

THE RURAL MINNESOTAN



Committed to the future of rural communities.

Official Newsletter of USDA Rural Development in MN Northwestern 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.**

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

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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 informing 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 for more information.

A Place to Call Home

BEMIDJI -- Darlene Lindsey works hard to earn a living and raise a family. When she leaves work each day as an office manager at Mutch Repair, the thoughts of getting home and dealing with family and household issues are much more positive than seven short months ago.



This past summer, Darlene and her children realized their dream when they moved into a new house in the Mid Valley Estates neighborhood near Bemidji.

Being a single parent with three children (one with special medical needs) is quite challenging, but adding to the challenge, Darlene and her children were renting a small one-bedroom home with one bathroom. Darlene learned that Rural Development might be able to help her find a house that could accommodate her family and would still be something she could afford. She applied to Rural Development, and with the help of three organizations that have a mission to assist low-income families obtain housing, the Lindsey's now live in a four-bedroom house with plenty of space, a yard and a garage. Beyond the fact that the family has a healthy, spacious home of its own, the monthly payment for the mortgage, taxes, and insurance is just a few dollars more than what it used to pay in rent.

The Lindsey's dream was made possible by programs offered through Headwaters Housing Development Corporation (HHDC), Midwest Minnesota Community Development Corporation (MMCDC), and USDA Rural Development. HHDC acquired the land and was then assisted with construction by the Bemidji High School Carpentry Program. Rural Development delivered the financial component with its direct housing loan program that offers affordable financing with low, fixed-rate interest, long repayment terms, and interest subsidy. MMCDC pitched in with a one percent deferred loan to cover a portion of the loan closing costs.

Darlene and her children love their new home and enjoy every aspect of home ownership. "This is

an entirely new feeling for us," Darlene said, "I take pride in my home and we really enjoy the neighborhood." Angie Bokovoy, Housing Specialist with Rural Development, assisted with processing the loan application. "Darlene told us that her No. 1 goal with the home purchase was to give her kids more stability," said Bokovoy, "One of the objectives of this loan program is to provide financing to assist low-income households achieve home ownership. Home ownership provides stability to families and gives them the opportunity to strengthen their financial situation."

Thanks to USDA Rural Development, and its partners, the Lindsey's have a place to call home.

A New Look and Better Water Quality in Callaway

CALLAWAY – For decades, the City of Callaway had been treating the community water supply with a 60-year-old, "hand-me-down" treatment plant, purchased from another town. The plant was well beyond its useful life and did not address arsenic concerns. In recent years, arsenic levels in water supplies have received heightened awareness as a public health issue. In addition to the water treatment issues, the City also had a water tower and water lines that were undersized, deteriorating, and about 90 years old. Andrew Gag, USDA Rural Development Community Programs Specialist, characterized the situation: "This was not a question of whether to update, but how to finance the water system updates."

In early 2005, Callaway applied for financial assistance to upgrade its water system. The City leaders decided to



complete the project in two phases. The first phase addressed the water treatment facility. The new water treatment plant is designed to treat iron and manganese along with arsenic. Funding for the first phase was provided from the State of Minnesota in the form of a \$500,000 loan and a \$500,000 grant.

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In the second phase of the project, the City addressed both its water storage and distribution system. To address these issues the City constructed a new 50,000 gallon water tower and all new distribution lines throughout the community. "This project represented a significant cost for a community of this size so, in order to keep the project more affordable, the City needed to find a reasonable funding package," Gag said.

The City received a \$600,000 grant from the State of Minnesota's Small Cities Program and USDA Rural Development provided a \$337,000 grant along with a low interest, long term loan for \$337,000. The water project coincided with a U.S. Highway 59 reconstruction project so the City also received a grant for \$517,000 from the Minnesota Department of Transportation.

The funding package from multiple participating agencies demonstrates how a small town of 200 residents can make such a significant overhaul of the entire water utility system. "It's more practical for a small community to make upgrades in a more strategic and gradual manner," Gag said. "But in this case the phasing of the improvements and the partnering of multiple agencies to provide the funding and financing made the water system makeover a reality."

The project was finished in 2007. "The results can be summed up like this," Gag said. "Our vision for rural America is 'a healthy, safe, and prosperous place to live and work', and today, Callaway looks more like that vision."

New Equipment Saves Lives

BLACKDUCK -- The mission of the Blackduck Ambulance Association is to provide the best possible medical care to members of the community, primarily in emergency situations.

That objective was given a boost recently with the addition of some new equipment that uses advanced technology. When the Blackduck Ambulance Association began the process of purchasing and financing that equipment, they came to USDA Rural Development. Using the Community Facilities Direct Loan and Grant program, USDA was able to provide



affordable financing for the equipment purchase.

"Rural Development provided a loan in the amount of \$32,000 and a grant in the amount of \$31,000," said Kathy Luepke, Rural Development Manager in the Bemidji office, "The loan repayment term is five years with an interest rate of 4.375 percent."

The Blackduck Ambulance Association serves several surrounding communities and a substantial area north of Bemidji. Sometimes the long distance from the emergency site to the hospital can be a significant disadvantage to the patient. The new equipment allows for a faster response time to the patient's needs and includes an updated auto-pulse system, a 12 lead ECG Simulator, Ventilator/Resuscitator, IV pump, and a Telular Wireless terminal.

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



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