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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
WASHINGTON STATE

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MUTUAL SELF-HELP HOUSING PUBLIC FORUM
at
University of Washington, Tacoma Campus
1900 Commerce Street
BHS 106 Classroom

May 14, 2010

Tacoma, Washington

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Taken Before:

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APPEARANCES

3

4

Tom Byers - Moderator

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Mario Villanueva - State Director

6

E. Tammy Repine - Housing Program Director

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Rich Davis - Acting Deputy Administrator,

8

Single Family Housing

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1 P R O C E E D I N G S

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3 (Public comment commencing at 1:45 p.m.)

4

5 MR. BYERS: Well, good afternoon, everyone.

6 You are obviously very dedicated to the cause, or you

7 wouldn't be indoors on a day like today in Tacoma.

8 We would like to do a favor for our

9 transcriptionist, and that is that -- her fingers fly

10 quickly, but they need a little bit of a break between

11 speakers. So I know you've all been to events where

12 people line up behind each other and go click, click,

13 click. But we're not going to do that. We're going to

14 call on folks, and then if you'll come to the

15 microphone, just the time it takes you to get to the

16 microphone will give her enough rest that she can be

17 really effective and accurate in transcribing.

18 Do we have a list of the folks who signed in to

19 speak? Great. Great.

20 The other -- the only other thing I'll say is, the

21 three-minute limit, the time it takes you to pronounce

22 and spell your name will not be counted. And I will

23 just hold up my hand when you've got about 30 seconds

24 left and won't start getting militant until your time

25 is well past. Okay?

1 The first person we have signed up is Nancy
2 Larsen.

3 MS. LARSEN: Oh, no. I'd have stayed in the
4 parking lot had I known that.

5 My name is Nancy Larsen, N-a-n-c-y L-a-r-s-e-n.
6 I'm executive director of Whatcom-Skagit Housing.
7 We've been in existence since 1976, and we average
8 about 20 EUs a year in our grants. I'm just going to
9 talk really briefly on six of the subjects.

10 Regarding the B2 task list, we -- I feel that it
11 should definitely be reevaluated by each state office.
12 Also, families should be allowed to earn partial credit
13 for all phases of the building process. And we also
14 feel that 65 percent of the labor is not a burden on
15 the families. We seem to be very successful with that.

16 Regarding EUs, there should be more EUs given for
17 obtaining building sites. We have had to build three
18 subdivisions from raw land in the last seven years in
19 order to provide affordable lots for the families. We
20 do not receive sufficient credit for the time and
21 effort spent.

22 T&MA contractors, due to the workload on the staff
23 at the local USRD offices, it is impractical to assume
24 that they can take on direct assistance of the

25 grantees. It is also important to have an intermediary

5

1 between the grantees and USDA.

2 Equity is a measure of success. As it stands now,
3 the amount of equity in each house depends totally on
4 the real-estate market at the time and does not measure
5 the true value of the program. In 2005 our houses
6 produced equity of \$100,000, while the most recent
7 participants average about \$25,000 equity. It doesn't
8 mean our recent families received any less of a house
9 or a benefit. Perhaps a better measure would be the
10 net savings to a family.

11 Depressed real-estate prices, I would support the
12 concept of a 523 site grant program to relieve losses
13 seen in the recent conservative appraisals. In August
14 of 2006 we purchased a 5-acre site that had preliminary
15 plat approval for an 18-lot subdivision. The purchase
16 price approximate was for 940,000. At present the site
17 has been evaluated at 450 to 500,000.

18 Regarding the competitive process for 523 grant
19 funding, I do not believe that existing programs should
20 be under a competitive process. It is necessary for a
21 successful program to obtain land and lots for three to
22 four years in advance of what they're needed, so I
23 would suggest a longer grant term. Also, the need for
24 land is ongoing and cannot be subject to an uncertain

25 future for the grantee. The competitive process should

6

1 be used for new grantees that want to serve a currently
2 unserved area.

3 Have I not used my three minutes yet?

4 MR. BYERS: No.

5 MS. LARSEN: I practiced it so many times.

6 Okay. But anyway, we're very proud to be part of
7 this program. Every time I talk to people about it
8 they say, "You know, that's just a super program where
9 it's not a government giveaway."

10 And I really appreciate USDA in providing for this
11 forum. Thank you.

12 MR. BYERS: You had four seconds left.

13 MS. LARSEN: What?

14 MR. BYERS: Thank you very much.

15 Kay Kassinger.

16 MS. KASSINGER: See, I told you.

17 Kay Kassinger, K-a-y K-a-s-s-i-n-g-e-r, Housing
18 Authority of Clallam County.

19 I'm going to start off talking about the
20 competitive grant application process and how it may
21 appear straightforward from standard NOFA procedures,
22 but, in fact, it will create a multitude of problems
23 for existing programs. It would require that all

24 grantees work under a uniform program cycle based on
25 the NOFA announcement, not their programs' designs or

7

1 needs.

2 Successful programs have experienced staff with
3 specialized skills, critical partnerships they have
4 developed over time, pipelines of participating
5 families, and have invested their organizations'
6 financial resources to acquire and develop land for the
7 program. These program components take time and money
8 to develop.

9 If performing grantees are not allowed to
10 operate -- excuse me -- their programs on their
11 schedules and under a continuously funded basis but
12 instead are subject to an unpredictable NOFA
13 announcement, many programs will be seriously
14 jeopardized and at risk of folding.

15 RD has a significant investment in existing
16 grantees, and the potential for many programs to lose
17 their experienced staff or even vanish during funding
18 lapses is a reality if the NOFA process becomes the
19 rule for all 523 funding.

20 I suggest you continue to fund existing grantees
21 using the current process. New grantees should be
22 limited by the appropriation after existing grantee
23 demand is met, and even then should be limited in scope

24 as the failure rate of new grantees is higher than that
25 of existing grantees. Additionally, any performing

8

1 existing grantee that might be willing to serve an area
2 being considered by a new grantee should have the
3 opportunity to do so.

4 Another area I'd like to talk about is very-low-
5 income-served numbers are down mainly due to the
6 market, the 24-percent minimum payment, and the way RD
7 is required to calculate very low income served based
8 on loan obligations, not persons served. Reduce the
9 minimum payment for very low income from 24 percent to
10 20 percent.

11 Couple of changes I would suggest: extending the
12 grant term for existing performing grantees for more
13 than two years; technical assistance costs should be up
14 to 15 percent of the lesser of the area loan limit or
15 the appraised value of a modest home in real-time,
16 which could change over the length of a project; and
17 there are currently no regulations or procedures that
18 clearly outline custodial accounts of the 502 loans.

19 Do I got much time left?

20 MR. BYERS: You have 20 seconds.

21 MS. KASSINGER: I'll find a different topic.

22 Internal dialog on defining the equivalent value

23 of a modest home, I would relate to the limitations of
24 a TA cost per EU allowed in the regulations and, as
25 such, is fine as currently stated. In fact,

9

1 non-self-help 502 new construction comparables are
2 adequate, as well.

3 MR. BYERS: Thank you very much.

4 UNIDENTIFIED SPEAKER: Nice job.

5 MS. KASSINGER: Did I cover enough?

6 MR. BYERS: Carl Quarry (phonetic)?

7 MR. QUARRY: I'm going to pass. We're going
8 to present written comments.

9 MR. BYERS: Okay. Thank you.

10 Aun (phonetic) Trunnell? Forgive me if I
11 mispronounced -- Alan, I beg your pardon.

12 MR. TRUNNELL: 20K in 2010. 20K in 2010.
13 20K in 2010. Huh? Come on. 20K in 2010. No cameras?

14 MR. BYERS: This how you get more time.

15 MR. TRUNNELL: Okay. Sorry. Allen Trunnell,
16 Alpha-Lima-Alpha-Nancy Tango-Romeo-Uniform-Nancy-Nancy-
17 Echo-Lima-Lima. Thank you.

18 In response to Question No. 1, amending our
19 self-help regulations, recommendation would be --
20 recommendations would be:

21 Consider extending the grant terms for existing
22 performing grantees to more than two years. TA costs

23 should be allowable up to 15 percent of the lesser of
24 the area loan limit or the appraised value of a modest
25 house in real-time, ergo changeable over the life of

10

1 the project.

2 Clarify that there should not be more than one
3 grantee in the same service area unless the existing
4 grantee is underperforming or there is a cooperative
5 agreement between the two grantees. Additionally, no
6 new grantees should be allowed to operate in area
7 adjacent to an existing grantee's service area unless
8 the existing grantee is unwilling to service that new
9 area. Excuse me.

10 There should be something clear in the regulations
11 that allows for the production model that is in place
12 for many of the most prolific programs in the country,
13 wherein partially completed homes are carried over from
14 one grant to the other.

15 Response to Question 2, 3, and 4 all wrapped
16 around family labor, recommendation:

17 Work with the TA task force made up of a national
18 self-help-housing-association steering committee
19 members and T&MA contractors to build a model. At the
20 end of the build, there should be a real cost savings
21 to the family, which requires significant labor of task

22 that would otherwise raise the price of a house beyond
23 affordability.

24 A minimum of 10 percent equity, based upon the
25 appraised value less all loans, would be an acceptable

11

1 threshold, except that percentage -- that percentage
2 should be allowably -- should be allowably lower in
3 markets without competitive new construction.

4 No. 5, regarding the use of T&MA contractors,
5 recommendation:

6 Work with a task force to approve the contract
7 between the T&MA providers and RD. Contracts should
8 include grantee, project, program, and organization
9 sustainability. Contract could also include working
10 directly with the national office to bring consistency
11 to area and county offices from state to state for
12 single-family services.

13 Item 6, with regards to markets you serve having
14 encountered problems, recommendations: Applicants
15 seeking a 502 loan directly from the local office
16 should be made aware of any local 523 programs;
17 consider a national marketing campaign; formalize 502
18 direct compensating factors; lower the 24-percent
19 minimum payment to 20 percent for very low income.

20 7, right now the primary efficiency -- I'm sorry.
21 No. 7, pertaining to the effectiveness of self-help,

22 this is one measure highly market based and should not
23 be the only measure for the program's overall
24 effectiveness, which should include delinquency against
25 the RD loan portfolio, FHA and 502 guarantee.

12

1 Minorities served and lower income served should be
2 considered, as well.

3 MR. BYERS: Thank you very much.

4 Barry Brodniak.

5 MR. BRODNIAK: My name is Barry Brodniak,
6 first name B-a-r-r-y, last name B-r-o-d-n-i-a-k. And
7 I'm the executive director of Northwest Housing
8 Development.

9 First of all, most of you are going to be relieved
10 to know that I'm going to be much under the three
11 minutes. The other thing is that I didn't bring my
12 reading glasses. So anyway, I'm not going to have to
13 be able to read from it.

14 There's a couple things I want to make sure I hit
15 on. But basically I've been involved with mutual
16 self-help housing since 1976 in one form or another as
17 far as being a group coordinator, a board member, and
18 an executive director.

19 Too late now.

20 Basically, you know, I'm going to give more detail

21 when I give my written comments to the agency. But
22 there's a couple things, I think, through the --
23 through those 34 years that I wanted to really
24 emphasize.

25 And I don't think, you know, it can be covered in

13

1 regulations. You know, I've seen regulations come and
2 go. I've seen them modified. Mostly over the years
3 they tend to improve, and I'm hopeful that the process
4 we're going to be going through now will help to
5 improve the regulations of the program.

6 However, I don't think that that's the key to
7 having successful mutual self-help housing. I really
8 think that the key is the people involved with the
9 programs, with the agencies, with the T&MA contractors.
10 And over those 34 years I have a been able to work with
11 a lot of very good people within the Rural Development
12 agency, within the T&MA contractors, and with the other
13 self-help programs.

14 The key, I think I kind of boiled it down to --
15 what I called it was attitude and training or perhaps a
16 shared perspective and shared understanding. And I
17 think that comes about through training, through shared
18 training with the self-help agencies and with Rural
19 Development. And sadly, when we get into tough budget
20 times, that seems to be the first thing that goes by

21 the wayside.

22 Here in Washington I think we've been very
23 fortunate to be working with RD staff that has been
24 here over those years. And we have had in the past
25 pretty good shared training exercises, which I think

14

1 has helped to keep those numbers that you mentioned in
2 good shape here in the state. But that's something
3 that hasn't been happening. Plus, the contracts for
4 the T&MA contractors have been degraded to such a point
5 that they're not really being able to provide that
6 shared training either.

7 And I don't think -- and I think that if we don't
8 have the shared perspective of the agency to the -- to
9 the self-help programs and the programs with the
10 agency, we're not going to be able to reach those
11 objectives that we all want to do, and that's provide
12 safe, decent housing -- went through the whole thing --
13 safe, decent housing for our low-income families.

14 Thank you.

15 MR. BYERS: Thank you.

16 Fred Safstrom.

17 MR. SAFSTROM: Fred Safstrom with Housing
18 Hope Properties, S-a-f-s-t-r-o-m.

19 Housing Hope has had a self-help contract since

20 about 1990. We've completed 214 homes. We have six
21 under construction now. We have eight that are being
22 appraised. We have another six that are in
23 application. And yesterday we signed an earnest-money
24 agreement to buy another 14 lots.

25 And I say that to illustrate that this is a

15

1 program that requires continuous effort, thinking quite
2 a ways into the future. Even the two-year time period
3 is -- is really too short, and we depend upon a renewal
4 of the contract, assuming that we are performing well.

5 So the prospect of a -- of a NOFA, the prospect of
6 competing against new grantees that may come in and
7 have a shiny presentation and great promises of what
8 they would plan to do -- and trying to compete against
9 that is -- is a little scary. We -- we really -- you
10 know, we count on being able to continue this programs
11 on an ongoing basis.

12 I think that it is good, however -- and I applaud
13 the federal government and the USDA for their
14 aspirations in growing this program. It is extremely
15 valuable.

16 We are an agency that -- this is one part of our
17 work. We have programs that range from emergency
18 shelter to transitional housing to affordable rental
19 housing to home ownership. And we have dozens of

20 families who started off with us from homelessness, who
21 came into an emergency shelter and went all the way
22 through this continuum and ended with being homeowners.

23 And I just want to say that, without this program,
24 that could not have been accomplished. And I think one
25 of the things we need to remember, this is not just an

16

1 alternative towards home ownership. This is the only
2 way these families can obtain home ownership.

3 So for -- a competitive process for new grantees,
4 I think, would be good. I think it should be done at
5 points in time when adequate funding is available to
6 fund new grantees. And there should be an open
7 application process, and those new grantees then, you
8 know, should compete for that new availability of
9 funds.

10 And I think the idea of extending the program to
11 locations where it's not currently present is a good
12 one. And alongside that, you should not consider
13 adding new grantees to a territory that is already
14 being served by an existing grantee. I think that
15 would create a competitive process that would -- that
16 would only create problems.

17 The -- the other thing I want to comment on
18 briefly is that the sweat-equity nature here, the

19 amount of labor that these families should expend for
20 the program, I think, is appropriate. I don't think
21 it's a burden.

22 We have many families that are single head of
23 households. Many of them are female. And those
24 single-head-of-household families, female head of
25 households, accomplish their labor requirement over a

17

1 weekend. And our construction time is now down to
2 about eight to nine months. And they are tickled pink
3 to do it. They are very pleased to contribute that
4 labor to attain home ownership.

5 Our families have not seen them as a burden. They
6 see it as their contribution to earn their home. And I
7 think, by doing that, they have a true sense of equity
8 in the home that is replacing what might be a
9 traditional down payment, and because of that, the
10 credit performance on these loans has been very strong.

11 Thank you.

12 MR. BYERS: Thank you very much.

13 Jim Berg.

14 MR. BERG: Hi, my name is Jim Berg, and
15 that's J-i-m, and last name is spelled B-e-r-g.

16 And I thank, you know, everyone with opportunity
17 to be here today. I want to thank the administration,
18 you know, for giving us the opportunity, you know, to

19 talk about this important program.

20 I'm here for a slightly different perspective on
21 it since -- as a Native American organization. I am
22 the executive director of the Yakima Nation Housing
23 Authority.

24 And I've been trying to break into this program
25 for many years. It's not possible. And so I don't

18

1 have a lot of answers to your questions, you know, that
2 you have, you know, posed, you know, in terms of how
3 you tweak this and tweak that, you know, make it more
4 effective, et cetera, because we're not recipients of
5 this.

6 And there are very few Native Americans, you know,
7 who have this opportunity. There's only been two
8 Native American groups that I personally know of in the
9 entire country who has had access to the program. One
10 is Twilight Dawn, if they still exist, in Navaho
11 Nation, and the other one was Oglala Partnership for
12 Housing out of South Dakota, which is the tribe that
13 I'm enrolled with.

14 So, you know, before I burn all my time up, you
15 know, I want to say that the intent of the program is
16 to help those families that otherwise could not afford,
17 you know, a home on their own. And unfortunately I'm

18 the guy that's, "How come this guy's always grouchy?
19 And how come he's not, you know, just rolling along
20 with the program?" and those type of things.

21 Well, what we have really now is we have existing
22 organizations, you know, who are trying to hang on to,
23 you know, what they got. You know, the rest of have us
24 been locked out. I think that we have a disfair and
25 unfair, potentially discriminatory, you know, approach,

19

1 you know, to handling this program throughout the
2 country because it excludes Native Americans.

3 Native Americans and Rural Development in, you
4 know, the federal government have a special
5 relationship, you know. And that relationship is one
6 that's a government-to-government relationship.

7 So in answer to the question as to should we
8 continue with regional, you know, for example,
9 technical, you know, support folks, for Native
10 Americans I say no because we need to work directly
11 with Rural Development, and we don't think, you know,
12 that you should be giving your responsibilities to us
13 to work with Native Americans and housing authorities.
14 You know, that -- I don't think that you could be
15 giving that away.

16 One minute left.

17 So I just wanted to, you know, say that we're not

18 just stakeholders in this program. You know, we should
19 be recipients on it, you know, but on a government-to-
20 government basis. That's according to The
21 Constitution. I'm not making this stuff up, and I'd
22 like to talk with you further. And I'm sure that our
23 written comments will do so.

24 You're oversubscribed. HUD has a program called
25 SHOP. We're also locked out of that.

20

1 So our people, which are some of the most poorest
2 people, you know, and deserving people in the country
3 that need access to housing and housing resources, you
4 know, we demand to be a part, you know, of this
5 program.

6 And we'd be glad to, you know, provide you with
7 some additional written comments to address that.
8 Thank you.

9 MR. BYERS: Thank you very much.

10 Is there anyone else that would like to make
11 remarks in the first round before we give folks a
12 chance to revise and extend their remarks, as they say
13 in the Senate?

14 MR. KETCHAM: My name is Bryan Ketcham,
15 B-r-y-a-n K-e-t-c-h-a-m. And I'm the director of
16 Catholic Charities Housing Services in Yakima,

17 Washington. And we serve the seven central counties in
18 Washington. And we currently operate an active
19 Self-Help Lite program using HUD SHOP funds.

20 And our -- and one of the issues that we face is
21 that we've tried to apply to become a 523 TA grantee in
22 the past, but they haven't allowed new grantees in,
23 similar to comments from Jim Berg earlier. And one of
24 the issues is that there's not a current grantee in
25 Eastern Washington; so two-thirds of the state is not

21

1 served or able to access this program. So we encourage
2 opening up and inviting new applicants in.

3 I think that there is a case to be made to support
4 existing programs, but there also needs to be
5 prioritization of geographical reach so that more
6 communities, more rural communities, have access to
7 this program.

8 Thanks.

9 MR. BYERS: Thank you. Anyone else?

10 Okay. Nancy, would you like to extend your
11 remarks? Is there more that you'd like to say?

12 MS. LARSEN: Not right now.

13 MR. BYERS: Okay. Kay?

14 MS. KASSINGER: Sure. Why not? If I get it
15 large enough, I wouldn't need my glasses, but I should
16 have used the glasses.

17 Do you need me to spell my name again?

18 THE REPORTER: If you could, pull the
19 microphone down just a bit.

20 MS. KASSINGER: Okay.

21 THE REPORTER: There you go. Thank you.

22 MS. KASSINGER: You need me to spell my name
23 again for you?

24 THE REPORTER: You're fine. Thank you.

25 MS. KASSINGER: The question about family

22

1 labor, if we think 65 percent is too great in terms of
2 the demand on the families, we say no. It's a proven
3 factor that, once they've invested this much time and
4 effort into building their homes, they have a greater
5 interest in that equity and protecting it.

6 Question 11, things that work best with self-help
7 and things that seem to be problematic, a main strength
8 of the program lies in its name, mutual self-help
9 program, and what that implies, not only significant
10 labor but labor that's shared with your neighbors.
11 This shared labor creates long-term successful habits
12 and patterns of responsibilities between the families
13 and their neighbors and the community.

14 Another strength of the program is that it
15 supports small programs, such as the Housing Authority

16 of Clallam County, as well as large production
17 programs. In fact, the great thing about 523 is that
18 it funds programs and not just individual projects.

19 Problematic areas of the program include
20 loan-qualification criteria that don't always match the
21 current economic conditions and increasing difficulty
22 in marketing the program to prospective owners and
23 builders during these depressed times.

24 Recommendation on working with the T&MA providers
25 is that the contract should include the grantee project

23

1 program and organizational sustainability that we seem
2 to be lacking right now in that help area. They're a
3 good branch between RD and the grantees, and I think it
4 would speak well if we can expand on that connection
5 between all three of the groups.

6 Let's see if there's anything else. Nope. That
7 will do it.

8 MR. BYERS: Great. Thank you.

9 Carl?

10 MR. QUARRY: No, thank you.

11 MR. BYERS: Okay. Alan?

12 MR. TRUNNELL: Please. So nervous last time.

13 MS. KASSINGER: Your glasses are still here.

14 MR. TRUNNELL: I know. Thank goodness Barry
15 didn't bring them back.

16 Alan Trunnell, and I'd like to add I am with
17 Community Frameworks.

18 I would also like to add that I have witness
19 testimony I have if -- if RD would like that. I have
20 three grantees who could not be here in support of the
21 same testimony.

22 In the area of the required family labor,
23 Question 2, we recommend no change.

24 In Question 8, the equivalent value of a modest
25 house, we recommend Marshall & Swift plus the market

24

1 value of a build-ready lot determined locally.

2 Question 9, with regards to competitive grant
3 application process, we recommend continue to fund
4 existing grantees using the current process.
5 Existing -- new grantees should be limited by the
6 remaining appropriation after forecast of the existing
7 grantee demand and even then should be limited in scope
8 as the failure rate of new grantees is higher than that
9 of existing grantees. Additionally, any performing
10 existing grantee that might be willing to serve an area
11 being considered by a new grantee should have the
12 opportunity to do so.

13 In response to Question 10, "How would you propose
14 funding these organizations?" our recommendation is

15 that we use the current process, cap the aggregate
16 amount available for new grantees, require
17 single-family experience and knowledge, including
18 mortgage, construction, counseling, and marketing, or
19 an existing grantee sponsor a new grantee.

20 Of significant importance is land-development
21 expertise of the proposed grantee if a pipeline of
22 build-ready lots is not readily available in that area.
23 OMB reports that it may take up to a year of
24 predevelopment work to get a new grantee funded. The
25 current predevelopment grant is not nearly enough to

25

1 have land under contract and ample families credit
2 eligible. This amount should be considerably increased
3 and be based upon the proposed size of the first build
4 group.

5 In response to Question 11, What is working best
6 for self-help and then modifying the program,
7 relationships between grantees and the national office
8 has improved over the years, moving toward a
9 partnership approach. The same can be said between
10 grantees and their local offices. Grantees in some
11 states are allowed to fully package a 502 loan,
12 including verifications, which speed up the processing
13 of the loans.

14 Program modification that should be considered,

15 only RD requires staff inspections of preexisting
16 houses for sale, which includes valuable RD staff time
17 on the road, slowing the processing of grantee
18 application. Adopt FHA property standard procedures.
19 Streamline the 523 application process for grantees
20 successfully completing three previous grants. Bring
21 back regional and national 523 conferences for training
22 to solve problems and increase production. Request
23 state offices bring together 523 grantees and
24 local-office single-family staff annually for training,
25 like the model that takes place here in Washington.

26

1 Good job, Tammy.

2 What problem -- addressing No 12 -- this will be
3 the last one for me -- which has to do with the
4 qualified families, it's our recommendation that --
5 very-low-income-served numbers are down due to the
6 market, the 24 percent -- down due to the market the
7 24-percent minimum payment, and the way RD is required
8 to calculate very low income served based on loan
9 obligations, not persons served. Reduce the minimum
10 payment for very low income from 24 percent to
11 20 percent. Encourage local offices of share 502
12 backlogs with area offices that have single-family
13 staff and no backlog of applications.

14 Thank you.

15 MR. BYERS: Thank you.

16 Barry, did you want to add to what you said?

17 Okay. Fred?

18 MR. SAFSTROM: I wanted to -- I have to
19 comment that Housing Hope Properties was very proud to
20 recently complete the first built-in-place mutual
21 self-help program on a tribal land here this year. We
22 did so on the tribal -- in the Tulalip tribal
23 reservation. It was a very successful program, and we
24 have five new tribal members who are proud owners of
25 their home located on tribal land.

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1 The existing grantees certainly can and they do
2 extend their program on to tribal land within their
3 service areas. It doesn't mean that the tribal
4 authority itself, you know, could not, you know, or
5 should not be a grantee. I just want to make the point
6 that they're not frozen out in the sense that existing
7 grantees cannot serve those territories.

8 The second -- the second point I just want to
9 emphasize again is to -- I feel badly for those
10 grantees that want to get into the program. It is
11 certainly not appropriate that there not be a grantee
12 here in Eastern Washington, as an example, and the
13 answer to that is increase funding for the program to

14 make that possible, not to defund performing grantees
15 to substitute that grant somewhere else.

16 The third is RD staff versus T&MA staff. It is --
17 you know, I think that the relationship between -- you
18 know, I guess the RD staff could do it directly. But
19 to do that would require a very significant investment
20 in increasing that staff. They certainly do not have
21 the resources to be able to provide that service today.

22 But also I think that there's just a little bit
23 different relationship that you have with private
24 contractor than you'd have with your direct funder.
25 And perhaps if you're struggling with an issue, it

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1 would be more comfortable to talk to a contractor than
2 to your funder yourself, at least in the first go
3 around.

4 The third is that -- on giving priority or to
5 continuing existing programs, this is not new or novel.
6 We have many government grants in our agency, and it is
7 very common that the funder, be it Snohomish County or
8 the State of Washington, the City of Everett, they look
9 first to say, "Who are you funding? What programs are
10 we funding? Are they performing?" And those programs
11 get funded first.

12 And if there is a growth in funds, if there's

13 availability to fund new programs or, you know, a
14 grantee that's dropped out, then we can extend -- those
15 new grantees can be funded. So this is common with HUD
16 programs. It's common with other government programs.
17 So this is not novel or unique to the USDA.

18 And finally, on the very low income, in this
19 market -- we live in a high-cost market. Serving very
20 low income here is very difficult. And I would just
21 make perhaps an editorial comment that home ownership
22 is not for everyone in every market, and we should not
23 be pushing to push people into home ownership that
24 really can't afford it in the markets they're in, and
25 that is an issue here. There is many very low income

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1 households that simply can't afford home ownership
2 where we live, and that's unfortunate, but it's a fact.

3 MR. BYERS: Thank you very much.

4 Jim, did you want to add to what you said before?

5 MR. BERG: Jim Berg, B-e-r-g.

6 And yeah. In response -- kind of almost feel like
7 this is somewhat of a rebuttal, but I'll try not to do
8 that.

9 I will say, you know, that performing grantees
10 really actually have no entitlement, you know, or right
11 to expect that the entirety of these grant funds, you
12 know, should be directed to them indefinitely, you

13 know. And for how long, might be a question. And so,
14 you know, I mean, we can say, well, performing -- but
15 what you're going to do is you're going to create an
16 entitlement program or a monopolization of those
17 things.

18 And unfortunately there's really not a lot of
19 resources, you know, of these type that are reaching
20 Indian country. You know, I'm glad for the five Indian
21 families in the Tulalip, you know, but there's none,
22 you know, on the Yakima Nation.

23 Now, let me suggest that, you know, we're an
24 organization -- just kind of put things in perspective,
25 you know. We have approximately 100 employees. We

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1 have five tax-credit projects, you know, four of
2 which -- that were completed. One is undergoing right
3 now 52, you know, units of -- 54 units of elderly
4 housing that we're taking care of. So we've got the
5 capacity, you know, to handle these programs, you know,
6 but we just need access.

7 It reminds me -- and I used to work with the
8 treasury department with the CDFI Fund. And we did
9 this lending study that was a mandate, you know,
10 through Congress, you know, to look at the issues in
11 Indian country, you know, particularly the access to

12 capital. You know, so access to capital in Indian
13 country is tantamount. I mean, it's apparent, you
14 know. It's a major hurdle. It's a difficult, you
15 know, thing to overcome because of the title and the
16 land and those type of things.

17 And so, you know, we need access to these
18 resources. So, you know -- you know, I mean -- I mean,
19 there's only so many resources. I agree, you know, the
20 pie should be bigger. We can all share in it, you
21 know. And maybe there's a way to do that. And one way
22 is for guys like me to come up here and say, "What you
23 got is not enough. You know, let's expand. The demand
24 is greater than what we have." But in the mean time,
25 you know, I call for a set-aside.

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1 Gentleman before said -- or couple said, hey, he's
2 got five, you know -- you know, grantees that would
3 agree with him. We probably have 500 tribes, you know,
4 that say, "Let's do a set-aside for Native Americans."
5 It's -- it's the right thing to do, you know, because
6 otherwise, you know, I mean, this perpetual
7 entitlement, you know, will go on and continue to go on
8 for existing grantees.

9 And so, you know, also, my question is -- this is
10 a program that's impacting Native American, you know,
11 individuals and tribes and communities throughout the

12 nation. And, you know, there's an executive law,
13 executive -- that was signed by Obama recently, and
14 before him Bill Clinton, that said on these matters,
15 these important matters that impact tribes, there has
16 to be a consultation process with tribes.

17 This is not the consultation process with tribes.
18 I'm the only guy here. There has to be a separate
19 set-aside. There has to be a separate consultation
20 process for Indian tribes that Rural Development has
21 to, you know, address and go out there and listen to
22 tribes, what do tribes want to do about this. So I
23 think you need a consultation process directly with the
24 tribes to find out more about our desires on this
25 program.

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1 Thanks.

2 MR. BYERS: Thank you, Jim.

3 Bryan?

4 Okay. Is there anyone else that would like to
5 speak?

6 Well, I just want to say, I've done a lot of
7 these, and in a very short period of time you've
8 provided some very tight, useful content. And I think
9 it's been very successful. And thanks for coming from
10 all over the state to participate.

11 I'd like to turn it back to our friends from D.C.
12 And thank you for being here today.

13 (Public comment concluded at 2:27 p.m.)

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1 C E R T I F I C A T E

2 I, SUE E. GARCIA, a duly authorized Court Reporter and
3 Notary Public in and for the State of Washington, residing
4 at Tacoma, do hereby certify:

5 That the foregoing proceedings were taken before me on
6 the 14th of May, 2010, and thereafter transcribed by me by
7 means of computer-aided transcription, that the transcript
8 is a full, true, and complete transcript of said
9 proceedings;

10 That I am not a relative, employee, attorney, or

11 counsel of any party to this action or relative or employee
12 of any such attorney or counsel, and I am not financially
13 interested in the said action or the outcome thereof;

14 IN WITNESS HEREOF, I have hereunto set my hand and
15 affixed my official seal this May 20, 2010.

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SUE E. GARCIA, CCR, RPR
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