of the few opportunities for meaningful wealth creation which too often proves elusive for low income Americans. Even if housing prices only keep pace with inflation, the leveraging that occurs through a mortgage loan, coupled with the long homeownership terms that are typical in the direct and guaranteed programs, often provides a critical foundation for financial independence that can support families in present and future generations, that can fortify communities, and ultimately return tax dollars to state coffers.

In addition to the credit extended through these loan programs, two RHS Single Family grant programs, 504 Direct (very low-income) and 523 Mutual and Self-Help (low income), provided an additional \$195.8 million to rural Americans needing home improvements or seeking to build their own homes from the start of FY 2009 through FY 2011.

For families and individuals who often could not qualify for Single Family Housing (SFH) loans during that period, the RHS Multi-Family Housing (MFH) programs helped secure financing to build housing projects containing more than 9,300 units, through the 515 Direct, Farm Labor Housing, and 538 Guar-

teed Rural Rental Housing programs. In addition, more than 28,700 units were renovated, through the Multi Family Preservation and Revitalization Demonstration Program. Preservation of existing rental housing stock has ensured that program beneficiaries have acceptable housing that both meets safety standards and protects the substantial investment the US taxpayer has made in rural communities. The leverage inherent to these programs greatly enhances their effectiveness. In FY 2009 and FY 2010 (the most recent years for which information is available), the USDA investment of \$648.8 million attracted an additional \$1.74 billion in third-party investments for rental housing in rural America.

These improvements to multi-family housing stock benefited some of the more than 460,000 Americans living in Rural Development units across the country. More than 270,000 of these people were provided rental assistance allowing them to live in rental apartments of their own. These MFH programs are recognized by many as a lifeline not only for some of the poorest of America's rural poor, but also for many elderly and persons with disabilities.

RHS commitment to preserving the health of one of our nation's most vulnerable communities begins with that community's most vulnerable members. Rural America has looked to USDA for more than 60 years to uphold the promise of "a decent home and suitable living environment for every American Family," as put forth in the 1949 Housing Act. We have made every effort to do so in recent years and to help the 50 million citizens of rural America meet the unique challenges they confront each day. ■



Dallas Tonsager was appointed by President Obama as Under Secretary for Rural Development and sworn into office in May of 2009. Tonsager has over 35 years of agricultural, business, cooperative and financial experience through his work as a farmer, businessman, and community, state and national leader.

Prior to joining USDA, Tonsager served from 2004 to 2009 on the board of directors for the Farm Credit Administration. As one of three board members, Tonsager was responsible for regulatory oversight of the Farm Credit System, which provides approximately one-third of the agricultural credit in the United States. During his tenure as a board member of the Farm Credit Administration, Mr. Tonsager supported passage of a new authority, which allowed Farm Credit System institutions to invest in rural communities across America. Among the many benefits provided by this authority was that it also opened a way for the System to provide funding for critical access hospitals in rural America.

His complete bio is available at <http://www.rurdev.usda.gov/under-sec.html>.

Figuring It Out: Bringing infrastructure to affordable housing development projects

by Andy Kegley

The old adage “they ain’t making any more land” drives the market, something nonprofit affordable housing developers know all too well. Compounding the challenge for such developers, is the fact that once a piece of land is identified, priced, or secured, it is affordable in many cases only because it lacks the services necessary for housing — water, sewer, storm-water systems, electric, phone, cable, and Internet. Providing these services can double the cost of the lot, making the project dependent on expensive, and scarce, development subsidies.

HOPE, an acronym for Helping Overcome Poverty’s Existence, serves the five southwestern Virginia counties of Bland, Carroll, Grayson, Smyth, and Wythe and the city of Galax. While running a bricks-and-mortar program of development (bricks) and crisis intervention and counseling (mortar), we have modestly contributed to the stock of single-family homes through both scattered-site and subdivision development.

Knowing What You Need to Do

HOPE has completed nearly 50 homes in the last ten years, half in our Deerfield subdivision in the town of Wytheville and the balance scattered across our service area. Much of our experience with developing raw land involves figuring out a way to pay for water, wastewater, and storm-water management. As Table 1 illustrates, land in these parts has been priced from \$6,777 per lot (just over 10,000 square feet each in our Deerfield subdivision, the minimum size lot for our town’s R-1 zoning) to more than \$20,000 for lots greater than an acre in size in a subdivision for which applications for development are currently pending. (See Table 1).

The size of lots is driven by the county’s subdivision ordinance, requiring one-acre minimums, with 100-foot road frontage and room enough for both private well and septic in the absence of either public utility.

Local governments, a key potential partner in affordable housing development, have felt the impact of rising infrastructure prices in recent years. Both the town of Wytheville and the county of Wythe have effectively doubled their tap fees in the past five years. The town’s fee covers taps for both water and sewer at \$3,145 per lot, while the county charges \$1,000 for a water tap only.

Developing lots in the county, where there is no zoning but only a subdivision ordinance to contend with, means planning, testing, and securing approval for septic system installation. If public water is available, there is a mandatory connection ordinance, meaning permits for wells and drilling costs up to \$10,000 are offset by the cost of public water and a monthly utility bill. The price for a septic system is driven by a couple of factors most significantly — the design of the system based upon the percobility of the soil and the size of the house, which drives the size of the drain field.

Paying for It

For development financing, HOPE has turned to all the typical partners in various combinations and layering of subsidies. Phase 1 of our Deerfield subdivision involved four, five, and in some cases even six layers of funding, including U.S. Department of Agriculture Rural Development Section 502 Direct or Virginia Housing Development Authority (VHDA) in first-lien position; the Federation of Appalachian Housing Enterprises (FAHE) with Virginia Department of Housing and Community Development HOME financing in second; followed by StellarOne Bank with Affordable Housing Program subsidy from the Federal Home Loan Bank of Atlanta; Housing Assistance Council Self-Help Homeownership Opportunity Program; and grants from HOPE ourselves and Southeast Rural Community Assistance Project (Southeast RCAP). Construction financing for both the site improvements and individual home construc-



Workers at the subdivision

Table 1: HOPE Housing Development over the past 10 years

Project	Raw Land per Lot	Infrastructure (only water, sewer, storm water) per lot	Total
<i>Deerfield Phase 1 (.25 acre lots) in the town of Wytheville; 18/18 lots developed.</i>	\$6,777	\$24,904 <i>Bio-retention storm water = \$12,859; public sewer and water</i>	\$31,681
<i>Phase 2 (.25 acre lots) 4 of 13 lots developed.</i>	\$9,000	\$7,333	\$16,333
<i>Long Meadows (23--1+ acre lots) in the county of Wythe; property under option.</i>	\$20,260* <i>*does include road improvement</i>	\$12,521* <i>* estimated, w/ local match of \$6,521 per lot for water line; septic systems</i>	\$32,781

tion has come from lines of credit through FAHE, headquartered in Berea, Kentucky.

Southeast RCAP, based in Roanoke, Virginia, is a key partner when it comes to specific support for water and wastewater installation. Through its grant program, partial or full reimbursement of water or wastewater costs can be applied for, making the total development cost on a per home basis more affordable.

In our first-phase development, HOPE committed to green storm-water features to somewhat offset the elimination of prime agricultural soil found on site. This entailed bioretention or low-impact development features more familiar to developers in the Chesapeake Bay watershed. Each lot has a bioretention area with underground storage chambers designed to gradually release surface and storm water down into the aquifer as opposed to moving off site via curb and gutter, picking up contaminants, before being dumped into the nearest stream. As Table 1 shows, bioretention contributed to a doubling of the lot cost, and we chose not to design similar features into the second-phase work just completed. It was felt that the added cost of installation plus ongoing maintenance responsibilities for a new system were barriers best not left to working households living on a tight budget.

Buyers of homes in HOPE's Phase 1 and 2 (to date) Deerfield subdivision have average incomes of 59 percent of area median income, which for a family of four in Wythe County is around \$27,000. Sales price and appraisals have averaged \$145,000 over 24 homes, and more than half of the 24 homes sold have gone to single-female heads of household. Purchasers have included nurses, teachers, a county deputy, office managers, a Walmart clerk, and most recently, a department of social services eligibility worker.

Our proposed Long Meadows subdivision is a distressed subdivision, approved with site improvements just as the market was collapsing in early 2008. The current owner/developers

have been unable to move any of their lots at their target price of \$45,000 and have optioned it to HOPE at the price of their bank note. With their excellent rural views of surrounding mountains and adjacency to two intersecting interstates, our belief is that the lots are marketable to first-time home buyers, who exist in surprising numbers, and who can get financing as long as products such as the USDA Section 502 loan or the VHDA REACH mortgage are available.

HOPE partnered with the Wythe County Board of Supervisors in an application for Community Development Block Grant funding in March 2010; however, little to no matching funds were provided in that application and the project did not score well. A year later, in April 2011, with still no activity in that subdivision, the county offered to provide matching funds for water line installation. This is providing a leveraged match of \$150,000, or \$6,521 per lot. With this valuable contribution pending from the local government, the need for drilling a well is eliminated, which in turn provides more leeway in designing where the septic field is installed.

Looking Forward

The collapse of the real estate market has captured the attention of many partners. HOPE's work in Deerfield over the past several years has grown to represent the only building in town. Prior to the recession, some 30 new homes were started each year by all builders; over the past two years, HOPE has developed eight of the total 11 new single-family homes. Local governments are looking for ways to help jump-start the market — assisting with utility tap fees is one good way. Access to clean and affordable water is every bit as important as the land itself, and becoming just as costly. ■

Andy Kegley is the executive director for Helping Overcome Poverty's Existence, Inc. located in Wytheville, VA. Kegley serves as Chairman of the FAHE Board of Directors. He can be contacted at akegley@wythehope.org

Former Pineapple Plantation Continues to Bear Fruit

by Jennifer Siegel, RCAC, with additional reporting by Kevin Baughman, RCAC

When a longtime pineapple producer closed operations and departed from Kunia, Hawaii, in 2008, the future of the affordable housing units on the site was in doubt. Under the terms of the decades-old land lease, the housing was required to be demolished and the land returned to its original state. A Hawaii nonprofit organization working with Rural Community Assistance Corporation (RCAC), the Western region affiliate of the Rural Community Assistance Partnership network, saved the affordable housing and commercial structures for agricultural businesses along with the water infrastructure that supports the community.

Company Town

Kunia Village was established in 1928 as a camp for plantation workers. The camp evolved into a village that included affordable, single-family housing units for the workers and their families, a community store to serve their needs, and associated agricultural structures such as warehouses, administrative offices, and processing facilities. Water and wastewater facilities on the site supported the housing and agricultural activities.

To preserve the community, especially the affordable housing units, the landowner worked closely with the city and county of Honolulu to subdivide the housing and commercial sites of Kunia Village from a very large agricultural parcel. Hawaii Agriculture Research Center (HARC), a nonprofit organization that has operated in Hawaii since 1895, acquired Kunia Village in 2009 and embarked on a plan to rehabilitate or reconstruct the housing units and make them permanently affordable and restricted to agricultural workers.

The immediate challenge for HARC was that, being a scientific and agricultural research organization, it had no experience in affordable housing. A chance phone call from RCAC housing staffer Denise Boswell, seeking agricultural information from HARC's executive director, Stephanie Whalen, began a relationship in which RCAC provides services for the rehabilitation and reconstruction of the housing units and technical assistance for the water and wastewater systems. RCAC initially

assisted HARC with preparing a U.S. Department of Housing and Urban Development Rural Housing and Economic Development application to provide funding for the rehabilitation of the commercial space. HARC received an award, but the funding expired when HARC's acquisition of the site was delayed due to extended negotiations between the landowner and the city and county of Honolulu.

At that time, RCAC began providing technical assistance to Second City Property Management (SCPM), the newly contracted operator of the water system.

A Complex System

The water system is difficult to understand. In the past, along with farming pineapples in the area, the Army and Navy used adjacent land for training. All of these activities left the groundwater (located about 1,000 feet deep) contaminated with volatile organic compounds. One of the three wells that serve the area was contaminated by a fumigant spill by the pineapple company. Two of the wells were contaminated by the military operations. These contaminants are being removed with the use of air-stripping towers paid for by the responsible parties.

The drinking water is only a portion of the water that is managed for the project. Many acres of farmland are irrigated with the raw groundwater. The irrigation water is managed by the Kunia Water Association, which has hired the same operations company, SCPM, to operate and maintain the irrigation system. Thus, the water system has several owners and users (agricultural and community) but only one operator, which ensures its efficiency.

RCAC staffer Kevin Baughman helped SCPM employees obtain their distribution system operator licenses, reviewed the system's operational practices, and helped SCPM comply with the Environmental Protection Agency's new Ground Water Rule. He explained the rule's requirements, assisted with development of a compliance plan, taught the operators how to calculate disinfection requirements, and encouraged the operators

to work closely with the Hawaii Department of Health's Safe Drinking Water Branch. With RCAC's assistance, SCPM developed a compliance plan that was approved by the Department of Health and is in use today.

RCAC also evaluated the capacity of the water and wastewater infrastructure and is now preparing funding applications for recommended improvements, including upgrades that will ensure residents have adequate water pressure and flows and upgrades to the wastewater system that will produce the quality of reclaimed water for which it was originally designed. Upon completion of the wastewater upgrades, the reclaimed wastewater will be reused for agricultural activities that HARC is supporting.

Baughman continues to work with SCPM staff to build the water system's capacity through the Department of Health's drinking water circuit-rider program. He is assisting with the development of a detailed preventive-maintenance program for the water system that will include a maintenance schedule, detailed task descriptions, a list of required tools, and a time estimate for completing each task. In conjunction with this effort, he is assisting the operators with creating and implementing standard operating procedures and an emergency response plan for the water system.

Working on the Units

Along with water assistance, HARC has contracted with RCAC to provide development consulting services for the rehabilitation and/or reconstruction of the housing units.

The biggest obstacle to preserving the housing units is their poor condition. Many of the deteriorated units have been demolished. The remaining plantation-style homes are more than 70 years old, with single-wall construction on post and piers. Because of their condition, the cost of preserving most of the remaining units will exceed the cost of constructing new units. However, because of the age and history of the community, the homes have historical significance and will require extensive evaluation to determine whether the rehabilitation cost will exceed the cost of reconstruction.

The units that are suitable for rehabilitation will have their exterior features preserved, but the interiors will be completely rebuilt. The remaining units will be reconstructed to be similar in size and appearance to the current homes using kits provided by a local manufacturer. Additional infrastructure improvements benefiting the housing will include new water lines, a road extension, the addition of unpaved sidewalks, and resurfacing the internal roadways.



Aerial view of Kunia Village.

Green features for the units will include Energy Star appliances, solar hot water heaters, and environmentally sustainable materials suitable for the Hawaiian climate.

The project received an award from the U.S. Department of Agriculture's Rural Development for a \$3 million Section 514 loan, a program that provides loans at an interest rate of 1 percent to construct or rehabilitate housing for farm laborers. Additionally, RCAC submitted a funding application to the Hawaii Housing Finance and Development Corporation for Low-Income Housing Tax Credits and rental housing trust funds. If successful, such funding would provide more than \$5.8 million in equity and an additional \$3.5 million low-interest loan for the project.

The improvements to the housing units will take place over three phases lasting eight to ten years. Forty-one units have been selected for the first phase with a total project cost of \$13.6 million. ■

Jennifer Siegel and Kevin Baughman work for RCAC, the Western RCAP, www.rcac.org

A Housing and Water Project that is “A Gift from God”

by Lauren A. Mason

Tucked into a tiny corner in southeastern Virginia, on an inlet from the Chesapeake Bay, sits Hobson Village, a community founded by former-slaves-turned-watermen. The community has undergone some major changes in the last few years, and not all have come easily, but it is well on its way to creating a better life for its residents.

In October 2007, the Environmental Protection Agency’s (EPA’s) Region 3 Environmental Justice Office asked the Southeast Rural Community Assistance Project (Southeast RCAP) to look into a possible environmental justice problem in Hobson Village, located in Suffolk (City, formerly County), Virginia, concerning the village’s water supply. After an investigation and further discussions, Southeast RCAP was asked to submit an EPA Environmental Justice Grant application to address the water-source problem in both upper and lower Hobson Village. Southeast RCAP submitted its application in April 2008 and was awarded a grant of \$50,000 in August 2008.

Southeast RCAP is a nonprofit organization based in Roanoke, Virginia. It is the southeast regional affiliate in the national Rural Community Assistance Partnership network. Southeast RCAP serves all of Virginia and is dedicated to bringing quality clean water and wastewater services to low-income communities. Its mission is to promote the development of affordable water and wastewater facilities, activities, and resources to improve the quality of life for low-income rural residents.

Southeast RCAP staff noticed that several homes in Hobson had inadequate indoor plumbing. This situation further complicated the issue of the community’s water supply that had been deemed out of compliance with federal regulations.

The Governor’s Water Project

After many meetings and discussions between the Suffolk city manager and city council, the Virginia Health Department, the Department of Housing and Community Development, the Department of Historical Resources, the EPA, and Southeast

RCAP’s board of directors, Hobson Village was chosen as an eligible community under the Governor’s Water Project for further funding consideration to address multiple needs in the community. Southeast RCAP proceeded to work with the community to bring it into compliance and rebuild its dilapidated homes.

The Governor’s Water Project provides funds to tear down houses that lack indoor plumbing. The requirements are the same as those for the Indoor Plumbing and Rehabilitation Programs funded through the Virginia Department of Housing and Community Development. Eligible residents must be homeowners who qualify under low-income guidelines and lack a functional bathroom. Also, the houses must be clustered (two or more houses located within one area).

Building Agreement

The community had been having some difficulty deciding how it wanted to address the housing and water issues. With Southeast RCAP’s involvement, community leaders were able to work with the residents and agree on a solution. Previously, the community had been living with only two community wells.



Interior framing of a house under construction

One well served 24 homes, and the other served 36. The Hobson Village water supply was considered a public community system. This was putting too much stress on a community that did not want public water and wanted to stay independent by maintaining its existing water supply. Some residents wanted to tap into the city water supply, but the majority disagreed with that proposal.

Acting as a mediator, Southeast RCAP stepped in and worked with the community to bring about a solution that worked for the city and the residents. The solution was to dig two new wells in each part of the village (upper and lower), which gave each part three wells, and divide the number of hookups to each well to satisfy the individual well allocation. This removed the community status designation from the wells.

Southeast RCAP agreed to fund the four new wells through a grant. It was decided that the wells could be dug as a self-help project. Southeast RCAP assisted in getting the funding for the materials, and residents volunteered their time and provided the physical labor.

Getting It Done

Southeast RCAP worked with the community to obtain funding and managed the Hobson Village project. A community “sparkplug,” Doug Spratley, organized community volunteers to accomplish the self-help portion of the project — laying water lines, digging wells, and building the well houses. He and up to six volunteers at a time worked daily for two months to dig ditches and lay water pipes from the new wells to individual homes, including those built with funding from the Governor’s Water Project.

Southeast RCAP also received a grant in the amount of \$10,000 from the Home Depot Foundation for construction materials and to enhance the home maintenance education program associated with the project completion.

The expected outcomes were to bring the community wells and homes identified under the Governor’s Water Project into compliance under building and environmental codes set by the Commonwealth of Virginia. In the end, four community wells

were dug, two new well houses were built, and five houses were substantially reconstructed under the Governor’s Water Project to outfit them with working indoor plumbing. These results brought the community up to code on its water situation as now only 15 households are attached to each community well.

One Project – Many Beneficiaries

The Hobson Village project had two distinct sets of beneficiaries — those whose households were connected to the wells and those whose homes were rebuilt. Sixty households of approximately 150 people were connected to one of the four new community wells, giving them access to clean, safe drinking water, and five families were the most directly affected by the substantial reconstruction of their homes.



The same house, post construction.

One of those families was John and Nancy Thrower, who for 27 years lived in a home with no bathroom, no heat, no air conditioning, and no running water. A homeless man once broke into their home thinking it was deserted, as reported by *The Suffolk News-Herald*.

“Our bathroom was so old, it fell through the floor,” John Thrower told the *News-Herald*. “A lot of people don’t know that. It had been my wife’s mother’s home, and we came to help her. It was built in the 1930s, and the house just was what it was.”

The Throwers moved into their new home in April 2010. “It’s awesome to see what has been provided to these families,”

Continued on next page

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said Hope Cupit, chief executive officer of Southeast RCAP, as quoted by the *News-Herald*. “It’s about giving back lives and dignity to people. It gives them pride in their property. It even brings equity and sustainability to them. It’s good to see how everything turned out.”

“For me, this is an opportunity to get my wife out of these living conditions,” Thrower told the newspaper. “This is a better way of life for us. People talk about how this is going to kill us financially, but it’s not. All I can say is that this whole project is a gift from God.”

On October 22, 2010, a community celebration was held for the residents of the Hobson community, Southeast RCAP staff, and people involved in the project. Tours of the community wells, the new well houses, and the newly reconstructed homes were given by members of the new civic association. The celebration and tours were attended by approximately 175 people. Members of the Virginia General Assembly, city of Suffolk council members, and other community agency staff attended to participate in congratulating the community on a job well done.

State senator Louise Lucas was the keynote speaker, and many residents gave testimony to the accomplishments of Southeast RCAP in assisting in the renewal of this now vibrant community. The residents of Hobson proclaimed their desire to continue to move forward with the assistance of the city of Suffolk as well as the state and federal governments. Overall, this project proved to be a challenge, but in the end was able to bring better access to clean, safe water for many residents.

The *News-Herald* reported that Thrower’s dream for the community is to have sidewalks and a playground one day. “This is a prime example that if you look for it, there is help out there,” he told the newspaper. “We can keep working to pull people together and work with the city. Hobson can look better than it’s been looking. This is just the beginning.” ■

Lauren A. Mason is the Planning and Development Manager for Southeast RCAP, www.sercap.org

Persistence and Perseverance: Tackling Infrastructure Challenges in Northwest, North Carolina

by Stan Turner

Cape Fear Regional Community Development Corporation (CFRCDC) of Wilmington, North Carolina, is a community-based organization that focuses on the needs of low-to-middle-income and minority people in the areas of home purchase and small-business start-ups. CFRCDC performs this work through offering information, education, and counseling services. The corporation hopes to use its services to promote social and economic mobility. Homeownership is a key principle of CFRCDC’s work, which the organization pursues through new construction and unit rehabilitation in order to increase and repair affordable housing stock. CFRCDC has developed 25 new single-family homeownership units since its 1989 beginnings, and it provides ongoing housing and credit counseling services.

In addition, CFRCDC is also heavily involved in owner-occupied housing rehab, currently through three grants related to this activity. Additionally, the organization works on the redevelopment of foreclosed housing through the Neighborhood Stabilization Program, and is a U.S. Department of Housing and Urban Development-approved housing counseling agency.

CFRCDC’s story shows that comprehensive infrastructure development plans have to take into account political and



financial challenges that may affect even the most well thought-out project. The organization is currently working on developing a 25-acre area in Northwest, North Carolina, to be named Northwest Forest. CFRCDC plans to develop 38 units of single-family housing, seven of which will be contractor built, serving future homeowners earning up to 115 percent of Area Median Income (AMI). The remaining 31 units will be constructed using the self-help method and will serve future homeowners earning up to 80 percent of AMI. CFRDC also plans to build 23 senior units and 55 family units.

Laying the Groundwork

CFRCDC originally purchased the project site in 2003, and water infrastructure became a focal project concern from the beginning. The project site was initially undeveloped but lies next to a town-maintained road and will have access to public water. Northwest currently has no public sewer system, though plans for one are in development. The town typically functions through use of individual septic systems. For the Northwest Forest development, CFRCDC plans to install a new on-site sewer system which would be connected to the County sewer system. Individual septic systems will be used only as a last resort, due to the loss of density this would impose upon the development. Engineers performed percolation tests on the project area's soil and found the land acceptable for septic tank systems.

The North Carolina Department of Environment and Natural Resources has approved the erosion control and sewer permits for both on- and off-site improvements. The water permit request will require a fire hydrant test and additional information from the city of Northwest. Overall, CFRCDC has had strong support from state and local agencies in its work, and, though expensive, the permit process has been relatively smooth.

The Northwest site also received a conservation grant through the Clean Water Management Trust Fund (CWMTF) due to the presence of a wetland on the Northwest Forest property. The property exists within a Coastal Area Management Act (CAMA) zone, meaning that a higher-than-usual amount of development restrictions apply to the property. For instance, CAMA regulations prohibit cluster development, in favor of large-lot developments. Without additional support, conservation-based planning can become a lengthy and expensive process. The CWMTF grant will help CFRCDC better pursue these environmental preservation goals throughout the site development and building process, without losing too much in end-affordability. The grant is part of the first large-scale partnership between community development corporations and land trusts in the South, marking a step forward for conservation-based affordable housing development in the region.

Dealing with Setbacks

Though many of the initial infrastructure concerns were thought about from the beginning of the project, CFRCDC still encountered a number of setbacks. When the city of Northwest put the sewer construction project out to bid, its engineers uncovered a significant monetary oversight. The city obtained additional financing to account for part of the shortfall, but to make up for the remaining gap the city decided to reduce the proposed system's flow capacity. Engineers are studying the city's plans and specs to determine what effect that will have on the project, and thus far CFRCDC foresees the need for additional funding for off-site improvements to connect to the city's sewer system.

Another issue that CFRCDC has to consider is a new North Carolina law that affects all new subdivisions. For each new subdivision, it must be demonstrated that there will be sufficient water access, either on or off site, to maintain the homeowners' water pressure. CFRCDC has worked with Brunswick County to ensure that the development will have access to the county water system.

Moving Along

Given some of the project challenges described above, CFRCDC still has substantial work to do before unit construction on Northwest Forest begins. CFRCDC is working to ensure that end-affordability will still be possible, as high infrastructure costs tend to be passed on to future homeowners.

However, throughout the development process, CFRCDC has cultivated key partnerships to help support its work. For instance, the organization has strong support from the North Carolina Community Development Initiative, an intermediary between the government and community development corporations. CFRCDC also works with the Conservation Trust for North Carolina, which aims to protect land and water resources.

Despite its challenges, CFRCDC perseveres in its affordable housing development vision.

Ultimately, the significant investment in infrastructure planning and development will ensure a more sustainable development for future homeowners in the city of Northwest. ■

By Stan Turner, Executive Director, Cape Fear Regional Community Development Corporation:

<http://www.cfrcdc.org/index.asp>

For more information on CFRCDC's programs, please contact Stan at stanturner@cfrcdc.org

Location, Location, Location

Developing the Morley Meadows Subdivision in Santaquin, Utah

by Brad Bishop

Rural Housing Development Corporation (RHDC) was formed and incorporated on November 23, 1998, as a 501(c)(3) nonprofit organization by the Housing Authority of Utah County to provide quality, affordable housing opportunities to underserved persons and families living in central Utah. RHDC serves a population of more than 650,000 in central Utah. RHDC started its first affordable housing building project in August 2000 with the Mutual Self-Help Housing program, a sweat-equity homeownership program for low-income and very low-income families.

Since 2000, RHDC has built nearly 300 units of affordable housing in several communities in central Utah. RHDC is a member organization of the United Way and is designated by the U.S. Department of Housing and Urban Development as a Community Housing Development Organization and as a housing counseling organization. RHDC receives multiple loans from the Housing Assistance Council, other nonprofits, government entities, and private organizations. RHDC has experienced a great deal of success in operating the Mutual Self-Help Housing

program, the Urban Self-Help Housing program, its affordable loan programs, housing counseling, meeting its mission, and developing new affordable housing programs.

As with all housing development, location is key; however, when infrastructure is taken into account, location can be both an asset and a challenge. In developing the Morley Meadows subdivision, RHDC found that by tapping into the utilities and infrastructure already in place, it was able to overcome some challenges but was confronted with others.

Linking Land & Infrastructure

In the fall of 2005 RHDC was approached to purchase 11.3 acres of land for future residential homes. The concept plan had 37 lots roughly platted out with the streets, curb, gutter, and asphalt taken into account. The land was in the county and would have to be annexed into the city of Santaquin for the use of its utilities. The cost was about \$44,000 per acre of undeveloped ground and was a good deal at the time. With some analysis of the property and the confidence of having recently successfully completed a previous subdivision nearby, RHDC moved ahead with the purchase of the property.

The property had recently been used as horse pasture and had an orchard adjacent to one side with single-family homes surrounding the remaining property. City utilities already existed on two sides of the subdivision, and RHDC thought they could be tapped into for future development. The city was in growth mode as an increasing number of families were coming to the area. From city leaders RHDC learned that the city was interested in annexing the property, as that would help improve some of the surrounding area's infrastructure. RHDC also knew that the typical improvements (sewer, water, gas, electric, curb, gutter, asphalt, and so on) at the time typically averaged around \$35,000 per lot, and it was confident that the bids would come in around that. An engineer's estimate later also confirmed that



Fencing separating Morley Meadows from adjoining orchard.

cost prior to the purchase of the property. The project would pencil out!

One additional bonus was that the purchase included water shares, or rights, attached to the property. In the West, water is available only through water-access entitlements, and those water rights must be turned over to the city in order for the subdivision and future residents to be supplied with water. RHDC was able to purchase the additional shares needed at \$2,000 a share to get the project approved.

Expect the Unexpected

Affordable housing developers must plan for land contingency funds to account for unexpected costs. One unexpected cost attached to the project was an adjoining off-site ditch managed by a local water user association. To put in the improvements, the city required RHDC to work out an agreement with the association and pipe the section of ditch adjoining the property with 36-inch pipe. This also resulted in putting in curb, gutter, and sidewalk above the pipe and working with the neighbors as the ditch was in their front yards and would affect the slopes of their driveways.

Other additional city requirements the developer had to meet were the retainage of storm water, fencing, and additional fill needed for the site. The gutters and storm drains used to alleviate storm water would temporarily have to drain and empty storm water into a large retainage basin at the base of the subdivision. At the base of the retainage area, a collection basin and cleanout was installed to capture unwanted chemicals and debris. Further, large perforated pipes were buried and surrounded by gravel to absorb the water into the ground. This



Perforated pipe buried in retainage basin at the base of the subdivision.



City Planner assisting with resolving drive slope issues with the neighbors.

was a temporary storm water solution until the city brings a storm water connection to the site in the future as other development eventually occurs.

With the orchard adjoining one side of the subdivision, the city required a fence to be built as a partial barrier to the fruit trees to help protect future residents from any pesticides. Lastly, it was necessary to bring large amounts of additional fill to the development in order for RHDC to maximize the number of lots in a cul-de-sac that was platted. Morley Meadows subdivision is built on a naturally sloping hill, and the city encourages all storm water to drain by gravity to avoid future problems with other draining means. The way the cul-de-sac was platted storm water would have to flow uphill. Dirt fill was necessary to mitigate the problem, raising the cul-de-sac to allow water to flow out of the subdivision. With the value of the additional lots far exceeding the fill expense, RHDC had a good solution.

Conclusion

The Morley Meadows subdivision was completed in the fall of 2008 and is currently 80 percent filled with finished homes. The remaining homes will be built out by the end of 2011. All of the homes have been built through the Mutual Self-Help Housing program and are affordable to low-income and very low-income families. Persistence and patience paid off as a win for RHDC, the community, and the neighbors, especially low-income families in the area. ■

*By Brad Bishop, Executive Director, RHDC:
www.rhdchome.org. For more information on RHDC's programs, please contact brad@rhdchome.org*

Creating Comfortable Housing for a Growing Population of Seniors

by Maegen McCaffrey

Since its founding in 1969, RCAP Solutions has sought to provide affordable housing opportunities to families and individuals in rural areas. RCAP Solutions has used many innovative housing models with green building techniques before they were fashionable. The nonprofit organization's berm and passive solar self-help homes are scattered around the north-central Massachusetts hillsides and still provide quality housing to families more than 30 years after they were constructed. Some of RCAP Solutions' early multifamily development projects brought together federal and state resources, which has now become standard housing development practice.

RCAP Solutions is the northeast regional affiliate of the national Rural Community Assistance Partnership network. RCAP Solutions provides technical assistance and training to small, rural communities and their drinking water and wastewater systems in the northeastern United States under the banner of the national RCAP network. However, it and other regions in the RCAP network have additional programs of their own outside the national network. In the case of RCAP Solutions and some other RCAP regional partners, it operates an extensive housing development program in its region.

Meeting the Need for Housing

In the early 1980s, RCAP Solutions began to hear from local planning leaders about the need for quality, affordable housing for seniors. Beginning with Hubbardston House Apartments, located in Hubbardston, Massachusetts, in 1986 and over the following six years, RCAP Solutions developed 230 units of low-income, subsidized senior housing in five central Massachusetts communities — Groton, Hubbardston, Northbridge, Townsend, and Webster. RCAP also developed another 62 units in Worcester and Bolton.



The groundbreaking ceremony was held in May 2010, following seven years of planning.

The most recent development is in Townsend, Massachusetts. More than 20 years ago, RCAP Solutions developed 50 units of senior housing at Atwood Acres in Townsend. As baby boomers age, the town thought it was wise to develop an additional senior housing complex. The town approached RCAP Solutions about this project, and the organization was chosen as the developer. The local housing authority embraced the project and garnered support from the various town boards and committees. Officials from the U.S. Department of Housing and Urban Development (HUD) were impressed with the support the local community gave the project.

Funding for the project came from three sources: \$5.5 million in federal funds from HUD and \$500,000 each from two state programs — a HOME grant from the Department of Housing



The completed Townsend Woods project is a 36-unit apartment building for low-income seniors. It will be the first HUD 202 Senior Housing Development in Massachusetts to be LEED-certified and an Energy Star-certified facility.

and Community Development, and housing innovation funds from the Community Economic Development Assistance Corporation.

A groundbreaking ceremony was held in May 2010 for Townsend Woods, a 36-unit apartment building that is located adjacent to the existing Atwood Acres facility. After seven years of planning, construction on the town's newest affordable housing complex for low-income seniors was finally under way.

"Townsend Woods was designed to both complement the existing facility and provide features that will enhance the quality of life for residents," stated Paul Teixeira, vice president and chief program officer at RCAP Solutions.

The Right Partners, The Right Project

"The general contractors, Barr, Inc., and the architects for this building, Studio One, Inc., have done a fantastic job of creating a place that people will want to call home," Teixeira said, adding that each one-bedroom apartment will have four rooms and a floor plan designed for comfort, safety, and ease of mobility. Each apartment entryway has its own light for enhanced visibility and security, and recessed entryways have a shelf on which to place personal belongings while unlocking the door. "These are the types of thoughtful conveniences that have emerged from our many years of experience doing these kinds of projects," he said.

"One of the interesting challenges of this project was making the process as seamless as possible for residents of Atwood Acres, located just 300 feet in front of the construction site," said John Darigan, Barr's vice president and manager for the project. "We've worked hand-in-hand with RCAP Solutions to coordinate any necessary temporary inconveniences caused by the construction and plan to invite Atwood Acres residents to walk through the site so that they can see first-hand how their new neighborhood is shaping up."

Teixeira said RCAP Solutions selected Barr, of Putnam, Connecticut, as general contractor because of its substantial track record of building senior housing facilities and working on other public-sector projects. Most recently, Barr completed Senior Living at Prouty in Spencer, Massachusetts. Studio One, of Springfield, Massachusetts, Townsend Woods' architect, was also the architect at Senior Living at Prouty.

"While the poor economy created some late-stage funding challenges, the construction phase of the project is now completed," explained Teixeira. "In our interest to provide the most energy-efficient and healthy building for our residents, we enhanced many of the building systems. We also increased insulation to reduce drafts and noise, used non-toxic paints and adhesives, non-endangered woods for the kitchen cabinets and special equipment to reduce water usage."

It is anticipated that this green building will be the first HUD Section 202 senior housing development in Massachusetts to be Leadership in Energy and Environmental Design (LEED) certified, an internationally recognized green-building certification. Townsend Woods will also be an Energy Star-certified facility, meeting strict energy-performance standards set by the Environmental Protection Agency, which means it will use less energy and create fewer greenhouse gas emissions.

The three-story, 34,000-square-foot building has just been completed. It sits on six acres and features community gathering spaces with indoor/outdoor living, including a fireplace, a concrete patio with outdoor seating, a second-floor deck, ample garden space for growing vegetables and flowers, a laundry facility, and personal care space with a hair salon.

Teixeira said Townsend Woods is an important project for the town because it provides affordable housing for older adults who might otherwise need to relocate out of town when downsizing. "When seniors retire or lose a spouse, they sometimes find they can no longer afford to stay in the home they have lived in for many years. We provide them with an affordable option that's comfortable, safe, and allows them to live within the income restrictions they have. Projects like this one help keep people connected to their community." ■

By Maegen McCaffrey, Chief Communications Officer at RCAP Solutions, RCAP's Northeast region. Photos by RCAP Solutions staff and Christopher Novelli, Studio One, Inc.



Keeping the Water Flowing in Rural America for 35 Years

by Mary Mann

Clean, safe water. We use it for drinking, bathing and washing. It is a resource we take for granted ... a resource that is available to everyone, everywhere and is in abundant supply. Or is it?

Did you know that, according to water.org, more people in the world have cell phones than have access to toilets? That the ancient Romans had better water quality than half the people alive today? And did you realize that 1.4 million children worldwide still die each year from water born diseases?

At Community Resource Group, Inc. (CRG), the Southern affiliate of RCAP, we know we can't fix the world, but we fulfill our mission of helping people build secure and sustainable futures by working hard to make sure every child in rural America has access to clean, safe water. With infrastructure rapidly aging in most of our nation's 54,000 small water systems, the clean water and drinking water industries face a significant challenge to sustain and advance achievements in protecting public health for people who live in rural America.

At CRG we have been doing our part on this front for 35 years. As a private, nonprofit community development organization headquartered in Fayetteville, Ark., we have worked with thousands of small water systems across multiple states since 1976 becoming an expert on small community, water and wastewater system operations and management.

CRG's water and wastewater program provides on-site technical assistance and training for small towns and rural communities (populations less than 10,000) with community water supply and wastewater disposal problems. Our technical assistance is focused on improving community and environmental health, complying with state and federal health standards, providing sustainable water and wastewater disposal services, and

improving the capabilities of local leadership to address current and future needs. CRG receives funding from various state and federal government contracts to provide technical assistance, at no charge, to rural water/wastewater systems throughout our seven-state service area, which includes Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas.

Meeting Critical Capital Needs

In addition to technical assistance, CRG provides funding to small, rural water systems through our Revolving Loan Fund. “You can solve a lot of problems through technical and staff training but after we began working with the communities we realized that there were many instances where dispensing advice and training was great but it wasn’t going to get a broken pump or leaking water line fixed,” says CRG CEO John Squires. So in 1992 CRG established its own loan fund to fill the financing gap.

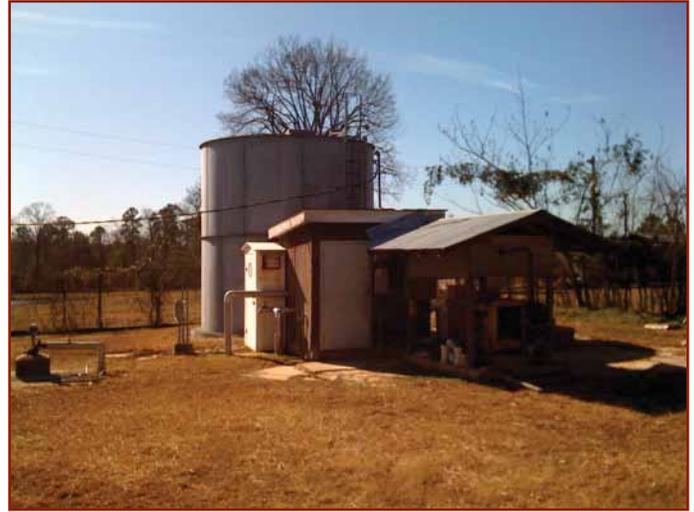
According to Squires, water systems built in America 30 to 40 years ago are now wearing out, and small communities in rural America are hard-pressed to find smaller loans (under \$250,000) to help keep their water system infrastructure intact.

“In trying to help these communities secure infrastructure financing for their water systems we’ve found that banks rarely understand how systems work and are apprehensive about lending money to them, even though such a loan carries a relatively low risk because each borrower has a protected market and is selling water - a product people must have,” he says.

“In addition, it’s just as much work for the federal government to execute a \$90,000 loan as a million dollar loan, so it’s often difficult for water systems to obtain small loans from the government in a timely manner.” This financing gap becomes particularly critical, says Squires, when the funds necessary to meet predevelopment expenses for larger improvement projects or urgent needs are not available.

The CRG Loan Fund is supported by a variety of different investors including corporations, foundations and governmental entities, and makes small loans (up to \$250,000 with terms up to 10 years) to small communities for infrastructure and improvement projects. In 2001 CRG became a Community Development Financial Institution (CDFI), as designated by the U.S. Department of the Treasury. Since creating its loan fund, CRG has closed over 337 water and wastewater loans in 19 states totaling more than \$24.7 million.

“We are definitely filling a need,” says Bruce Darr, CRG lending director. “Many times the small systems we are working with



CRG made a \$38,000 loan to the Randolph Water System to construct a new pressure tank pump, add new piping, and removal of old pump house. Photo courtesy of Community Resource Group.

have special situations where interim or emergency financing is needed and it would put the system in jeopardy to try to wait on traditional financing – which can take up to two years or more to secure.”

Finding New Funding

The problem now and in the near future, agree both Darr and Squires, is that many of the long-term financing options (i.e. federal funds) are being cutback at the same time that the demand for small, rural community water assistance loans is increasing. In order to meet the increased demand for loans, CRG is now working hard to find alternate ways to fund its loan capital and maintain its current level of technical support services.

“We are definitely looking at new ways of doing things that will ensure that we are there to help small, rural water systems in the future,” says Squires. Concludes Squires, “I think that in the future we will see a new era where private investors, community organizations and businesses will have to step up to the plate to replace federal funding programs, and work together with organizations like CRG to help ensure the future of rural America remains sustainable and viable.” ■

Mary Mann, Director of Communications, Community Resource Group (CRG), the Southern RCAP, www.crg.org

HAC Facts

HAC Launches Senior Housing Initiative

With generous support from the Atlantic Philanthropies, HAC launched a new initiative to support affordable housing for low- and very low-income rural seniors. The initiative aims to advocate for better funded programs and increase the capacity of organizations that currently build affordable housing for rural seniors or develop that capacity in new groups.

The initiative has several components to support the development of rural senior housing, including a small grants program, training and technical assistance, loans for both homeowner-ship and rental senior housing, advocacy on rural senior issues, and research and publications on these issues.

On November 9-10 in Seattle, WA, HAC will host *Housing Seniors in Rural America: Aging in Place in a Changing Landscape*, a symposium on rural senior housing issues. This event will gather funders, innovative practitioners, and senior housing stakeholders for nearly two days of discussions on aging in place, resources for affordable housing development, and successful practices.

~ More information on HAC's trainings and Senior Housing Initiative can be found at www.ruralhome.org

HAC Training Activities

HAC has delivered nine training events in 2011 with more planned in the coming months. Workshop topics have includ-



HAC's Tedd Russell instructs a participant at the Advanced Financial Management Training in Albuquerque, NM.

ed: Basic and Advanced Financial Management; CHDO Skills; Advanced HOME: Rental Deals, Sustainable Affordable Housing; and Successful CHDO Operations. Over 320 participants registered for these trainings which were held in Louisiana, New Mexico, North and South Carolina, Tennessee, and Virginia.

Evaluations for the trainings were exceptionally high. Participants reported an overall increase in knowledge and noted the high quality of the training material and faculty, with one participant saying "This is, by far, the most informative, most applicable, well documented & well-presented training that I have had."

HAC also continued its successful peer exchange model with *Seeing is Believing: Successful CHDO Operations*, hosted by Eastern Eight CDC in Johnson City, TN. Retha Patton, Executive Director of Eastern Eight, shared her procedures and policies with 19 participants representing community development organizations from across Tennessee. One participant commented that the training "should be required for all Executive Directors."

~ Learn more about HAC's training activities, visit our website at www.ruralhome.org

New Rural Mortgage Lending Study

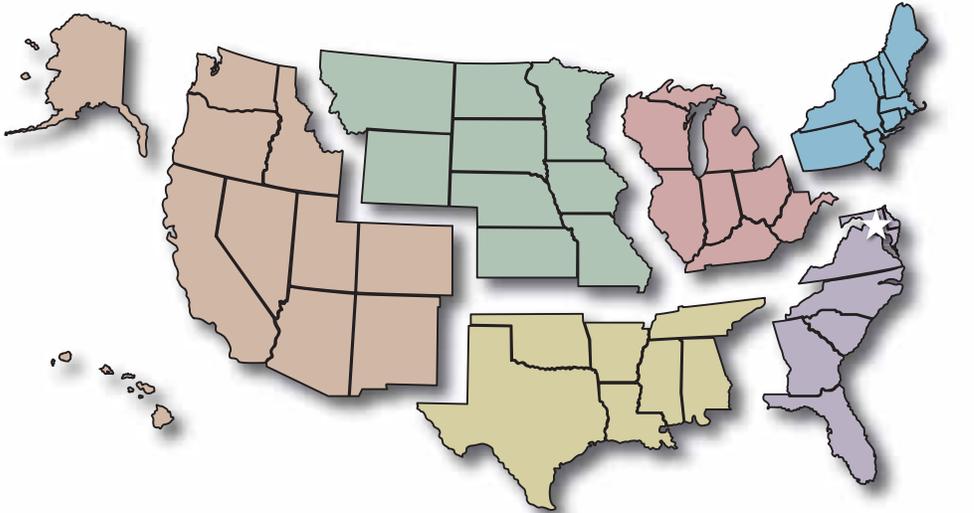
A new report issued by the Housing Assistance Council fills some of the gaps in home mortgage research by examining those banks that do not report lending data through the Home Mortgage Disclosure Act (HMDA). Currently, more than 1,000 banks nationwide are exempt from filing HMDA data because of their asset size and 70 percent of these banks are located in rural communities. Consequently, the mortgage practices of these institutions remain largely unknown, which has limited the perceived utility of HMDA data in rural areas.

This research report, *What Are We Missing? HMDA Asset-Excluded Filers*, analyzes publicly available financial filings for Federal Deposit Insurance Corporation insured banks and thrifts. HAC's research examines these lending institutions specifically and finds that most small banks that do not report HMDA data do make significant amounts of mortgage loans.

~The report is available for download at <http://www.ruralhome.org/storage/documents/smallbanklending.pdf> 

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Statements made in Rural Voices / Rural Matters are the opinions of the authors of the individual articles, not of the Housing Assistance Council or the Rural Community Assistance Partnership.

Subscriptions to Rural Matters are free. Rural Matters® is a bimonthly publication of the Rural Community Assistance Partnership, Inc. Publication of Rural Matters® is funded in part by the U.S. Department of Agriculture, the U.S. Environmental Protection Agency and the U.S. Department of Health and Human Services. For subscription or other information regarding RCAP's Rural Matters, email ruralmatters@rcap.org.

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Editors: Theresa Singleton, Stefani Cox, Stephen Padre, and Wordfirm, Inc.

Designers: Lauri Logan and Dan Stern

*Rural Voices (ISSN: 1903-8044)
Rural Matters (ISSN: 1097-7619)*

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