USDA

Annual Report For Fiscal Year 2000

Rural Development

UTAH

ANNUAL REPORT STATEMENT FROM SECRETARY GLICKMAN

President Abraham Lincoln created the U.S. Department of Agriculture nearly 140 years ago. At USDA we still work hard each day to further this legacy President Lincoln began.

In the year 2000, USDA Rural Development undertook many efforts to assist rural communities. Such efforts included: 1,000 communities approved for $1.3 billion in loan and grant funds to establish or improve drinking water or waste disposal systems for 1.4 million rural residents; 45,000 families received loans to purchase a home, allowing them to realize their dream of owning their own home and contributing to an all time high in our nation's homeownership rate; and nearly $19 million in grant funds were provided to 49 distance learning projects encompassing over 300 educational institutions, and 35 telemedicine projects involving nearly 200 medical facilities, bringing greater access for rural residents to much needed educational and medical services.

During the last decade, we have made great progress in our effort to better serve our customers. We have upgraded and streamlined many of our internal operations and telecommunication technologies, allowing us to provide services in a much faster and more efficient way.

As you review this year's accomplishments in Utah, I believe it will become evident that our employees at USDA Rural Development truly believe in the mission before them -- creating ways to enhance the quality of life for rural Americans.

DAN GLICKMAN
Secretary of Agriculture

USDA/RURAL DEVELOPMENT: MAKING A DIFFERENCE

As we near the end of the first year of the new millennium, America is still riding the crest of a wave of remarkable economic prosperity. We have witnessed a tremendous growth in the number of Americans who have realized their dream of homeownership, more than at any time in our nation's history. The number of Americans employed remains high, and inflation remains low. A major factor in this economic renaissance has been the important role USDA Rural Development has played in developing improved housing, community facilities, modern utility services and new or expanded businesses and cooperatives.

Although we have seen great progress, we recognize that in many parts of rural America, old problems linger. Living standards in some rural areas remain below those of the nation as a whole. Rural areas tend to have lower wages, smaller tax bases and higher development costs. This means that utility, medical and emergency services can lag behind modern standards and are more costly to build. Housing is often more difficult to obtain.

In many rural communities, there is also a telecommunication technology gap, a lack of modern communication systems which are vital for rural prosperity. The high costs of connecting those most in need of access to the Information Superhighway, remains one of our more difficult challenges. Yet, it is a challenge we must continue.

Envision rural students receiving classroom instruction from instructors who may be miles away. Envision a doctor who has the technology needed to diagnose and treat patients without being physically present. Or, envision rural businesses being able to locate vital services and supplies, as well as market their products to customers in other parts of the world. Expanding such technology will be the staple that holds together and strengthens our rural education, health care and businesses.

Our staff at USDA Rural Development understands the job of helping rural people overcome problems and helps rural areas grow, prosper and reach their full potential. In Utah, as elsewhere, we've been hard at work to fulfill that obligation, using the resources available to us in the most effective ways possible. In FY 2000 Utah was SECOND in the Nation for obligation loans and the guaranteed loan program delinquency rate in Utah was 2% below the National average. The Self Help Housing Developments were extremely successful in Utah. Leveraging Rural Development funds with Conventional Lenders has increased 402% in the very low income category and 621% in the low income category.

The Business and Community Programs in Utah funded a grand total of $11,434,579 to loan and grant programs. Among other projects, Utah was able to provide Native Americans in their State aid by bringing

their water and wastewater problems to levels of safety and quality. Through the Rural Business Enterprise Grant Program, Utah was able to help the Ute Tribe of the Uintah and Ouray Reservation finance a gas station and convenience store.

Through efforts such as these, USDA Rural Development is making a real difference in peoples' lives and helping rural communities become better places to live and do business.

JILL LONG THOMPSON, Under Secretary
USDA Rural Development

MESSAGE FROM THE UTAH STATE DIRECTOR

I would like to share with you this annual report covering the year 2000. Our many accomplishments are impressive and varied. USDA Rural development traces its roots back to the 1860's when Abraham Lincoln created the Department of Agriculture, calling it the "People's Department." It was later streamlined during the Roosevelt years and many far flung agencies were grouped together to form the Farmers Home Administration. Later the Clinton Administration reduced the size of USDA by combining 44 separate agencies to 22. The Farmers Home Administration was reorganized by shifting the Farm Program Managers to the Farm Service Agency and shifting the Co-op and business programs to the new Rural Business Cooperative Service. The telephone and electric programs of Rural Electrical Administration and the water programs of Rural Development Administration were shifted to the new Rural Utilities Service (RUS).

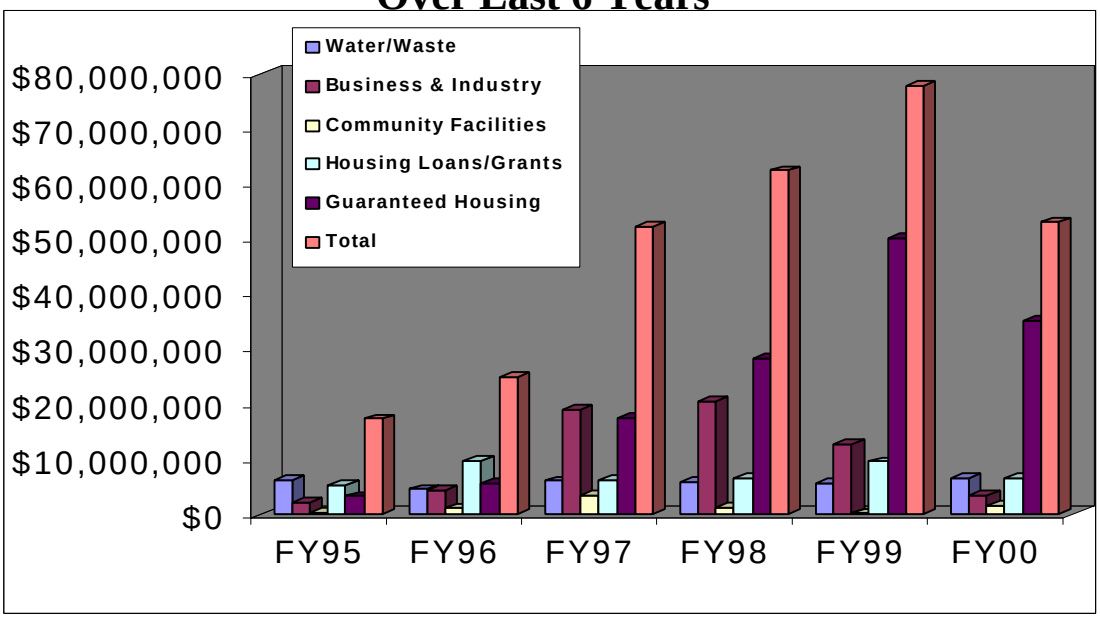
Uintah/Ouray Reservation gas station and convenience store.

Rural Development now functions in all counties in Utah with emphasis on communities with populations of less than 20,000. Our programs are administered through the Rural Housing Service (RHS), Rural Business and Cooperative Service (RBI's), and RUS.

Through these programs Rural Development makes loans and grants and provides assistance for home owners, businesses, utilities, government entities, and private non-profit organizations such as water and sewer companies, and special service districts.

This past year USDA/Rural Development has been very active in developing partnerships with banks, savings and loan lenders and various state funding agencies including the Board of Water Resources and the Utah Housing Authority.

Growth Of USDA Rural Development Activity In Utah Over Last 6 Years



We are proud to be one of the continuing sponsors of the Annual Utah Rural Summit that is

Multi-Family Housing Project, Zion Way Apartments, Richfield.

promoted by the Utah Center for Rural Life held each year in Cedar City. Also, this year we helped sponsor the Festival of the American West at the American West Heritage Center in Wellsville. We provided grants to Grouse Creek for a Community Park and to the Ute Indian Tribe and Roosevelt City for economic development. Grants have been made to USU for the construction of a research facility to conduct studies for improved turkey brooding in Sanpete County. Grants were made available to the U&O Ute Tribe in Cedar City to improve their water system. Other grants and loans were made for many projects ranging from an airport to assisting in the reconstruction of the Long Park Dam in Daggett County. We have funded the building of new homes in most counties in the state including Multi Family developments that provide housing units for families, elderly and those with special needs.

More specific details will follow in this report detailing some of each division's major accomplishments.

It has been a pleasure to serve as the State Director for the years 1993 to 2001. I am grateful to the many people, civic organizations, communities, engineering consulting firms, lending institutions, and other financial organizations that helped make Utah Rural Development an effective community developmental agency.

These past few years spent working in USDA have been enjoyable and rewarding. The association and friendships I have developed with the many employees of Utah Rural Development will be cherished memories for years to come.

Through the close cooperation of NRCS (Natural Resources Conservation service), FSA (Farm Service Agency), FS (Forest Service) and the Agriculture Statistical Reporting Service, acting jointly though the FAC (Food and Agricultural Council), we have been instrumental in assisting Utah farmers and ranchers with disaster assistance and other ongoing agriculture programs.

I extend well wishes in the years to come to all my associates.

JAMES D. HARVEY, State Director
USDA/Rural Development

SINGLE FAMILY HOUSING

FY 2000 was extraordinarily successful. Each employee dedicated their talents and unselfish efforts in making the USDA Rural Housing programs available to the rural people of Utah. The following represents an outline of accomplishments that improved the standard of living for Utah low/very low income individuals / families:

1. Rural Housing Guaranteed Loans offered affordable housing to 340 rural families and individuals. Utah's allocation was $9,164,000.00 and the final obligated amount was $34,324,619. This represents a 375% increase over our initial allocation. Guaranteed losses were less than 1% and Utah GRH delinquency was 2% below the National average.

Self Help Housing In Utah Is About Helping People Help Themselves.

2. The Mutual Self Help Program has increased in both the numbers of participating grantees and interested applicants. This year we funded 20 self help loans for a total obligation of $1,964,200. During the past 12 months we completed 12 homes with 6 more near completion.

3. Leveraging has increased by 402% in the very low-income category and 621% in the low-income category for a total of $878,425.

Ronda Cozad's dream home Subsidized through our Direct 502 Program.

4. The Rural Housing Loan Partnership program was initiated with 3 loans made in a very high cost area of Utah. The Community Development Corporation committed to the development of an affordable financial package that will affect a minimum of 20 rural families in FY 2001.

5. Some of our greatest "human interest" accomplishments were made in the 504 Loan and 504 Grant categories. Very low-income families and elderly households were financially assisted with home modernization and home repairs that removed many health and safety problems.

6. The Direct 502 low and very low-income program provided homes for 102 rural households.

7. Multi-family housing developments were likewise very successful. We closed a transfer on a development that secures affordable housing opportunities for 80 households for the next 20 years. A total of $6.89 million was also leveraged on the development.

A 12-Unit Farm Labor development was obligated which will assist farm laborers in a remote part of Utah.

Our MFH portfolio has also expanded this year with the closing of the following MFH loans:

a. Mountain View Suites, an 18-unit senior complex located in Cedar City.
b. Remington Park Retirement Apartments, a 24-unit senior complex located in Tooele.
c. Zion Way Apartments, a 22-unit family complex located in Richfield.

This year, 105 families and 50 elderly households benefited from Replacement Rental Assistance in the amount of $2.2 million.

We remain committed to administering an effective and affordable MFH program that enhances the living standards and creates a healthy environment for very low, low and moderate-income rural households.

DAVE BROWN, Director
Rural Housing Program

The Confederate Tribes of the Goshute Reservation were able to make repairs to a steel building and bring a manufacturer in to use the facility.

COMMUNITY & BUSINESS PROGRAMS

In community and economic development areas during 2000, USDA Rural Development in Utah has paid particular attention to forming partnerships with child care and adult day care organizations, the Rural Health Association of Utah, cooperative organizations, and tribes. During 2000 we funded projects for child care, adult day care, a food bank, educational and arts facilities, fire stations, and health care. Over 10% of our original amount of water project funds went to 3 tribal water projects. Over 25% of the water project funding

Assisted the Goshute Indians in purchasing a sewer pump truck.

also went to targeted low income communities. The $6.4 million obligated was 140% of our original water allocation. In our business programs area, 40% of business loans and 100% of business grant funds went to targeted low income rural areas. One third of these targeted business grant funds went to tribal projects.

Self-contained Data Acquisition Solar Panel on the Huntsville Water Treatment Tank.

We have continued our partnership efforts with state water infrastructure funding agencies and lenders and nonprofit organizations to provide combined financial and technical assistance to rural communities and tribes in Utah. In 2000 we provided assistance to the Rural Water Association of Utah and to Rural Community Assistance Corporation to provide more then 1,200 visits and contacts with rural communities and tribes on water system issues, community facility projects and business development.

Twenty eight projects were funded with Rural Development C&BP funds for $11.4 million in 14 of Utah's 29 counties during the year. Twenty-one of these projects, totaling $6.5 million, were in targeted rural communities – communities which have lower incomes and need community and economic development assistance.

In regard to portfolio management, Rural Development in Utah met each of its servicing goals during the year by increasing attention to payment collection and increasing the number of visits with lenders and borrowers. We have increased portfolio management along with targeted funding efforts to the most needy communities.

JACK COX, Director
Business & Community Programs

DIAMOND K. GYPSUM PLANT ? A PEOPLE SUCCESS STORY

The Diamond K. Gypsum Plant is a business owned by a husband and wife team, Phillip and Karen Palmer, in Richfield, Utah. The Palmer's have been in business for about 20 years producing a solution-grade gypsum for soil treatment. Completion of the new facility, in 1996, allowed Diamond K. to expand into the pharmaceutical-grade market that includes medicines, cosmetics and food processing.

The Palmers built their facility to be a profitable showcase. "We wanted to enhance the appearance of the area and be environmentally responsible. Look around, we think we have done that. To the best of our knowledge this facility is the only mill using all high grade stainless steel components to produce food and pharmaceutical grade gypsum," according to the Palmers.

Diamond K. Gypsum Plant, Richfield.

In 1996 when the facility was expanded there were seven full time employees, now there are twenty with several more jobs indirectly coming from the business. The Palmers stated, "This business makes a substantial contribution to the local economy." It has been beneficial to us that private industry can work closely with government, USDA Rural Development, in providing opportunities for those willing to take the business risk."

JOHN MORGAN
Regional District Manager

If you don't change today ? your tomorrows will be like your yesterdays.
…Bits & Pieces, 11/2/2000