



Self Help families and USDA staff volunteers at Mercy Self Help Housing site in Esparto. Oct. 26, 2002

Teamwork Builds Affordable Housing

Construction of Self-Help Housing is a true team effort. USDA Rural Development staff are proud to be on this outstanding economic opportunity team, but we are just one element. Individual builders / owners are a second essential part of the team. These owners and their friends provide the on-site sweat equity and commitment as leverage for a more secure future for their own families.

A third team element are the important skilled construc-

tion supervisors and building industry professionals who work on site, daily. And the dedicated and hard-working non-profit housing corporations comprise the fourth critical team component.

A special thank you to the outstanding lineup of self help housing corporation all-stars who have made it possible to stretch USDA program dollars and expand the number of affordable housing projects completed each year:

Asociacion Campesina Lazaro Cardenas, Burbank Housing Development Corporation, Campesinos Unidos Incorporated, City of

Brawley, Coachella Valley Housing Coalition, Community Housing Improvement System & Planning, Community Housing Improvement Program, Mercy Housing Corporation, Peoples' Self-Help Housing Corporation, Rural California Housing Development Corporation, Self-Help Enterprises, Self-Help Home Improvement Project, South County Housing.

In addition, the **Rural Community Assistance Corporation (RCAC)** is a valuable technical assistance and management partner. RCAC's role is providing essential resi-

(Continued on page 2)



Paradise at a Price

California's Costly Housing Markets

Rural affordable housing costs in California are not the same as Idaho, Iowa or Illinois. It's no surprise that in California, prices are higher, much higher. And they continue to rise.

USDA's ability to fund affordable Self Help Housing is suffering due to these explosive California housing cost factors. In much of rural California, the "HUD 203(b) Loan Limits" for the Self Help Housing Program sets a ceiling that is frequently too low to construct a modest but adequate three or four bedroom home of

1,080 to 1,390 square feet.

As city residents continue to move into the countryside, demand for rural housing in California drives up rural land prices and housing mar-

kets. California construction costs have their own set of escalating price factors. Labor costs are higher in every part of the state due to the triple threat of higher wages, costly state mandates in

workers' compensation insurance and skyrocketing employee health care costs.

"Construction and land costs in our state continue to skyrocket ... HUD 203(b) limits just aren't keeping up."

You can watch prices rise monthly on this coast. According to California Association of Realtors

President Toby Bradley, "The median price of a home in California has posted double-digit gains every month for the last 16 months and hit a new record of \$352,780 in March (2003)."

(Continued on page 4)



Rick and Debra - A Self Help Housing Story

With their permission, here's a story about Rick and Debra Dunbar who had their lives changed through the Self Help Housing Program.

Rick and Debra were renting a house in Red Bluff with no heating and inadequate plumbing. They were facing a difficult time in their lives when their daughter Jennifer told them about the Community Housing Improvement Program, Inc.

It was August of 2001 when Debra Dunbar was diagnosed with a liver ailment. The prognosis was not good. She and Rick were planning to renew their wedding vows on their 20th Anniversary, but with this news, they decided to expedite and moved the celebration up two years. During

planning sessions for their renewal ceremony, Jennifer, handed them a flyer and application for the self-help housing program.

"Just for kicks, we filled it out," said Debra. They wanted desperately to improve their housing situation, but faced the down payment barrier. As they were about to leave for a second honeymoon, CHIP called. Their application was approved for a 3-bedroom home. They cancelled their trip and began making plans to begin building their own home, a better anniversary celebration.

But their difficulties were not over. Two weeks after they received the good news, Debra took a bad fall and was unable to walk on her own.

During the next year, Rick took over sole responsible for putting in the 40 hours per week of "sweat equity" to build their house. And he continued to work and pay their bills with just his single income.

Debra and Rick are now living in a brand new 1,151 sq. ft., 3-bedroom, 2 bathroom home and helping to raise their grandson. Debra says although their house was built with blood, sweat, tears and smashed fingers, "We consider our opportunity a gift from above and thank the Lord everyday for our blessings." Debra is currently taking treatments for her illness while she and Rick are enjoying their new home.

"Owning a home lies at the heart of the American Dream. A home is a foundation for families and a source of stability for communities."

President George W. Bush

Housing Partners with Purpose

(Continued from page 1)
dent homeownership and construction training and other administrative services for our Self Help Housing Program.

USDA's values the Self Help Housing Partners on the team. These housing corporations devote significant time

and energy to improve affordable housing options for rural Californians. Each of these regional non-profit corporate partners has become an affordable housing finance and construction expert for their area, utilizing federal, state and private resources to help

provide families with decent places to live.

With the teamwork of all these rural housing partners, we reached NUMBER ONE in Single Family Housing in the U.S. last year. Thanks to everyone and lets do even more in 2003!

Guadalupe, CA - Rozzana and Enrique Lirio are building their home at Riverview Estates. USDA's Self Help Program and Peoples' Self Help Housing Corp. are providing financial help, training and professional assistance. Enrique Sr. (left) helps so his son and daughter-in-law get a good start for their young family.



Armona, CA - In June of 2002, 12 families poured their foundations, each family working an average of 40 hours per week. USDA's Self Help Program and Self Help Enterprises were partners in making home ownership affordable for these rural families.

Conference in Coachella Valley-Self Help Housing Partnerships

Rural housing experts and USDA Rural Development partners in Washington, D.C. came to Coachella Valley June 3 - 4 to discuss how to meet California's unique rural housing needs. California's USDA Rural Development office hosted the special two-day conference attended by about 150 people from across several western states.

Staff members from USDA Rural Development and Self Help Housing partner corporations heard from speakers on critical subjects including the *Money Smart*® Program, Rural Area Maps, Loan Servicing and Civil Rights. In addition, question and answer panel discussions encouraged audience participation on issues such as Loan Limits and the

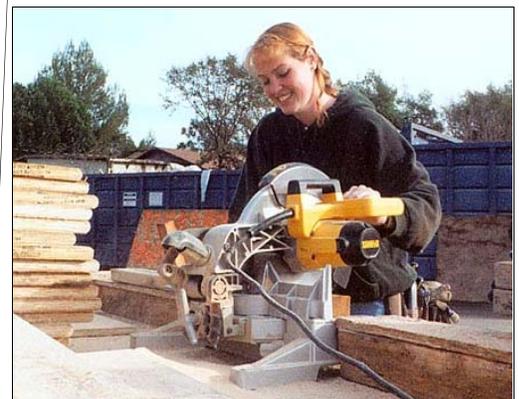
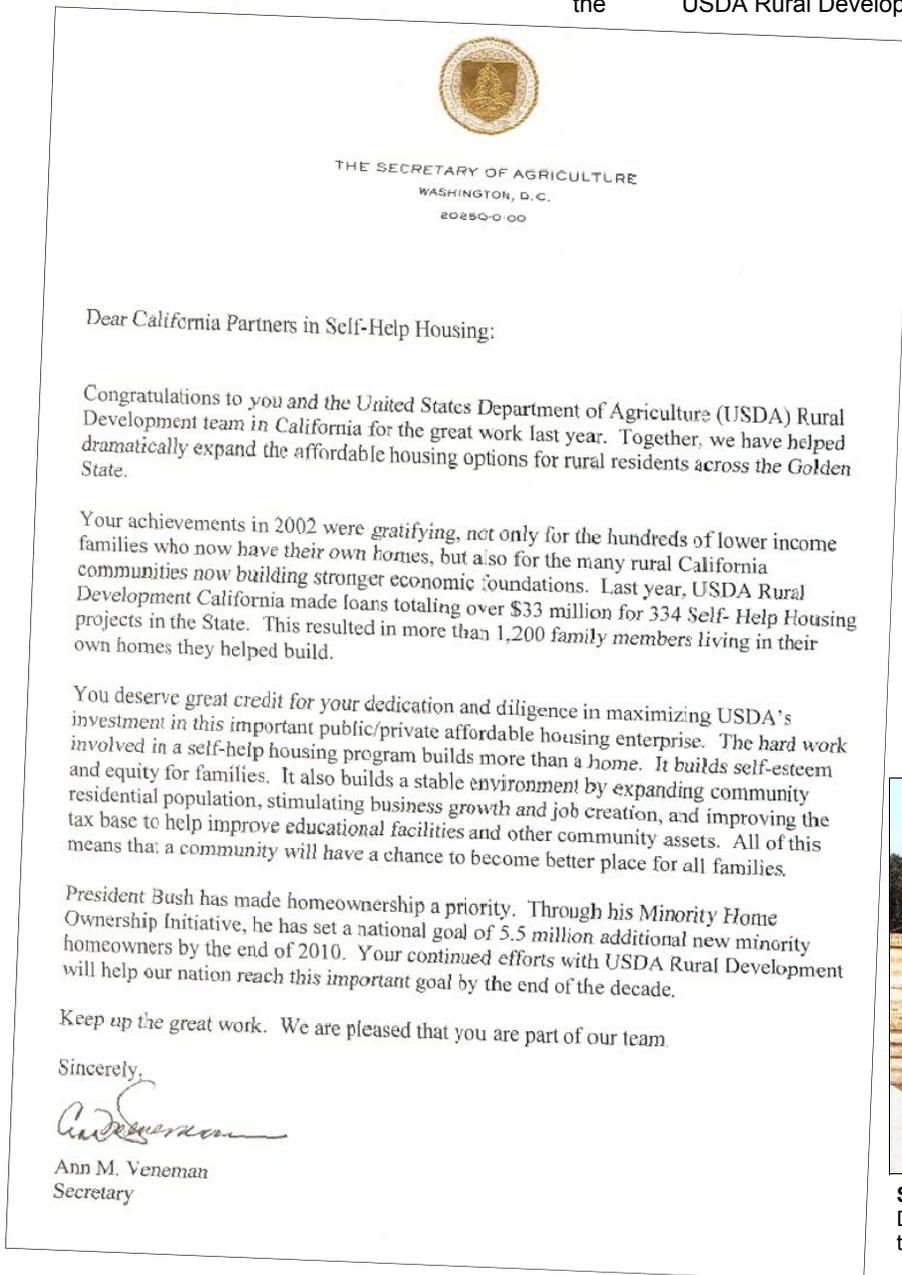
Cost of Affordable Housing in California and USDA's *Five Star Commitment* to meet President George W. Bush's goal of 5.5 new minority homeowners by the end of the decade.

Speakers included Art Garcia, Administrator of USDA Rural Housing Service and Paul Venosdel, California State Director USDA Rural Development.



Coachella Valley Housing Coalition conducted a guided tour of the Self Help Housing projects in Indio and Mecca and hosted an evening reception for the conference participants.

National Homeownership Month was celebrated during the tour with a special media event at one of the CVHC Self Help Projects. Special thanks to Rural Community Assistance Corporation for their handling registration duties and for providing site assistance.



Santa Rosa, CA - USDA and Burbank Housing Development Corporation provide help for families to build their own self help homes.

California's Costly Housing Markets

(Continued from page 1)

Housing cost acceleration in the Golden State may be worse in rural areas. Data-Quick Information Systems' first quarter 2003 report shows a statewide average increase of 14.3% for single family homes, and a rural Central Valley cost increase of 20.9%. An incredible 96.7% or 433 of 448 California cities and communities showed an increase in median home prices in this year-to-year report.

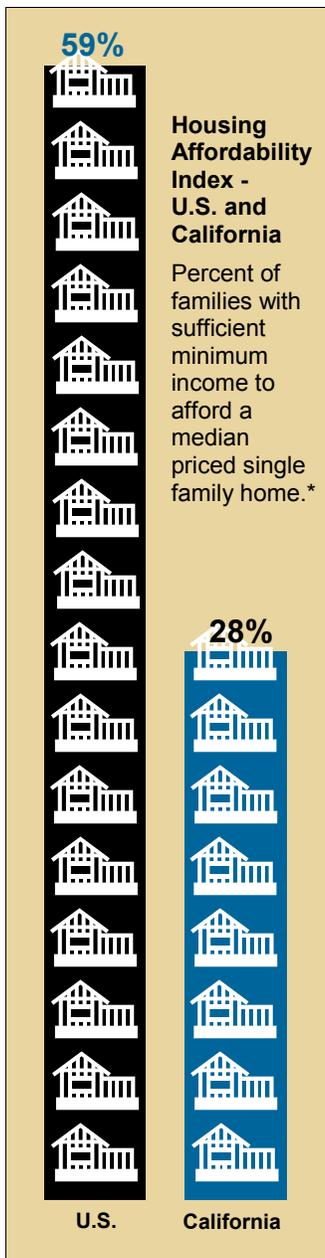
"We are very appreciative of the funding limit flexibility that David Villano and the RD National Office have extended for the costly California housing market," said RD State Director Paul Venosdel. *"But this is only a first step. Construction and land costs in our state continue to skyrocket and the HUD 203(b) limits just aren't keeping up."*

Housing and Urban De-

velopment (HUD) sets the 203 (b) Loan Limits for their own affordable housing programs and USDA Rural Development utilizes those limits in the Self Help Program. These county by county limits are set by California HUD staff in Orange County and are very useful in big cities and suburbia, but are exceptionally out of date in the rural areas where HUD has very little loan activity.

USDA's innovative Self Help Program leverages and amplifies government funds through a portfolio of cooperative public / private partner-

ships and the sincere commitment of sweat equity by families. When troublesome administrative obstacles are identified, it is incumbent that they be resolved for the continued benefit of our worthy and dedicated Self Help family applicants. USDA Rural Development team partners continue to work together on the HUD 203(b) Loan Limits issue and recognize that positive resolution is critical.



Affordability Index Points to Higher Costs

Regional differences exist in the costs of housing and the percentage of people who can buy a home. In May of this year, only 28% of California households had the minimum income of \$82,470 to afford a median priced home in the state. Wages may be higher in California than other areas, but the housing prices have surged past income for many families. Nationwide, 59% of families can afford a median price home. Bottom line: USDA Rural Development's Single Family Housing programs are in great demand in the Golden State.

*Data from May 2003 *Affordability Index* by California Assn. of Realtors® www.car.org



Doolan Creek, CA - This impressive self help project is set in the Ukiah foothills. Rural California Housing Development Corporation and USDA are working together to create new affordable housing options for Northern California families.

MEET YOUR CALIFORNIA RD STAFF

Single Family Housing Professionals

Bob Anderson has been the Single Family Housing Program Director since 1996. He is responsible for the Direct Single Family Housing Program, Guaranteed Single Family Housing Program and the Self-Help Technical Assistance Grant Program in California. With the assistance of many non-profit partners, California has led the nation for several years in Direct Single Family Housing funding and Self-Help Technical Assistance. Bob is proud that the high volume of direct loan activity has not affected the service quality as shown by California's low delinquency rate.

Ralph Westlin began working as an Assistant County Supervisor in New Hampshire FmHA in 1988. After a brief stay, he took the same position in a County Office in Ohio. From there he moved to a servicing specialist position in an Ohio District Office. In 1996, Ralph became the Payoff Unit Supervisor at CSC, then he was selected as Rural Development California's SFH Servicing Coordinator in November 2001.

Annette Joyer became GRH Coordinator in October 1999, and increased our team's em-

phasis on customer service, as evidenced by the efficient State Office GRH program centralization. She joined the Agency in 1994 as a Guaranteed Rural Housing Loan Specialist after 10 years in the mortgage banking industry. Annette states she enjoyed learning under the tutelage of Logan Wilson, whose thorough knowledge of GRH procedures and requirements serves her well to this day.

Edgar Morales is the Single-Family Loan Specialist responsible for outreach, training and setting up new lender and builder relationships in the 502 Guaranteed Loan Program. He is also an underwriter for the GRH Program. A licensed Real Estate agent since 1989, Edgar was an active agent with Coldwell Banker, Re/Max and others. He served as President of the Santa Clara County Hispanic Association of Real Estate Professionals and as State Director for the California Association of Realtors, serving on the Rural Housing, Housing Affordability and Equal

Opportunity committees. Before coming to Rural Development in 2002, Edgar served as a Branch Manager for Wausa Mortgage Corporation.

Tamara (Tamy) D. Binning has an extensive, 14 year loan servicing background, and for the last 18 months she has also been working in loan origination. When she began her career in Rural Housing it was with the Farmers Home Administration. Her experience includes positions as Clerk, Housing Assistant and then Legal Document Examiner. Currently her title is Legal Instrument Examiner.



Rural Development California Single Family Housing Team: (left to right) Ralph Westlin, Tamy Binning, Edgar Morales, Annette Joyer and Bob Anderson.

Single Family Housing

USDA Loans, Grants and Technical Assistance

Rural Housing Service delivers a variety of assistance to support rural single family housing needs, including the Self Help Housing Program.

For more information, contact a SFH staff professional at USDA Rural Development (530) 792-5800 or call your regional USDA Service Center.

- Single Family Housing Direct Loan (SFH502)
- Single Family Housing Participation Loan (SFH502)
- Single Family Housing Guaranteed Loan (SFH Guarantee)

- Single Family Housing Repair Loan (SFH504 Loan)
- Single Family Housing Repair Grant (SFH504 Grant)
- Self-Help Technical Assistance Grants

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Homeownership Goal A White House Priority

Visit Our Websites for further information about USDA Rural Development programs:

California Office
www.rurdev.usda.gov/ca

National Office
www.rurdev.usda.gov

Helping Rural People Succeed

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President George W. Bush has set a high priority on increasing economic opportunity by setting an aggressive goal to increase homeownership. Last year President Bush set a goal of 5.5 million new minority homeowners by the end of the decade. This challenge sends a signal to federal agencies involved in home loans and grants such as USDA and HUD, but also is a challenge to the private and non-profit housing industry to "do what it takes" to help all families and individuals get their first home.

"It's not by accident that President Bush is devoted to economic development for families," said USDA State



Director of Rural Development Paul Venosdel. "President Bush knows that by building equity through homeownership, a family gains a greater sense of pride, responsibility and self-determination for their next generation." According to a 2002 study by the

Administration, meeting the President's goal will involve \$256 billion in economic activity in the form of construction and remodeling jobs, spending on household goods, and other benefits.

June signals the time for the annual HOMEOWNERSHIP MONTH celebration nationwide.



Farmersville, CA - Celebration of Self Help Enterprises' 5,000th self help home. Holding a personal congratulations letter from USDA Secretary Ann M. Veneman is the SHE Executive Director Peter Carey. Pictured left to right: USDA Rural Development CA State Director Paul Venosdel, Carey, and USDA Rural Housing Service Deputy Administrator David Villano.

In California, this year's celebration includes a special tour of Self Help Housing projects, funded by USDA Rural Development. Coachella Valley Housing Coalition is coordinating the tour of affordable housing projects they administer in Riverside County. The housing tour will visit projects completed and underway near Indio and Mecca.