



# USDA Rural Development Annual Report 2011 Michigan



- Housing Programs
- Business Programs
- Community Programs

Strong rural communities are key to a stronger America. President Obama has acknowledged as much in his travel to rural communities, and through the creation of the first-ever White House Rural Council, and at USDA we share his conviction.

Over the decades, USDA has enhanced the vital contributions of rural America to our nation's prosperity, security and success. With the current economic challenges, USDA has responded focusing on efforts that maximize the use of program funding, streamlining processes and promoting thriving economies and job creation in rural America.

This responsiveness and innovation is nothing new for USDA. Our employees understand the prosperity challenges of rural America and how each community's needs are unique. Our dedicated Rural Development staff, who live and work in the communities they serve, are able to hear and respond quickly to local issues. Through a variety of business, economic development, utility and housing programs, our Rural Development specialists are doing more for rural communities than ever before.



-Thomas Vilsack  
Secretary of Agriculture



In Fiscal Year 2011, USDA Rural Development delivered programs to the American people that created jobs and new economic opportunities in rural communities. I am proud to report that our three mission areas, Housing, Utilities and Business and Cooperative Programs, have collectively helped save or create thousands of jobs in rural America.

In the upcoming year, we will continue to work with communities, residents and others to ensure that rural America continues to be a healthy, safe and prosperous place to live, work and raise a family.

-USDA Rural Development  
Under Secretary Dallas Tonsager

Fiscal Year 2011 saw Michigan Rural Development invest more than \$929 million in rural communities across the state.

That brings our current portfolio of loans and loan guarantees to Michigan business, communities and residents to more than \$4.3 billion. Just as important, these loans were achieved with a low delinquency rate comparable to the highest grade of commercial finance, ensuring that taxpayer dollars are being well spent.

These numbers are impressive, but they do not tell the whole story. This annual report helps put faces on the numbers, demonstrating how we are helping to revitalize rural Michigan.

-USDA Rural Development  
State Director for Michigan James J. Turner



Our Mission: To increase economic opportunity and improve the quality of life for all rural Michigan residents.

Investment in Michigan Communities, FY 2011:

**\$929,198,439**



Single Family Housing: **\$672,418,906**



Multi-Family Housing: **\$50,758,299**



Business Programs: **\$41,126,922**



Community Programs: **\$121,889,400**



Telecommunications: **\$43,004,912**

### I. Business Programs:

- **37** Michigan businesses were assisted with Rural Business Enterprise Grants
- **84** Renewable Energy for America Program Grants were awarded to Michigan farmers and small businesses
- **137** Michigan businesses in total received guaranteed loans or grants

### II. Housing Programs:

- **7,051** Michigan families were assisted in obtaining the American Dream of home ownership
- **185** Michigan families were assisted in making essential home repairs and energy-efficient upgrades
- **7,122** Michigan families/individuals enjoyed quality rental housing

### III. Community Programs:

- **35** Michigan communities were able to purchase police, fire or other emergency vehicles
- **24** Rural Michigan communities received water and/or sewer improvements
- **28** Rural Michigan communities built or renovated community centers, fire stations, town halls or other structures.

# B usiness Programs - creating opportunity

Michigan's manufacturing sector has been battered by the recent recession. The difficulties of the Big Three Detroit auto manufacturers created a ripple effect to parts suppliers.

One of those suppliers is Port City Group, based in western Michigan that specializes in precision castings. Like many Michigan businesses, Port City Group found that tight credit markets were impairing its ability to compete and make needed capital improvements.

Thanks to two Business Guaranteed Loans totaling \$9.6 million from USDA Rural Development, the manufacturing company has boosted its employment and its revenues are healthy again.

As a result, once-idled workers are returning to the factory floor and rural Michigan is benefitting from the income they provide to their families and communities.



*A worker melts down scrap aluminum for reuse at Port City Group's Muskegon manufacturing facility.*



*Port City Group uses precision manufacturing techniques and state-of-the-art technology to stay competitive.*

# Investing in renewable energy

In September Isabella Pellet held the grand opening for its new facility in Weidman, just a few minutes outside of Mount Pleasant.

The company takes Michigan Red Pine sawmill waste wood and converts it into pellets that can be used for wood stoves or animal bedding. The process is fairly straightforward as the raw material – sawdust – is dried, milled, pressed, bagged and loaded onto pallets. One side effect is that the factory is filled with the clean scent of fresh-cut pine.

The U.S. Dept. of Agriculture Rural Development provided a \$1.2 million loan guarantee through our Business Program to Chemical Bank to help finance the project, which has created 13 jobs.

Not only does the project provide a direct benefit to the community through jobs for the plant's employees, it helps the local lumber industry find new uses for what would otherwise be a waste product. In addition, it reduces Michigan's dependency on imported energy supplies.



*Isabella Pellet's manufacturing facility is an example of taking an abundant local resource - in this case, lumber waste - and utilizing it to promote energy independence and create jobs.*

# Achieving - and preserving - the American Dream of home ownership

Whether providing guaranteed and direct loans on new or existing homes, or providing grants and loans for home repairs, USDA Rural Development Single Family Housing helps rural residents achieve the American dream of home ownership. USDA Rural Development is proud to work with other federal, state, tribal and local organizations to help residents accomplish their goal.

Since Fiscal Year 2009, Single Family Housing in Michigan has helped 22,000 residents achieve this dream and in the process strengthened their communities and the local economy.

In addition to helping families find homes, USDA Rural Development also offers classes in home ownership and works with local partners to provide sound financial advice to help families keep their new homes.



*Mary Homola's home before the roof and porch repairs.*

USDA Rural Development's Single Housing program helps rural residents achieve the American Dream of homeownership - and also to preserve that dream.

Mary Homola of Owosso works part time at the Shiawassee County Community Mental Health Agency. She had owned the house for years and the roof and porch were falling into disrepair. Because of their condition, she was notified by her insurance company that they could no longer maintain her policy.

USDA Rural Development pooled resources with the City of Owosso to provide the funds necessary to repair the roof and porch.

Mary now has a safer home that can be properly insured.



*Mary with her much-improved front porch.*

Independence is something Joshua Gebauer never thought he would have. Because of his physical disabilities, Josh thought he would always have to live with his parents, but thanks to USDA Rural Development Josh was able to gain his independence and live on his own.

Although Josh does receive some assistance, he has a part-time job working the midnight shift stocking shelves at a local grocery store. Josh and his father had started researching the possibility of a home purchase but were concerned about the quality and condition of the types of homes he could afford on his limited income. They were referred to USDA Rural Development by their local bank and Rural Development in turn partnered with the Human Development Commission to finance the purchase of the house, closing costs, and renovations to meet Josh's personal needs.

RD spearheaded the project by financing the purchase and a portion of the repairs through their 502 Direct Mortgage Loan program. HDC utilized the Michigan State Housing

# Single Family Housing

Development Authority and the Purchase Rehab Program to finance the remaining repairs and appliances and also assisted Josh with the closing costs and down payment. Josh and his parents attended a homeownership class that was provided by HDC.

RD and HDC financed major renovations to accommodate Josh's wheelchair and crutches, including platforms and ramps for all three exterior doors.

In an effort to bring the home up to RD standards of "safe, decent, and secure", windows were replaced, a new furnace was installed along with smoke detectors throughout the house. HDC also financed appliances for the house.

Josh is now looking forward to having buddies over to his house for a few BBQs and continuing to lead an independent life.



*Thanks to Rural Development and its partner, the Human Development Commission, Josh Gebauer is now able to live independently on his own.*

# Providing quality, affordable rental housing

USDA Rural Development's Multi-Family Housing program's mission is to provide quality, affordable rental housing, but it also can take a prominent role in preserving local landmarks.

In 2011, the Sycamore House senior housing project received one of the 2 Governor's Awards for Historic Preservation from the Michigan State Historic Preservation Office. The ceremony was held in the state Capitol rotunda and dozens of citizens and legislators from across the state turned out.

Michigan State Housing Development Authority Executive Director Gary Heidel opened the ceremony by noting the rich historic heritage of Michigan's towns and cities and how the preservation of these sites is vital to keeping our state a place where people work, live and spend their leisure time.

A total of six projects received awards, and USDA Rural Development's contribution was the rehabilitation of Durand High School into Sycamore House, a 40-unit senior residential facility and living community. The Woda Group, LCC and its community partners took extra care to maintain the historic nature of the structure, which was built in 1920 but had been idle since 1965.

USDA Rural Development provided a \$1,372,500 loan guarantee through the 538 Multi-Family Housing Guarantee Program. Construction began on August 12, 2008 and was completed in mid-February of last year.

Durand, which is known for its historic railroad station, now has another link to its proud past and a neighborhood eyesore is once again a bustling center for the community.



From left: State Historic Preservation Officer Brian Conway, Associate Principal Heather DeKorte of Cornerstone Architects, PCI Design Group, Inc. Owner Douglas Weatherby, Executive Vice President and General Counsel for the Woda Group, Inc. David Cooper Jr., Executive Director Gary Heidel, Michigan State Housing Development Authority.



*The Sycamore House senior facility, located in Durand, renovated the old high school, preserving its architecture and reinvigorating the local neighborhood.*

## Site Manager of the Year

Renee Beeler was named one of Michigan's Site Managers of the Year for her work at Oak Park Apartments in Traverse City.

Renee deals with problems immediately and exhibits a professional style of management.

She always takes time to listen to residents' concerns and is patient and compassionate in tending to their requests. Renee even helps residents contact the appropriate social agencies.

She is diligent about maintenance and as a result, the facility boasts impeccable grounds with pleasant seating areas outside for the residents.

In addition to her work with residents, she maintains excellent records; Reports are submitted in a timely fashion and she maintains total accountability. She is proactive and cooperative with audits, supervisory visits and compliance reviews.



*State Director for Michigan James J. Turner presents Renee Beeler with her Site Manager of the Year award.*

Because of Renee's diligence and hard work, Oak Park Apartment enjoys 100 percent occupancy, strong testimony to the quality of life its residents enjoy.

# Community Programs

Rural libraries have traditionally served as gathering places and local education centers as well as places where residents can find books to read. Increasingly they are also the gateway to the wider world of the Internet.

On May 16, 2011, Morton Township broke ground for its library expansion. Located in the Village of Mecosta on the western side of the Lower Peninsula, the event was a wonderful example of how a rural community can come together to support a project.

The ceremony featured blessings from both of the town's pastors, speeches from local worthies including the township supervisor and library director, and the children from Mecosta Elementary School sang a pair of songs to commemorate the occasion.

USDA Rural Development provided a \$2.8 million loan and \$200,000 grant through the American Recovery and Reinvestment Act. The community has already raised more than \$150,000 – a substantial contribution for a community of less than 4,000 residents.

The new structure will total 13,709 square feet, an increase of 8,800 square feet over the existing facility. There will be more space for books, but just as important is the increased access to the Internet through additional computer workstations, the three meeting rooms to host community events and learning opportunities, and greatly improved parking.

The residents of Morton Township see their expanded library as a vital investment in their future – both through their children and their sense of community.



*The huge turnout at the groundbreaking for Morton Township's library expansion demonstrated how rural communities can come together in support of community facility upgrades.*

# Critical infrastructure, community facilities



*Located in Newaygo County near Lake Michigan, Hesperia obtained this bus thanks to a \$50,000 grant from USDA Rural Development. Note the wheelchair lift near the rear of the right side.*

Community Programs provide a wide array of assistance to rural communities, from police vehicles to playground equipment.

Rural Development can assist communities with more than 80 types of facilities, including hospitals, fire trucks, fire stations, health clinics, libraries and municipal buildings.

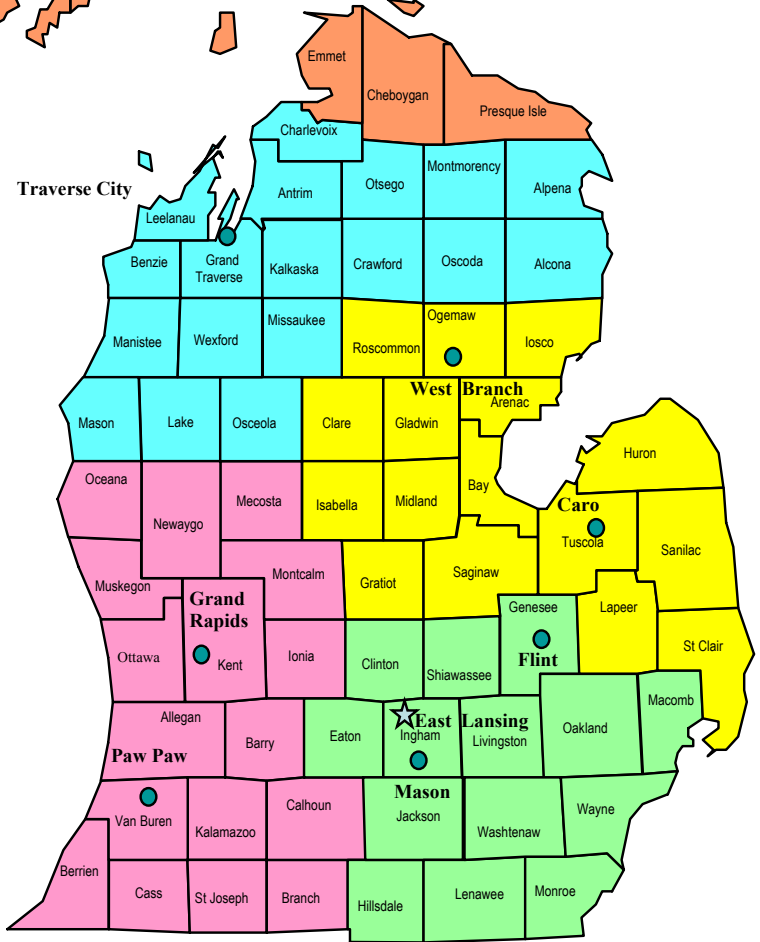
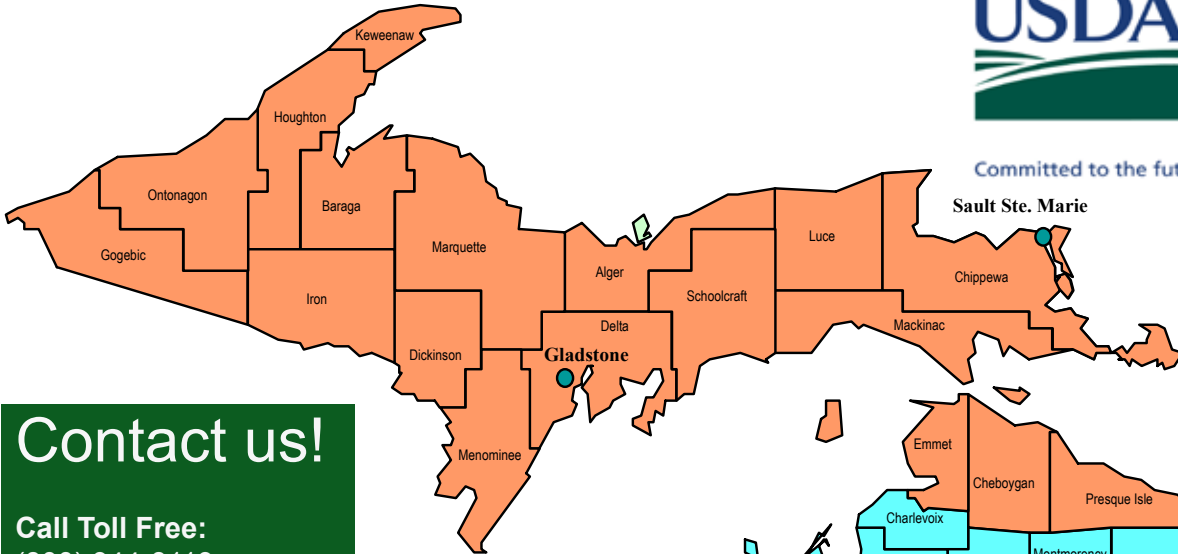
In addition, the Water and Environmental Program helps communities with critical infrastructure such as water and sewer lines and the facilities needed to sustain them.



*This water tower in Manton was recently completed. The project was funded with an \$897,000 loan and \$2,600,000 grant and will serve 538 rural customers.*



Committed to the future of rural communities.



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