

# THE RURAL MINNESOTAN



Committed to the future of rural communities.

## Official Newsletter of USDA Rural Development in MN Northeastern Minnesota Edition

### Faribault Family Has a New Home for the Holidays

FARIBAULT — *I'll Be Home for Christmas* took on a new meaning for a local family this holiday season.

Jason and Tracy Baker of Faribault and their five children lost their mobile home in a fire last June. Thankfully, the family was not home at the time. However the Baker's did lose their two pets in the blaze: Lucas, a 10-year-old German Sheppard and Shelly, a two-year-old Sheltie.

"It was just devastating," Tracy said. "Everything we worked for was gone. The hardest part was the pets. The house just became a thing with four walls, but losing our pets really hurt us a lot."

After the fire, the family lived with Tracy's mother in a two-bedroom mobile home and contemplated what to do next. The recovery process began immediately, and was accelerated during cleanup. The



family manually tore down the remains of their former home and began searching for other housing options. **Three of the Baker boys play with their new dog in front of a Christmas tree donated to the family from a local church.**

Tracy said. "That made everything final for us." A big part of the healing process was trying to find a new place to live. With five kids, renting was a

Once tearing down the house was done, we began to move on and try to heal," Tracy

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### From the desk of State Director Steve Wenzel

ST. PAUL -- USDA Rural Development of Minnesota had the honor and privilege of hosting the Rural Renaissance meeting in Minneapolis on October 30 and 31. The State Director's, Administrative Officers and Public Information Coordinators joined Rural Development Under Secretary Thomas Dorr and other national Rural Development leaders for two days to discuss the future of our agency and how we can serve rural America in more innovative and efficient ways.

Many of you are probably asking, "What exactly is the Rural Renaissance?"

The Rural Renaissance refers to the many new opportunities for growth and wealth creation in rural America. Rural America is constantly evolving, and it's essential that USDA Rural Development evolve with it. The Rural Renaissance meeting in Minneapolis gave us all the opportunity to discuss ways we can position ourselves to be the leading advocate for rural communities everywhere.

Another thing we discussed at the Rural Renaissance meeting is establishing specific goals and objectives at the local, state and national level. Minnesota now has a set of specific goals and objectives that we will be working to achieve each and every year. These goals ensure that we are out in the communities we serve and are educating everyone about our programs. The goals will help each and every person at Rural Development become a better advocate for our rural communities.

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last resort. The Baker's wanted to find a home, but struggled to find something they could afford.

Then the family learned about the U.S. Department of Agriculture's (USDA) Rural Development program.

The Baker's applied for housing assistance through USDA Rural Development in mid-August. Rural Development's single-family housing program's help low and moderate income individuals and families purchase homes in rural areas, generally defined as a city with a population of 20,000 or less.

"We're low income, so there's no way we could afford a traditional home," Tracy said. "We couldn't go back to renting. The people at Rural Development were very helpful in helping us get a home we could afford."

The subsidized loan they received from Rural Development enabled them to provide a four bedroom home for their children with manageable monthly payments. The Baker's moved in on Dec. 14, just in time to trim the tree, hang the stockings and send a change-of-address form to Santa.

"I wanted to be in a new home before Christmas very badly," Tracy said. "I remember asking Rural Development before the loan money came in how long we had to wait before we make any offers. I wanted to move in right away!"

Carol Horstman and the staff in Rural Development's Faribault office guided the family through



**The Baker's** new home in Faribault, financed by Rural Development's direct Single-Family Housing program.

the loan process and was there to answer any questions the Baker's had. Securing funding and buying a new home can be an intimidating process for

some people. Rural Development works to make that process as smooth as possible for applicants.

"Our staff is right there to help when needed," said Steve Wenzel, State Director of Rural Development in Minnesota. "We pride ourselves on being advocates for rural Minnesota and we have staff throughout Minnesota ready to assist you."

That assistance, combined with a positive and hard-working attitude from the Baker family, helped turn a nightmare into a dream come true.

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## **New Multi-Family Housing Program Director**

On another note, I am proud to announce the appointment of Karen Thompson to the position of Multi-Family Housing (MFH) Program Director for Minnesota.

This is a very key appointment for the agency and for all of rural Minnesota. Karen brings almost 30 years of USDA knowledge and experience into her new position as Program Director and will serve the needs and interests of the agency well. She has also been a supervisor in the agency for the last 23 years.

***"Minnesota has the fourth largest MFH caseload in the nation, serving over 11,500 households."***

Karen began her career in 1979 with USDA in Pine City. Since 1984 she has served as the Rural Development office supervisor of the Buffalo office. Her knowledge and experience will be essential as Minnesota continues to service one of the largest MFH portfolios in the nation and implements the Rural Renaissance Initiative.

Minnesota's MFH portfolio consists of about 640 projects and serves about 11,500 low-income households. We have projects in 84 of Minnesota's 87 counties and provide rental assistance to about 6,500 households. Minnesota has the fourth largest MFH caseload in the nation.

### **Lender outreach and guaranteed loan programs**

Be sure to check out page four of this edition of the Rural Minnesotan for a complete schedule and itinerary for a series of meetings we will be holding throughout the state to highlight our guaranteed loan programs.

Each meeting will highlight and explain in detail our guaranteed lending programs and give each and every one of you the opportunity to tell us how we can meet the needs of your community. If you're a lender, nonprofit, healthcare administrator, or economic development authority, I strongly encourage you to attend a session in your area.

Contact Adam Czech, Public Information Coordinator, at (651) 602-7799, or [adam.czech@mn.usda.gov](mailto:adam.czech@mn.usda.gov) for more information.

## A successful 2007 for Rural Development in NE Minnesota

From the Boise Forte American Indian Community to the Deer River Health Center, USDA Rural Development was active throughout Northeastern Minnesota in 2007.

Rural Development invested over \$4 million and assisted 64 families and individuals through its direct single-family housing program. To commemorate rural homeownership, Rural Development held events in Baxter and Nashauk during June Homeownership month.

Since 2001, over \$27 million has been invested in rural single-family housing in Northeastern Minnesota. Rural Development also oversees the management of 71 multi-family housing projects in the region.

Seven projects were funded through Rural Development's community programs division. Areas benefiting from this funding included the Leech Lake Band of Ojibwe, Boise Forte American Indian Community, Cromwell, Angora Township and Deer River Health Center.

Since 2001, Rural Development has invested over \$33.5 million in Community Programs throughout Northeastern Minnesota. These funds have been leveraged to support over \$57 million in projects.

Northeastern Minnesota is served by offices in Baxter, Duluth and Virginia. These three offices cover Aitkin, Crow Wing, Cass, St. Louis, Cook, Lake, Pine, Itasca and Koochiching counties.



**Curtis Anderson**, Deputy Administrator of Rural Development's Utilities Programs, cuts the ribbon on a new building for the Leech Lake Tribal College.



**State Director Wenzel** (left, holding check) visited GRV Gibbs last December to award a Value-Added Producer grant.



The outside of the wastewater treatment building in Ely.

## Ely wastewater system honored

ELY — A Rural Development financed wastewater system has been up and running in Ely since 2001.

A couple of months ago, the city of Ely received an operations award from the Environmental Protection Agency (EPA) for having the best run medium sized advanced wastewater facility in the entire EPA Region V, which includes all of the states in the Great Lakes Region.

"This award shows that investments in our rural communities pay off," said Steve Wenzel, State Director of Rural Development in Minnesota. "I want to congratulate the city of Ely and the people that run the wastewater system on receiving this award. It is a true testament to the commitment you show to your community and to our environment overall."

The \$9 million project was funded with a \$2 million Rural Development grant and \$2 million loan. The Public Facilities Authority contributed \$4.7 million and the city chipped in \$700,000. Terry Jackson is the general manager of the Ely Utilities Commission and will be retiring in February.

"When it all came together, it felt really good," he said. "We were one of the first communities to have so many matching funds and in the end we were able to get a state-of-the art system."

Leveraging Rural Development funds with funding from other organizations is a priority in Minnesota. Leveraging funds allows Rural Development to finance more projects and assist more communities with their water and wastewater needs.

"This was a good project where a lot of different people and different organizations came together to make it all happen," Jackson said. "It's definitely a feather in the hat for anyone that supported this project since day one."

## Rural Development's Business Programs Support Job Growth

The creation and success of *Trussworthy Components, Inc.* can trace its solid footings to USDA Rural Development programs. Business specialist, Kathy Coyle says the concept of a truss factory in the small



northern Minnesota town of Pine River first surfaced on an application for a Rural Business Enterprise Grant

(RBEG) from the Cass County Economic Development Corporation. Money was needed to provide quality business counseling to assist entrepreneurs in the economically challenged county. The RBEG supported the work of the EDC's consultant, Gail Leverson. She assisted Trussworthy's Craig Anderson in developing his business plan, application for Minnesota JOBZ tax incentives, and advice on financing. Anderson, a twelve year veteran of the lumber business is a first

time business owner. Empowered with the knowledge to make quality decisions, Anderson contacted the Initiative



Foundation, one of Rural Development's Intermediary Re-lending Program (IRP) participants, for a business loan. When Coyle visited Trussworthy, October 2007, she saw raw wood turn into finished product for lumberyards in a 100 mile radius and custom trusses created for specific building projects in the lakes area. What began as just a dream a few years ago is now employing 23 people in the Pine River area. Down the road, in Hackensack, MN., a similar scenario played out as Leverson advised Jim Johnson, the founder of the *Hackensack Senior*

*Class, LLC*, a 37-unit assisted living facility. The Initiative Foundation also assisted with an IRP business



loan for the construction of the \$4.5m complex that employs 20 area people. Johnson, a community leader, also realized the need for a clinic and pharmacy in the small town so he part-

nered with St. Joseph's Medical Center to include that medical facility within the senior complex.

### USDA Rural Development to highlight guaranteed lending programs throughout state

USDA Rural Development will be conducting special informational meetings to educate, discuss and highlight our guaranteed lending programs. Lenders, nonprofits and economic developers are encouraged to attend. Refreshments will be served. For more information and to RSVP, contact Adam Czech at (651) 602-7799 or [adam.czech@mn.usda.gov](mailto:adam.czech@mn.usda.gov). A full schedule of meetings is below.

<u>Date</u>	<u>City</u>	<u>Place</u>
Feb. 27	Owatonna	Cabela's
March 12	Mt. Iron	Community Center
March 18	Thief River Falls	Seven Clans Casino
March 19	Bemidji	Hampton Inn
March 25	St. Cloud	Holiday Inn
April 9	Redwood Falls	Community Center
April 10	Alexandria	Holiday Inn

### Agenda

- 9 a.m. — Registration
- 9:30 a.m. — Introduction
- 9:45 a.m. — Community Programs overview
- 10:15 a.m. — Business Programs overview
- 10:45 a.m. — Break
- 11 a.m. — Multi-Family Housing overview
- 11:30 a.m. — Single-Family Housing overview
- Noon — Community needs assessment and Q&A
- 12:30 p.m. — Adjourn

# Rural Development in Northeastern Minnesota

## **Baxter Area Office**

7118 Clearwater Rd.

Baxter, MN 56425

Phone: (218) 829-5965 ext.4

Fax: (218) 829-8764

**Mike Monson**, Area Director

**Roger Clapp**, Community Programs Specialist

**Thomas Leach**, Single-Family Housing Specialist

**Susan Bloomberg**, Technician

**Steve Anderson**, Assistant

## **Duluth Area Office**

4850 Miller Trunk Hwy. #1B

Duluth, MN 55811

Phone: (218) 720-5330 ext. 4

Fax: (218) 720-3129

**Brian Boyda**, Rural Development Manager

**Patrick Croatt**, Appraiser

**Julie Claussen**, Single-Family Housing Specialist

**Cathy Solem**, Assistant

## **Virginia Area Office**

1202 8th St. South

Virginia, MN 55792

Phone: (218) 741-3929 ext. 4

Fax: (218) 741-9407

**Kristin Zigan**, Rural Development Manager

**Dennis Tabbert**, Area Specialist

**Janice Seibert**, Technician

**Shirley Tanem**, Assistant



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