



HOUSING ASSISTANCE COUNCIL

# RURAL VOICES

SUMMER 2015 · VOLUME 20 · NO 2

**50 YEARS,  
50,000 HOMES**

**A Half Century of Self-Help  
Housing Across Rural America**

Photo by George Ballis

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Leader



Photo by Danny Klimetz

Dear Friends:

Fifty years ago, the U.S. Department of Agriculture began experimenting with the concept of “self-help” housing. People worked together to build their homes long before this. Collective homebuilding and community barn-raising date back centuries. Various efforts to organize self-help development in the United States and in Canada served as models for USDA’s initiative. Today’s USDA program retains the basic principles developed in the first self-help project in Goshen, California. In 2015, the self-help community celebrates the construction of the 50,000th home to be built with USDA support. This edition of *Rural Voices*, “50 Years, 50,000 Homes,” celebrates the achievements of the nonprofit sponsors, the USDA programs, and most importantly, the families who have become successful homeowners.

Self-help housing enjoys broad support in our nation’s capital and across the country. This issue of *Rural Voices* opens with views from Congressional leaders and the Secretary of Agriculture. We look back at the history of self-help housing through the eyes of one of the program’s pioneers and focus on the outlook for the future with a current program leader. Practitioners and experts from all corners of the country share their perspectives on the various aspects of this unique housing model including community based housing providers, USDA’s Section 523 Mutual Self-Help Technical Assistance program, and HUD’s Self-Help Opportunity Program (SHOP). An emerging self-help leader shares her thoughts and visions for the program, and four families who built their homes with sweat equity reflect on how quality housing and the self-help experience has affected their lives.

The *Rural Voices* presented in this edition reflect the promise within self-help housing, and show how this longstanding effort has led to higher standards of living, increased self-esteem, and a better quality of life for the self-help participants as well as their communities.

We hope you enjoy this edition of *Rural Voices* that celebrates a special part of the affordable housing community in rural America.

In Community,

**Polly Nichol**  
Chair, Board of Directors

**Andrew Bias**  
President, Board of Directors

**Moises Loza**  
Executive Director

# RURAL VOICES

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Photo by George Ballis

Looking Back: The Beginnings and Evolution of USDA's Self-Help Housing Movement



Building Forward: Self-Help For All



An Emerging Self-Help Leader

**A View From Washington**

# Successful Federal-Local Partnerships

Local partners help USDA housing programs make meaningful impacts to the lives of local rural residents

*By U.S. Representative Harold "Hal" Rogers*



In May 2015, Governor Steve Beshear (KY-D) and I joined over a thousand residents of southern and eastern Kentucky at the second SOAR (Shaping Our Appalachian Region) Summit. Our shared goal in this truly grassroots initiative is to expand job creation, enhance regional opportunity, innovation and identity, improve the quality of life, and support all those working to achieve these goals in Appalachian Kentucky. Ensuring that everyone in our rural communities has access to quality, affordable housing options is a critical component of our strategy to advance a thriving, vibrant region.

For years, I have had the pleasure of witnessing local organizations like the Federation of Appalachian Housing Enterprises and Kentucky Habitat for Humanity foster critical federal partnerships in order to make a meaningful impact at the community level. Unquestionably, the relationship forged with the U.S. Department of Agriculture (USDA) Rural Development in southern and eastern Kentucky, and communities around the country, plays an important role in improving the economy and the quality of life in these rural areas.

As Chairman of the House Appropriations Committee, I have the responsibility of overseeing the allocation of federal spending, and during a recent budget hearing with the USDA for fiscal year 2016, I had the opportunity to highlight a number of important USDA Rural Development programs that impact rural citizens nationwide. For example, I applauded the agency's support for the single-family direct loan program. This program helps the poorest in rural America achieve the dream of owning a home, and for this reason, it continues to be one of USDA Rural Development's most successful initiatives.

Another successful federal-local partnership which has been impactful in my region is the USDA Rural Development Section 504 Home Repair program, which is designed to help very low-income rural homeowners repair, improve, or modernize their homes and remove potential health and safety hazards through low-interest loans or grants. Many elderly homeowners in my district take advantage of the Section 504 Home Repair program, which allows them to safely stay in their own homes longer.

The USDA Rural Development Mutual Self-Help Housing program has also proved life-changing in my rural Eastern Kentucky district, and other rural districts across the country. Those collaborating on Mutual Self-Help have made homeownership an option for countless low-income families that are willing to contribute sweat equity. The value of this housing program to families is best illustrated through the smiles on a family's face when they are moving in to the home that they helped complete.

For example, a single mother in my district recently shared her inspiring story of success with the Self-Help program. She initially signed up because she wanted a safer environment to raise her son. Determined to improve the future for herself and her son, she tirelessly worked nights and weekends to build her own home. Not only did she improve the living situation for her small family, she also says her son's attitude and grades have even improved. Simply put, without the Self-Help Housing Program that allowed her to contribute to the process, she would not have been able to afford her new home.

This year, the 50,000<sup>th</sup> family will have utilized the program to complete their homes, and I hope many more in the future will have the opportunity to turn their lives around in the same manner.



*Serving Kentucky's 5th Congressional District since 1981, Hal Rogers is currently in his 18th term representing the people of southern and eastern Kentucky, and is the longest serving Kentucky Republican ever elected to federal office.*

*Focused on economic development, job creation, fighting illegal drug use and preserving the natural treasures of Appalachia, Rogers has a reputation for listening to his constituents and fighting for the interests of the region where he was raised. Nationally, as Chairman of the powerful House Appropriations Committee, his focus is on reducing the size and scope of the government by reining in federal spending, conducting rigorous but thoughtful oversight of federal agencies, and restoring fiscal discipline and transparency to our budget process.*

## A View From Washington

# Neighbors Helping Neighbors Build a Better Life

By U.S. Representative Sam Farr

A program that helped create the real American Dream for over 50 years.

The American dream is built on homeownership. For generations, American families have benefited from investing in their first home. It gives them a sense of community, it is a source of pride and for most homeowners it is their most valuable asset.

Unfortunately, the door to homeownership is too often closed for many individuals. That is why the U.S. Department of Agriculture's Self-Help Housing program is so valuable. For 50 years, self-help housing has given low-income Americans in rural areas the chance to own their first home - not through a hand-out but instead through a hand-up.

I was a Peace Corps volunteer in Colombia where I saw the culture of poverty first hand. I watched it hold down entire barrios; preventing whole communities from building a better life for themselves. Breaking that cycle of poverty requires access to things like



health care, food and an education. But before any of those needs can be met, you first need a safe place to sleep at night, not just a roof over your head but a home that serves as foundation for everything else.

That same cycle of poverty still exists in rural America. It prevents our communities from reaching their full potential. If we want to break that cycle of poverty, we need to invest in building more affordable housing. That



means lowering the cost to construct new homes and lowering the income threshold for home financing.

Self-help housing achieves both of those goals. On average, self-help homes cost \$120,000 less than a typical new home to build. And participants gain financing despite earning \$20,000 less than the U.S. median income. Self-help housing achieves these dual goals by literally giving people the tools necessary to build and own their first home.

Participants in self-help housing aren't just handed the keys to a new home. They help build it from the ground up. About 65 percent of the labor is provided by homeowners, allowing folks to start out with equity in their home – sweat equity. Imagine the pride a homeowner feels when they first cross the threshold into their new home. Now imagine how overwhelming that pride must be if they knew, not only did they build that home but they now have the skills to maintain it for life.

That new found knowledge is why self-help housing participants are more likely to remain in their home. In fact, some of the first families to benefit from the program still live in their original homes 50 years later. What they started in Goshen, California five decades ago has now helped families all across rural America realize their own slice of the American dream.

That historical connection to California is one of the many reasons I support this wonderful program. In my district on the Central Coast of California, organizations like South County Housing and Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) work with new homeowners to finance and build their first home through this program. They fill a niche in our rural counties that desperately need access to more affordable housing.

Self-help housing is doing more than just building homes...it is building whole communities. Participants do not just build their home on their own. They work side-by-side with their neighbors. Families work together to build safe, affordable housing for each other to enjoy.

And isn't that what rural America is all about? Neighbors helping their neighbors build a better life for each other. That is the foundation of a community. That is the real American dream. A dream that USDA's Self-Help Housing Program has helped come true for 50 years.

**Congressman Sam Farr** has represented California's Central Coast for 23 years. His district, known as the Salad Bowl of the World, encompasses the Monterey Bay region and the Salinas Valley. He currently serves on the House Committee on Appropriations and is the Ranking Member on the Subcommittee on Agriculture Appropriations. Prior to serving in Congress, Farr served twelve years in the California State Assembly and six years as Monterey County Supervisor. He began his career in public service in 1964 serving in the Peace Corps in Colombia.



## A View From Washington

# With Many Dedicated Partners, USDA Helps 50,000 Families Achieve the American Dream

USDA Secretary Tom Vilsack discusses USDA's Self-Help Housing Program

As Secretary of Agriculture I've had the opportunity to visit hundreds of small towns all across America. I've seen firsthand the strength and resilience of rural business and families, and the positive impact of USDA employees and programs to help rural communities thrive.

Still, too many of our fellow citizens are being left behind. Too many of our small towns are struggling. Although they are some of the hardest working folks I know, rural Americans earn, on average, \$11,000 less than their urban counterparts each year. They are more likely to live in poverty.

I have a specific memory of rural poverty from a long time ago that has left an indelible mark on me. My son and I volunteered to help build homes for



migrant farmworkers in McAllen, Texas. That experience exposed us to the tough lives these families live.

Despite their circumstances, they are extraordinary, hardworking and humble people. They deserve to live in safe houses. They deserve the opportunity to turn those houses into homes for their families. I know the Housing Assistance Council and other housing advocates feel the same way.

That experience made me proud to serve at a Department that provides programs and services that help rural families climb out of poverty and move into the middle class. For example, our nutrition programs help hardworking moms and dads as they search for good paying jobs that will allow them to put healthy food on the table for their kids without assistance.

Another example is our self-help housing program, which for the past fifty years has helped low- and very low-income families build their own homes. For many of these families, their self-help house is the first time in their lives they've lived in a real house.

Hard work and dedication reduces construction costs and, paired with an affordable USDA mortgage,

makes homeownership possible for families that would not otherwise be able. Working with local support organizations, families spend long hours in the evenings and on weekends working on their homes. The families frame the houses, install roofs, put up windows and siding, and paint. Each of the 870 families that participated in the program last year built about \$27,500 in sweat equity in their brand-new homes.

This program also helps increase homeownership among women and minorities living in rural communities. Over half of agency-financed self-help homes are built by minorities. Since 2008, 41 percent of self-help homes have been built and bought by women-led households, many of whom are single mothers.

For example, in the span of just three years, Christy Milburn and her two young children lived in fifty-five different places. A couple weeks on a couch here, stay in a spare room there, and by 2006 she had run out of friends and couches. As a homeless single mother in Montana, Christy came to Missoula to once again try to get her life back on track. A string of bad luck and regrettable personal decisions had

put her in a position she didn't want to face, yet didn't know how to escape.

"I would take my kids out for a walk, just for something to do," said Christy. "We'd be walking down a street and I'd see a family inside their home – behind that picture window – and I'd wonder if I could ever get my life straightened out, and find that stability to just live in the same place for more than a few weeks."

USDA and partners in Montana, including the Missoula Housing Authority and NeighborWorks Montana, teamed up to help Christy and her kids build and move into one of ten affordable homes in a subdivision just west of Missoula. Today, Christy is able to provide the stability for her children that she had dreamed about for so long.

Recently, the first successful self-help project in Indian Country has provided homeownership to three women-headed families, the first of twelve planned homes in the Zuni Pueblo of New Mexico. These families have never owned a home and many have been renting for 15 years or more. [Kay](#), one of the participants in the program, described her motivation for putting in the long hours and hard work needed: "I live for my kids, so, what I do is practically just for them."

Stories like Kay's and Christy's make me proud of the work that USDA does in rural communities. I am proud to say that we will soon celebrate a new milestone—our 50,000th self-help home—this summer. Together with dedicated partners like the Housing Assistance Council, we are helping rural families achieve the American dream of homeownership. Thank you for your partnership and keep up the good work.



*Tom Vilsack serves as the Nation's 30th Secretary of Agriculture. As leader of the U.S. Department of Agriculture (USDA), Vilsack is working hard to strengthen the American agricultural economy, build vibrant rural communities and create new markets for the tremendous innovation of rural America. In six years at the Department, Vilsack has worked to implement President Obama's agenda to put Americans back to work and create an economy built to last. USDA has supported America's farmers, ranchers and growers who are driving the rural economy forward, providing food assistance to millions of Americans, carrying out record conservation efforts, making record investments in our rural communities and helped provide a safe, sufficient and nutritious food supply for the American people.*

# So Much Progress, So Much Left To Do!

A simple concept still holds promise  
in a complicated housing world

By Peter Carey

More than five decades have passed since the first USDA-financed mutual self-help homes were built in Goshen, California. Much has changed in that time. Computers, cell phones, the internet are the main channels of communication. We've been through wars on other continents. We've landed on the moon and we've eliminated diseases like polio. What we take for granted today would have been science fiction when Lilia Jimenez turned the first spade of dirt for her self-help home in Goshen in 1963.

And yet, many things remain the same, especially for those in the lower rungs of our economy. An unacceptable number of people still live in poverty, and the housing conditions in rural America still pose an obstacle to those who desire the opportunity for a decent home.

Through those five decades one constant has been the fact that responsible homeownership remains the single best way for lower-income people to build the assets needed to move beyond poverty.

For the early pioneers of mutual self-help housing, the concept of homeownership was a simple one. It wasn't seen as an investment, or a path to upward mobility – though in hindsight, it was both. For those who lived in generally substandard rental housing, the opportunity to



Lilia Jimenez (center) and her family built one of the first self-help homes in the early 1960s. Lilia still occupies the home she helped construct more than 50 years ago in Goshen, CA.

own a home was the first step towards stability. It was the opportunity to provide a safe and secure home for their children. And although the cost of land and building materials was not within the control of potential homeowners, they could reduce the cost of building a home by contributing most of the labor needed to build. And hard work was the one commodity they could provide. We say that “opportunity knocks.” But sometimes it goes unrecognized because it comes disguised as hard work. Self-help homebuilders open that door, and by joining together with neighbors, they seize opportunity, one nail at a time.

In the early days of mutual self-help housing, there was a great deal of skepticism – not just of the program, but of the very idea that farmworkers and other low-income people could be good homeowners. Five decades later we know that the answer is a resounding “Yes!” And there are builders from those early days who have seen generations of children who have benefited from their families’ investment. There are stories across rural America of self-help children who have gone on to become contractors, teachers, elected officials, and business owners, and who take an active role in their communities.

Today we know even more about the negative individual and societal impacts of poor housing conditions and the value of investing in decent housing. Studies have shown that housing quality can affect the ability to learn and socialize in school. There is growing evidence that growing up in a decent home reduces healthcare costs, not just during childhood, but into adulthood. Despite the experience of the recent recession, we know that the single best vehicle for growing assets is homeownership.

Today about 100 nonprofit organizations provide the opportunity for lower-income families to join



with their neighbors to invest their sweat and labor to build homes for themselves, their children, and their future. The common denominator that makes this effort possible is USDA Rural Housing Service, which provides both technical assistance funding to the nonprofit sponsor and affordable mortgage financing to the homeowner. Combined with “sweat equity” it is a homeownership model that really works – for rural families who can’t afford market rate homes, for neighbors who share in building their dreams, and for the communities they call home.

Fifty thousand homes, affordable, safe, built by the hands that own them. Each home is a legacy for the next generation. For the tens of thousands of children who

grow up in a self-help home, each home is a lesson in opportunity, a demonstration of potential, proof that by joining together and working hard, lives truly can be changed.

It is a concept that speaks to something that is an inherent part of the American heritage. From the barn-raising of early days, communities have come together to do the things that could not be achieved alone. It is hard to walk away unmoved from a visit with families who are sharing in the long days and hard work of building homes together. It symbolizes the best of our society and speaks to a universal desire for community. This is the spirit of mutual self-help housing.

*Peter Carey served as President and CEO of Self-Help Enterprises (SHE) in Visalia, California from 1990 until his retirement in June 2014. In addition to many other roles over the years, he also served as the Acting Chief Operating Officer of NeighborWorks America from July 2014 through February 2015. He continues to be engaged in housing and community development issues and is currently a member of Housing Assistance Council Board of Directors.*

## Looking Back, Building Forward

# Looking Back: The Beginnings and Evolution of **USDA's Self-Help Housing Movement**

Early efforts in rural California became a Self-Help Housing model for the nation

*By Bob Marshall*

In 1937, the American Friends Service Committee (AFSC) helped 50 coal mining families build their own homes in western Pennsylvania. This was the beginning of a movement that crystallized in 1963 when the first self-help housing homeowner loans were made to families through the USDA's Farmers Home Administration (FmHA).

Bard McAllister, working for the AFSC in Tulare County, Calif., pushed the concept of self-help housing on behalf of farmworkers. Until 1961, the FmHA could make housing loans to farmers, but not to farmworkers. Bard

McAllister worked with the Secretary of the Commission on Agricultural Life and Labor in Washington, D.C. to draft legislation making agricultural workers eligible for housing loans. Congress included this provision in the Housing Act of 1961.

The first "official" self-help housing loans under this Act were made to three families in Goshen, Calif. in January 1963. With Howard Washburn as supervisor, the AFSC operated this initial program. At first, loans could be made only for the houses, not for the land. To work around that stipulation, the AFSC purchased the



Art Collins approves first USDA loans for Self-Help demonstration in New Jersey. Lillian Jimenez builds her house in Goshen, California

Self-Help Enterprises (SHE) begins in Visalia, California and Self-Help projects are located in 16 states.

1963

1965

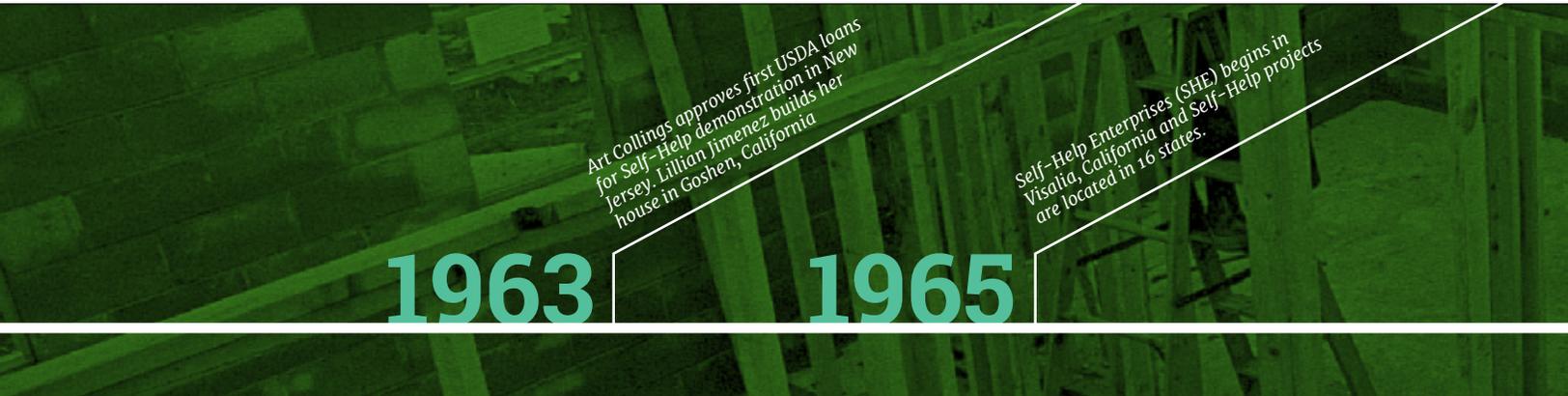




Photo by George Ballis

land with other loans and used a grant from the Rosenberg Foundation for technical assistance. By 1965, Congress removed the restriction against including land in the FmHA loans.

Also, in 1964, the federal Office of Economic Opportunity (OEO) was created. In 1965, Bard McAllister, Howard Washburn, and Everett Krackov, Director of the OEO-funded Tulare County Community Action Agency (TCCAA), applied for a grant from the Migrant Division of the OEO to administer a self-help housing program. Self-Help Enterprises (SHE) was created as a nonprofit corporation and, initially as a delegate agency of the TCCAA, received OEO funds.

In August 1966, I was hired to assist Howard Washburn and others to administer SHE. The day my family and I arrived in California from Pennsylvania, Howard, his wife, and two of their four daughters were killed in a head-on auto accident. Such a tragedy. Three months later, the Board of SHE asked me to be the executive director. I continued in that role until my retirement in 1989. This was a great and challenging opportunity for me and I am most thankful for it.

In the early years, it seemed like the most difficult task was getting family loans approved by FmHA. Every family's loan application had to be approved by both the FmHA county supervisor and the FmHA county committee. The latter was composed of three persons, usually farmers. In some counties it seemed like the primary rule was to reject families. The committees were concerned with repayment ability and rightfully so. But OEO was concerned with getting people out of poverty and so were we. The marriage between OEO and FmHA was never a smooth one. In 1970, the FmHA county committee was eliminated, making things a bit easier.

OEO staff liked our program and wanted SHE to work statewide in California. However, SHE board and staff decided that the San Joaquin Valley was a more manageable service area and

Much of the content for this article was excerpted from the author's original article published in the Fall 2003 edition of Rural Voices, "The California Beginnings of USDA Self-Help Housing". The author provided a brief update and enhancement of the original article.

*Housing and Urban Development Act authorizes Section 523 Self-Help Technical Assistance*

**1968**

*National Rural Housing Coalition (NRHC) founded*

**1969**

*Self-Help Directors Association formed*

**1970**

that SHE would offer technical assistance and support to other agencies wishing to start self-help housing programs.

This we did, and soon several other self-help housing nonprofits cropped up in California. We were also asked for help from agencies in other states. In a sense, SHE was the self-help housing model for the nation.

In 1967, Clay Cochran created the International Self-Help Housing Association (ASHHA), later renamed Rural America, with the purpose of spreading the concept of self-help housing and providing training and expertise to organizations beginning their own self-help programs. SHE supported and worked closely with ISHHA in these endeavors.

In 1973, various self-help organizations came together to create the California Self-Help Housing Association (CSHHA), which met periodically for mutual support. At that time, housing programs for the poor were getting squeezed for funds. CSHHA held a statewide "Self-Help Housing Day" in Galt, a town near Sacramento, where the Rural California Housing Corporation was building self-help houses. Approximately 500 people attended the event. The state Senate and the state Assembly designated a "Self-Help Housing Week" in March 1973, commending self-help programs for their valuable contributions to community life.

SHE has also played an active role in the National Self-Help Housing Association, working closely with the National Rural Housing Coalition, and helping support the housing lobbying work carried out for both groups by Bob Rapoza and Rapoza Associates.

SHE recognized that the OEO was not a permanent agency and that one day it

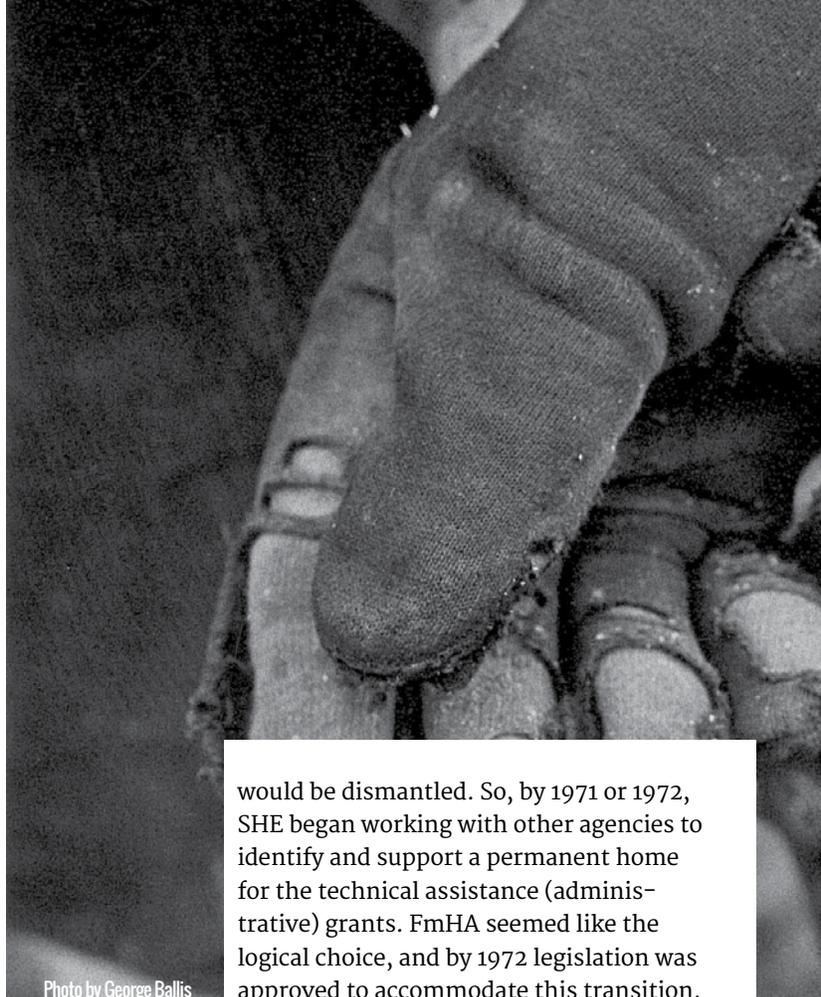


Photo by George Ballis

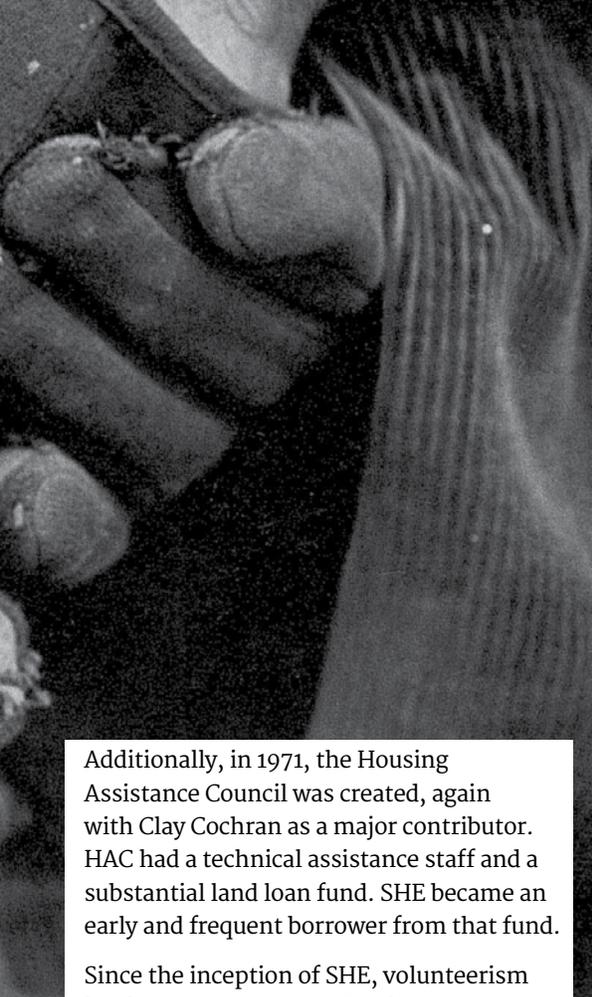
*In a sense, SHE was the self-help housing model for the nation.*

would be dismantled. So, by 1971 or 1972, SHE began working with other agencies to identify and support a permanent home for the technical assistance (administrative) grants. FmHA seemed like the logical choice, and by 1972 legislation was approved to accommodate this transition. Thus in 1973, SHE wrote a grant proposal to FmHA for an eight-county, one-year plan to provide technical assistance support for self-help housing. This was approved and thus began the program, which continues nationwide today as Section 523.

Over the years, SHE has developed a solid working relationship with staff at FmHA, now the Rural Housing Service and USDA Rural Development. We felt that we were partners in a valuable home-building and family-building program, and the relationship has become a mutually supportive one. Certainly there are differences, and SHE stands up for the families when it seems they are not getting a fair shake. However, the evolution of the relationship between these two agencies since 1966 has been great.

**1971** Housing Assistance Council (HAC) incorporated and USDA's Section 523 Self-Help Technical Assistance Grant Program implemented

**1979** Implementation of Technical and Management Assistance (T&MA) contractors to provide technical assistance to self-help sponsors.



Additionally, in 1971, the Housing Assistance Council was created, again with Clay Cochran as a major contributor. HAC had a technical assistance staff and a substantial land loan fund. SHE became an early and frequent borrower from that fund.

Since the inception of SHE, volunteerism has been a major factor for the organization. For a period of four or five years, Franciscan Brothers assisted in construction roles. They helped with land development, carpentry, plumbing, and electrical work. They lived with building families and helped kids with their homework in the evenings, a great service. In a six- or eight-year period, 120 VISTA volunteers provided critical assistance to the program. Their roles included providing family education and training, helping to start a housing rehabilitation program, giving social service support, donating construction assistance to supervisors, and much more. Several of these contributors have continued in the field and are directing self-help housing programs today. My successor, Peter Carey, directed

the program for 24 years, retiring in 2014. Tom Collishaw was appointed to the role upon Peter's retirement. Both men were one-time VISTA Volunteers at SHE.

SHE also encourages work camps of young people spending a week or more working with the families. Many years ago when our daughter, Gwyn, was 15, she was in a seven-week AFSC work camp held with a building group in Planada, Calif. These young high school students were housed in a partially completed self-help home. They worked along with the families on their homes. I'm not sure who benefitted most, but I think it was the young people.

A statement from Mrs. Salvador Gutierrez, a SHE participant, stays with me to this day. She said, "It is difficult to express in words what it means to me and my family to be able to see our own home being built. It is beyond any dreams. The problems have been many and the hours long, but the feeling of having something of our own helps to make me forget the years of helplessness and depressed feelings. I believe that with faith in God and by people working together hand in hand, we can accomplish whatever we want. We don't want anything handed to us; we just want an opportunity to work with our hands and pull ourselves out of the situation we are in." This is the essence of the self-help movement.

As I look back upon that experience today, I realize how fortunate I was to have been part of it. Seeing families working together and then gathering with them at their move-in ceremony are highlights. Getting to know and work with the many fine people at SHE, HAC and related endeavors have been my great privilege. May the work throughout this nation continue well into the future!

*Bob Marshall became Executive Director of Self-Help Enterprises in 1966, a position he held until 1990. Under his leadership, SHE became the largest mutual self-help housing organization in the nation. Marshall's influence reached far beyond California's San Joaquin Valley, and he was active in the growth of mutual self-help programs across rural America. He was a founder of the National Rural Self-Help Housing Association, a member of the Housing Assistance Council board of directors and a respected mentor and encouraging voice for rural housing. Bob and his wife Joy are still active in the community of Visalia, California.*

10,000<sup>th</sup> Self-Help home built

The National Rural Self Help Housing Association (NRSSHA) founded.

USDA Self-Help grant regulations finalized. Implements requirement that family contribute 65 percent of labor

1980

1988

1990

## Looking Back, Building Forward

# Building Forward: Self-Help For All

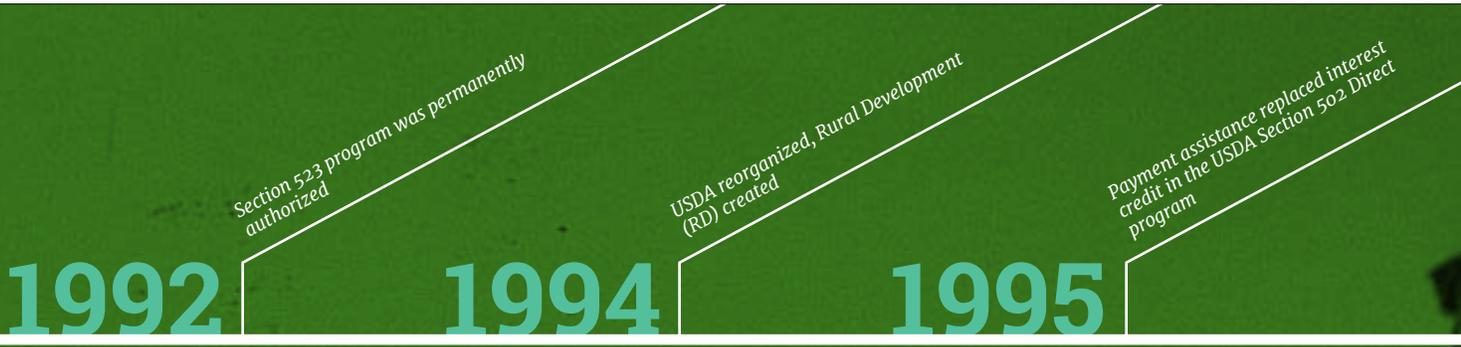
Let's build on fifty years of history and expand this life changing program!

by Russell Huxtable



Great things come in small packages. In 2014, funding for USDA's Self-Help Program made up .000857 percent of the national budget. That's it - about \$30 million a year in a program that gets homes built but also does so much more. That number may seem an insignificant part of the whole, but to the 50,000 families and all the organizations that have adopted the Self-Help Program, it is and will be the reflection of America's core values and all that is right, just, and caring about our country.

What better model to help those achieve the American dream than the Self-Help Program? This program allows rural nonprofit housing organizations to provide families with tools to succeed figuratively and literally. The families' goal of homeownership is our mission. Self-help organizations provide financial literacy training, credit counseling, budgeting workshops, homeownership counseling, loan packaging, preconstruction training, construction supervision, financial technical assistance, and post occupancy training. The self-help organizations aren't done just there. Our partnership with our families outlives the mere construction of the homes. These organizations never turn their back on their families. The mission continues, for the families' success is our success.





I'm a biased author. The organization I work for operates a self-help program. There are very few alternatives in the communities we serve to reach very low- and low-income families. Subsidies to lower the cost of building are few and far between. Self-help is the main way in which we are able to make homeownership affordable to very low- and low-income families. We do not reduce costs through cutting quality, we reduce costs through the families' sweat equity.

Our families include the teachers in our schools, the certified nursing assistants (CNAs), the salespeople in our stores, the bus drivers, and the agricultural workers. They are our friends and neighbors. This program is a hand up, not a hand out. While I personally haven't built in self-help, I know it would be the hardest thing I could possibly do.

Yet 50,000 families, friends and neighbors have already done what I know to be tremendously difficult because they wanted to put themselves and their families in a better position. They wanted to become an integral part of the community. They wanted self-sufficiency. They do it for their kids. They wanted a home. Thousands of families have raised their hand and have said 'yes', I would like to partner and build my own home, while empowering

***We do not reduce costs through cutting quality, we reduce costs through the families' sweat equity.***

myself and my community. We, the community, benefit from them.

We stand on the shoulders of the giants who created a wonderful program and nurtured it from its infancy. We're not hitting a mid-life crisis; we know what self-help housing is and how it helps our communities. It's a proven program. It is now our turn to continue to educate and advocate on behalf of the best homeownership program in America, the Self-Help Housing Program. We must continue to provide and support this program fully to our rural communities. We must continue to showcase their success, one family at a time if necessary (or 50,000 of them as the case may be).

The Self-Help Housing Program is a best practice. Looking forward we realize self-help should be a model for other areas in America. It's a great public-private partnership. In the past we have always let the results of the program speak for itself. Now, it's time to take the results (over 50,000 homes!) and replicate it in suburban and urban areas. I believe it is



1996 Self-Help Homeownership Opportunity Program (SHOP) authorized

1997 HAC loan committee approves first SHOP financing

1999 30,000<sup>th</sup> Self-Help home built



time for the Self-Help Housing Program and all these wonderful rural housing practitioners to bring this program to new areas and begin a renaissance. We need to build our coalition. Fifty years from now, we can reflect upon our vision that brought self-help forward as not only the best rural homeownership program, but the best homeownership program available in all America. We will reflect back upon 100 years of self-help and the many families that have benefitted from this program and how we were able to steward this program for the next generation with pride.

We've built an American dream based on many things, and a primary goal of that dream is owning your own home. Over 50,000 families have built their dream through this program. Rather than cutting the budget appropriation, let's double it.....no, let's triple it in self-help and grow. Let's keep this promise of making the American dream a reality to the thousands who still desire, want, and need a place to call home. Let's expand the program beyond the confines of rural America; for this program is more than just its rural roots, it's about creating them.

*Russell Huxtable is President of the National Rural Self-Help Housing Association. He is also the Vice-President at Milford Housing Development Corporation (MHDC) a value-driven, nonprofit, affordable housing developer, providing services throughout Delaware. MHDC's mission is to provide decent, safe, affordable housing solutions to people of modest means.*

*Rural Community Housing Corporation (RCHC) and the City of Galt, CA settle "NIMBY" lawsuit (involving self-help housing)*

*Payment assistance formula for USDA Section 502 Direct Program modified*

*50,000<sup>th</sup> Self-Help home built*

2000

2006

2015



# Self-Help Housing Changed Our Lives

Families share their experience with the Self-Help Housing Program

*By Noelle McKay and Stefanie Kompathoum*

In 1998, **Mike and Beth** Kantner moved their then family of eight from a rented double-wide trailer to their new self-help home. “At that time Mike was working installing siding and a down payment was out of reach, but we were willing to work and we spent the next 12 months constructing our home,” says Beth.

The Kantners’ motivation for building a home was to create a place where they could provide a strong foundation for family, but the process was not without its short-term sacrifices. Beth explained that

during the construction process workdays often went past children’s bedtimes, family meals were difficult to schedule, and homeschooling routines were disrupted.

The short-term sacrifices, however, were worth the long-term investment. “Having the home allowed me to care for my family the way I wanted to by remaining home and homeschooling my children. In a rental situation where payments increase over time, I would not have been able to maintain the same lifestyle,” says Beth.



*[W]ithout a doubt, this program has impacted my life and children's future for the better.*

Over the last 17 years the Kantners have raised and homeschooled their 11 children in their self-help home. During that time, the Kantners were able to finish the basement and turn the area into useful space for a den, storage, and schooling. Two kids who are currently in college can stay home while in school and lower their costs, giving the second generation a financial step up with less debt upon graduation. "It's a way to get ahead for you and your kids," emphasizes Beth.

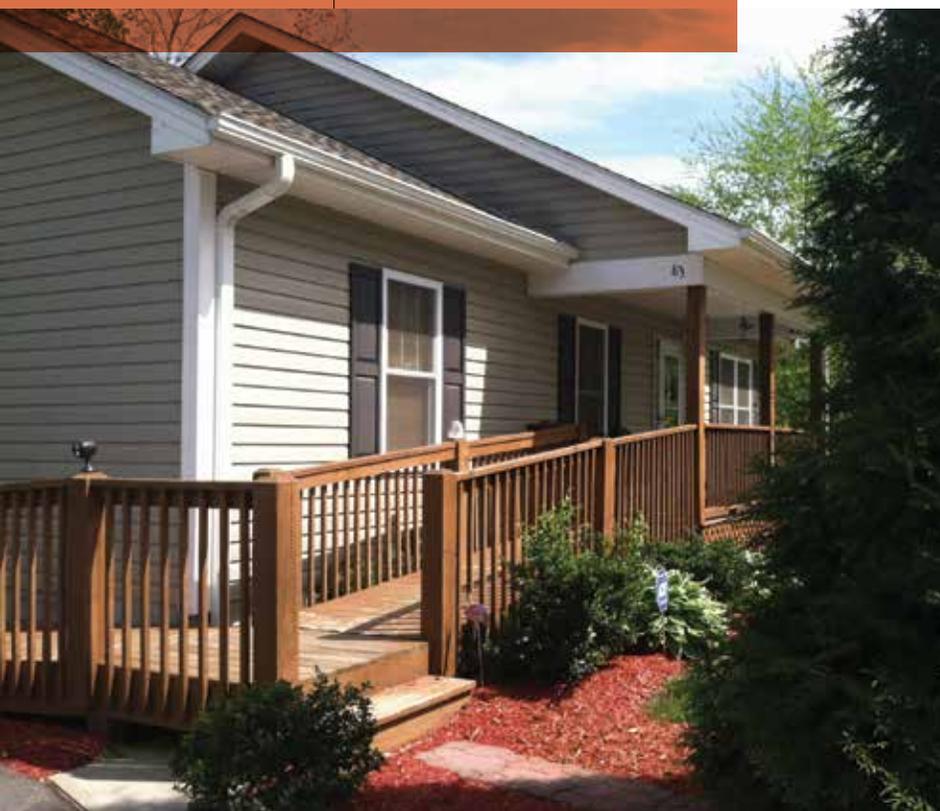
In addition to providing a strong foundation for family, self-help housing can also be a springboard for growth. When **Rachel Stein** moved from out of state with her two toddlers she did not know anyone outside of work. "I was literally selling my furniture and other possessions to try and keep up with the cost of childcare and rent. My apartment was tiny and we had to eat dinner on the couch because there was no other room. I was working and working but never moving forward. My coworker suggested that I apply for self-help housing with Housing Assistance Corporation."

Like Beth Kantner, Rachel struggled with the reduction of family time during the construction schedule. She found the process both physically and emotionally draining and because she did not have family or a support network present, she had to pay for childcare expenses while at her day job and at the construction site. "I was using a huge chunk of my paycheck for childcare while paying my bills on a credit card. After moving in I was able to pay off my debt using my tax return. But without a doubt, this program has impacted my life and children's future for the better. Even as an individual who has a college degree and is working full-time, I would not have been able to afford to purchase my own home without self-help."

In addition to providing affordable monthly payments, Rachel's home also offers an enhanced quality of life. Her children are safe playing in the backyard and Rachel has improved her property with rain barrels and a garden. "I love to cook and garden. I am able to bring something in from the garden to cook at night and meals are held around the family dinner table."

Since moving in Rachel has remarried and had another child. Due to her husband's work opportunity they will soon be moving to another state. "Life takes you in different places, but we have this place to start from and that makes a difference. There is an asset, an investment to help with the next step."

**Sean Rose's** experience in self-help housing has also been an opportunity for growth. After completing the construction of his own self-help home he was asked to join the Housing Assistance Corporation staff as a construction assistant. Later he was promoted to Self-Help Construction Supervisor and has been involved in the construction of 89 homes. "I can't think of a better starting point than self-help housing and not just because of the house, but because



of the community building skills you get from working in a group, getting to know your neighbors, and learning about construction.”

Sean, his wife Stacy, and their three children have been living in their home for 13 years. “Having your own home is a comfort,” explains Sean. “You don’t have to bounce around and feel pressured to find somewhere else to live all the time. It’s just one less thing to worry about because raising kids and day-to-day life is stressful enough as it is. The house is no longer one of those stresses.”

Life can take surprising turns and having an affordable home can mean the difference between stability and vulnerability. For **Tokisha Ingram**, home has meant a comfortable place to live with a disability that arrived unexpectedly. Prior to participating in self-help, Tokisha and her two children aged 14 and 17 were renting a three-bedroom home. She was a small business owner of a beauty salon. For two years, she worked with a credit counselor to reduce her debt, move into a smaller apartment, and solidify her finances to qualify for the self-help program. Picking out her own lot made the whole process real to her. To Tokisha, owning her own new home meant that she “didn’t have to adopt anyone else’s problems.” “I was super excited, just knowing it’s mine. You have more appreciation when you see what goes into it from the ground up” she says.

Tokisha’s homeownership dream was threatened when she fell critically ill during the final stages of construction. Ultimately her illness caused a hospital stay of several months and permanently affected her mobility. During her illness, family, friends, neighbors and program staff made a few changes to accommodate her wheelchair and ensured that her home would be there for her and her family. Today, five years later, Tokisha is able to live independently thanks to the affordability of her home. She states her appreciation this way, “You have to want it. It’s hard work, but what you get in the end is worth so much more.”



*It’s such a feeling of accomplishment knowing you had a huge role in building your own home.*

Homeownership has been closely tied to America’s cultural identity for generations. In the case of self-help housing the program’s success and longevity are due not only to the product but to the process and people who create the homes. Sean Rose says of his experience both building his own home and leading other groups, “It’s always nice to see the people in the end. You go to work every day then you get off work and go to the job site to work some more. You’re dealing with people who are going to be your neighbors. Sometimes you get along with them, sometimes you don’t, but you have to be there. Once you get to the end of the process most of the difficulties just go away. I remember standing out on my front porch and just looking out. It’s such a feeling of accomplishment knowing you had a huge role in building your own home.”

**Noelle McKay** is the Executive Director and **Stefanie Kom-pathoum** is a Volunteer Program Coordinator of the Housing Assistance Corporation, a private, non-profit organization committed to providing safe and affordable housing for persons of limited income living in Henderson County, NC and surrounding areas.



An  
Emerging

# Self-Help Leader

Discusses personal growth and  
sustaining the momentum  
through Self-Help Housing

*By Mi'shell French*

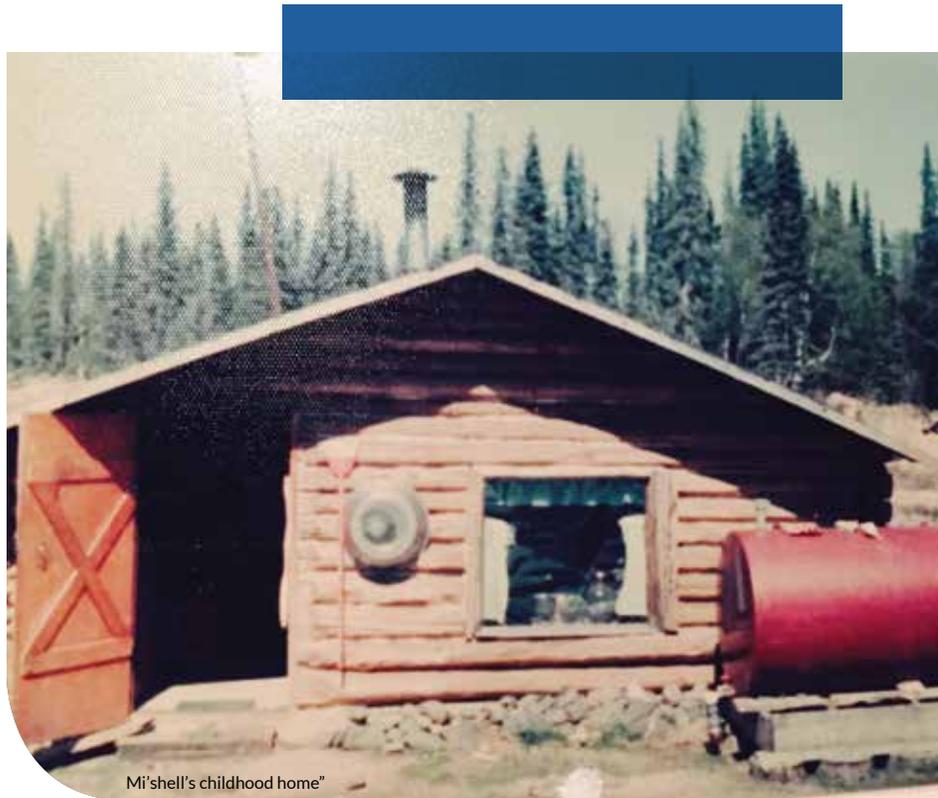
Affordable housing, specifically self-help housing, is very dear to my heart. This program, or one like it, could have made a difference for my family when I was a young girl. My father's family is from the Native Village of Port Heiden, a traditional Alutiiq community on the Aleutian Peninsula. When I was born, my first home was a 500 square foot cabin on my paternal grandparents' homestead in Ninilchik, not far from where I live and work today. While pregnant with my brother, my mom cared for me on her own while my father was away many weeks at a time commercial fishing. We lived a subsistence life, eating fish and game and foraging off the land; we made do with very little and had no access to transportation. Mom hauled all of the water we used to cook and clean and collected the coal used to heat the cabin from the beach. The cabin had no indoor plumbing or electricity.

My parents divorced when I was young. My mom struggled during this time, sacrificing her most basic needs to keep my brother and me fed and clothed with a roof over our heads. She worked several minimum wage jobs just to make ends meet, but she never complained and we never felt poor. As I grew up, I witnessed my mom's determination while she worked her way up and out of poverty as a single mother. I learned a great deal from her about perseverance and making do with what you have.

After graduating high school, my first job was a receptionist at a local bank. After two years, I was promoted to a mortgage loan closer. I was with the bank for 15 years. After a difficult divorce, I found myself alone,

with no home, no source of income, and two young sons to support. I took a minimum-wage position that brought in just enough to pay the rent and provide basic necessities for my children. I knew there should be better opportunities for someone with my banking and lending background, but jobs in the field were scarce in my rural community, compounded by the 2008 mortgage lending crisis. I was awarded a scholarship through my Alaska Native corporation of Cook Inlet Region, Inc. and put myself through college while working full time and supporting my children. I received my Associates degree in General Business in 2009 and graduated at the top of my class – the first college graduate on either side of my family.

In October of 2009, I applied for a homeownership program coordinator position at Rural Alaska Community Action Corporation (RurAL CAP) in their Self-Help Housing Program. It was exactly the type of position I was looking for. I could apply my mortgage lending experience and education to help make a difference in my community. It was my first job interview in over a decade. Mustering my confidence, I presented my credentials and experience and discussed my passion for helping people in my community. Because of my mortgage lending background, communication skills, compassion and desire to help others, and business education, RurAL CAP felt that I was the best fit for the position and decided to give me a chance.



Mi'shell's childhood home"

I feel the self-help housing model is the perfect example of how a family with limited income can achieve homeownership. What I find so compelling about the program is that families are not simply given their home like it's some kind of an entitlement, which is sometimes the case in rural Alaska. They have to work hard for it. Because of that, the sense of accomplishment they have when they move in is undeniable. They know how to maintain their home. They can afford their home. They have learned new life skills and, most importantly, they have pride in what they have accomplished. This transcends into every other facet of their lives. Self-help housing is not easy, but that is what sets it apart from all other programs.

Self-help is also very rewarding on a personal level. I am making a real difference in my families' lives. I see defeated people every day as they begin the application process. I see people who have been beaten down and had everything taken from them. It is such a fulfilling experience for me to tell them 'yes', when so many times they have heard 'no'. That simple word, 'yes', changes them and that sense of accomplishment is empowering. Their confidence grows when they start to take the steps that make a real change in their lives. I see them looking people in the eye and holding their heads high. I see them taking the chance and applying for that higher paying job. I see how successful their children are becoming in school. I see the tight knit community the families become. It is



rewarding knowing that I help my families and my community with the job I do here every day. It is incredibly hard work – for the families as well as for our staff – and the work is incredibly rewarding.

This year RurAL CAP is building its 50th self-help home in the central Kenai Peninsula area. I believe that for self-help to continue to make the impact it does here, marketing and education are key. Many people don't know this opportunity exists. We must market this program to the families who will benefit so they know it's available. We need to educate our elected officials. They need to know the benefits of self-help housing, not just to the individual families, but also the community as a whole. This is vital so we can continue receiving the funding for the program.

Another challenge is recruiting qualified individuals and families. Many applicants have credit and budgeting challenges. Very low- and low-income individuals often do not have the resources needed to overcome these obstacles. They also have

*They know how to maintain their home. They can afford their home. They have learned new life skills and, most importantly, they have pride in what they have accomplished.*

no idea where to start and need guidance throughout the process. Unfortunately, the Kenai Peninsula does not have a local credit counseling agency. The nearest one is located 150 miles away in Anchorage. A local credit counseling agency is needed. To assist in recruiting self-help families into the future, it is critical that our young people are taught the skills they need to take care of themselves financially. Our children are largely unprepared for the financial responsibilities of being an adult when they get out on their own. I would like to see personal finance become a core class taught in all of the local high schools covering budgeting, fiscal responsibility, credit, loans, investments, and savings. Well-educated children become well-educated adults and are better able to support themselves and their families. If these personal finance classes were offered a year or two before the families are ready to become homeowners and a local credit counseling agency were available to them, my recruitment numbers would increase dramatically.

For self-help housing to continue for another 50 years,

funding must be available to support it. At this time, self-help is dependent upon government funding both to operate it (USDA's Section 523 Technical Assistance (TA) Grant) and to fund the construction of the individual homes for each homeowner (USDA Rural Development Section 502 Direct loan). Reliance on federal funding is a challenge for several reasons. First, we never know from year-to-year if the funding will be available or how deep the cuts will be in any given year. It's going to take continued presence on Capitol Hill and communication with our elected officials. Policymakers must be informed about the need for ongoing federal support for this program. This program does and will continue to stimulate housing production in underserved, rural communities where private developers can't meet the entire demand for affordable homes. They need to see success stories firsthand to understand that this program works and is helping to provide the ongoing need for decent,

affordable homeownership in rural America. Second, we must seek alternative ways to model the program to form partnerships with other lenders for the individual construction and permanent loans our families need. There may be a time in the future when the federal funding is severely reduced or is not available. We must address this distinct possibility by having alternate funding sources available when that time comes. To do this, we need to start forming partnerships with housing authorities, technical assistance providers, and local lenders.

The Self-Help Housing program provides a time-tested way for low-income families to achieve the goal of homeownership. It extends tangible resources that these families can use to be successful. It teaches valuable life skills that flow into all other areas of their lives. It gives hope, pride, determination, strength, and accountability. It is my sincere hope that we can continue providing this program in rural America for many years to come.

*Mi'shell French is the Homeownership Program Supervisor at the Rural Alaska Community Action Program, Inc (RurAL CAP), a private, statewide, nonprofit organization working to improve the quality of life for low-income Alaskans.*





# Self-Help Housing and “SHOP” in the Rio Grande Valley

*By Nancy Hanson*

HUD’s Self -Help Homeownership Opportunity Program helps make self-help building sites affordable



At the Lower Valley Housing Corporation (LVHC), we believe that the Mutual Self-Help Homeownership program administered by the United States Department of Agriculture (USDA)'s Rural Development (RD) agency is the finest method of delivery of affordable housing. USDA RD funds are only available in rural communities. When LVHC started its program, traditional lenders would not lend in rural areas. One reason was those lenders believed that the cost of production would exceed the value of the collateral.

Over time, LVHC successfully convinced lenders that mutual self-help homes in rural El Paso County would appraise for enough to secure the loans and the homes would hold their value. The Texas Department of Housing & Community Affairs (TDHCA), WestStar Bank, Bank of America, Wells Fargo, and

JPMorgan Chase have since financed LVHC-produced houses.

These lenders provided affordable long-term mortgages such as low-interest USDA Section 502 loans or zero-interest-rate Housing Trust Fund "Bootstrap" loans from the Texas Department of Housing.

LVHC specializes in Mutual Self-Help Housing. Working with groups of 6 to 12 applicants, LVHC teaches families how to work together to build their homes. The families' sweat equity contribution, about two-thirds of the labor, drives down the cost of each house. This helps make the monthly payments affordable to very low-income families.

Most of the people living in our County commute to work in the city of El Paso. Some workers are employed by

*Over time, LVHC successfully convinced lenders that mutual self-help homes in rural El Paso County would appraise for enough to secure the loans and the homes would hold their value.*

the local school districts and others are engaged in farm work. Many of our residents live in the “county” outside of any designated town. In these instances, developments hooked into existing water and sewer systems. LVHC developed over 550 homes like this in Cielo Azul, Notre Dame, Green Desert and Horizon Hills. El Paso County has about 340 “Colonias” that have not been remediated as of today. These

areas are heavily populated but they lack decent facilities. Little by little, however, USDA and Texas Water Development Board are bringing in water and sewer to the colonias.

One of the resources that helps LVHC make homes more affordable is the Self-Help Homeownership Opportunity Program (SHOP). SHOP funding, provided by the U.S. Department of Housing and

# SHOP AND SELF-HELP HOUSING

The Self-Help Homeownership Opportunity Program, commonly referred to as “SHOP,” is a small, unique initiative that helps hard working low-income families achieve the American dream of homeownership. SHOP has also been an integral component of many organizations self-help housing efforts for nearly 20 years.

The SHOP program, administered by the Department of Housing and Urban Development (HUD), is competitively awarded to a small group of intermediaries, such as Habitat for Humanity, the Housing Assistance Council (HAC), and a few others. These intermediaries in turn award the funds on a similar basis to their local affiliates who assist families in building their own homes. Only nonprofit organizations can participate. Funds may be used only for land and infrastructure costs, some of the most difficult items for local groups to finance.

## SHOP AND THE HOUSING ASSISTANCE COUNCIL



**9,748**

HAC-SHOP HOMES FUNDED TO DATE



**549 HOURS**

AVERAGE SWEATY EQUITY CONTRIBUTED BY HAC-ASSISTED HOMEBUYER



(Program Minimum Requirement is 100 hours)

**\$109.3 MILLION**

TOTAL HOUSING AWARD FROM 1996-2014 TO DEVELOP HOMES IN 41 STATES

**\$1.1 BILLION**

OTHER FUNDS LEVERAGED TO DATE

**\$11,218**

AVERAGE HAC-SHOP FUNDING PER-HOME AWARD

**\$143,362**

AVERAGE APPRAISED VALUE OF SHOP-ASSISTED HOMES\*

\*Based on data from most recent active loans

Urban Development (HUD), is administered through several intermediaries including the Housing Assistance Council (HAC). SHOP provides up to \$15,000 per unit to acquire land, make infrastructure improvements, or pay certain planning or development costs for self-help homeownership. The program requires these homes to meet stringent energy efficiency and water conservation standards.

Homeowners must be low-income individuals and families and must contribute at least 100 hours of sweat equity. All of these features work together to make the home affordable to families with very low-incomes.

Since 2004, HAC awarded LVHC four rounds of SHOP financing to acquire and develop more than 200 residential lots in rural El Paso County. LVHC may retain up to 90 percent of the

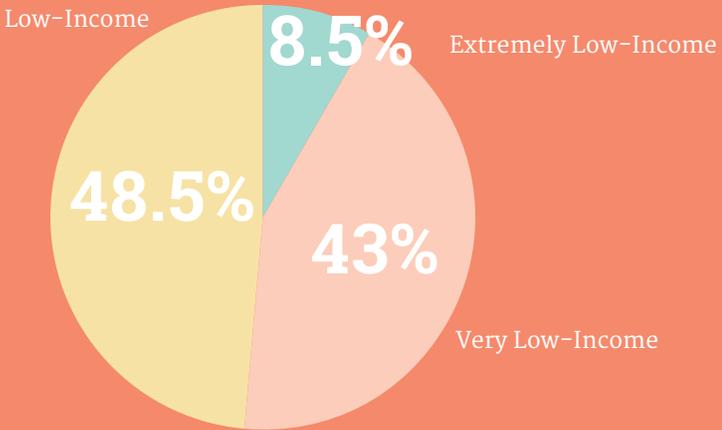
funding, which can then be used for similar affordable housing objectives. LVHC has used the “recoverable” portion of the HAC loans to repay the bank loan to buy the land and develop the lots. These savings are passed on to the homeowner, reducing the cost of the lot by at least 35 percent.

From March 2012 through December 2013, LVHC assisted 60 Self-Help owner-builders using SHOP funding. The homebuyers’ incomes ranged from \$13,900 to \$21,432. Over half of the families were headed by single women and the average age was 30.

LVHC is dedicated to helping lower-income residents of El Paso County to live in safe, decent homes in good neighborhoods that they can afford to pay for and that they are so proud to call home. The SHOP program helps us work with very low-income owner-builders and improve the quality of life in the Rio Grande Valley.

### SHOP REACHES VERY LOW-INCOME HOUSEHOLDS

PERCENT OF FAMILIES SERVED BY HOUSEHOLD INCOME LEVEL (1996-2013)



**\$20,875**  
ESTIMATED VALUE OF HOMEBUYER SWEAT EQUITY\*

**\$122,487**  
AVERAGE SALE PRICE TO HOMEBUYER\*

*Nancy Hanson is the Executive Director of Lower Valley Housing Corporation in Fabens, Texas. LVHC, specializing in the production of mutual self-help housing, is dedicated to helping lower income residents of El Paso County to live in safe, decent homes in good neighborhoods.*

# Technical Assistance Is the **Essential Ingredient to Self-Help Housing**



*By Suzy Huard*

USDA'S Section 523 Technical Assistance Grants make Mutual Self-Help housing possible

Community Concepts, Inc. (CCI) based in South Paris, Maine, has been helping families reach their goal of homeownership through the Mutual Self-Help Housing program since 1993. To date, families have built 237 homes with six more under construction. An additional 35 families have purchased and rehabilitated homes through an innovative approach to the program. CCI's Self-Help Housing program would not exist without the Section 523 Mutual Self-Help Technical



*CCI's Self-Help Housing program would not exist without the Section 523 Mutual Self-Help Technical Assistance Grant*

know that the Self-Help program exists, then there is no program to help the families achieve homeownership.

CCI assists families with obtaining long-term mortgage funding through USDA's Rural Development agency. USDA Rural Development offers financing with interest rates as low as 1 percent for qualifying families and no down payment. CCI's Self-Help Group Worker guides the families through the mortgage application process and works with families who need credit counseling.

Training is an important component of the self-help process. CCI used some of its Self-Help Grant program funds for homebuyer education certification training for our Group Worker. This allows the Group Worker to teach families about topics such as mortgages, credit, budgeting, membership agreement and teamwork. The Self-Help Manager and the Site Supervisor also provide pre-construction training about construction safety, basic

Assistance Grant, commonly referred to as the Self-Help Grant program, funding provided by USDA Rural Development. This two-year grant allows organizations like CCI to provide homeownership opportunities to very low- and low-income families. The Self-Help Grant program funding is critical in order to hire skilled employees, pay for office and administrative expenses, purchase tools for the families to use during construction, and pay for any training needed to assist the

families such as construction and credit counseling.

The Self-Help grant funding can be used to recruit families to participate in the program. CCI does this through radio, newspaper articles, informational meetings, and social media. We have an agency website with a page devoted to the Self-Help program. Our web page includes information about our program, a link to our brochure, and coming soon, an electronically fillable pre-application. If the public does not

construction skills, construction contracts, house plans and hands-on tool training. This training typically lasts about 10 weeks.

Other uses of the Section 523 grant funds include the purchase of the power tools used in the construction of the homes and vans to carry the tools between building sites.

After completion of the preconstruction training, the homeowners close on their USDA Rural Development-funded mortgages. The Self-Help Group Worker attends these closings with the families to help with any questions and to be a friendly face in a new situation. Rural Development sets up a supervised bank



account to pay for construction materials and related costs. CCI's Self-Help Bookkeeper assures that construction-related expenses are paid.

Families start construction together under the supervision of the Self-Help Construction Site Supervisor when the lot has been cleared and the foundation has been poured. The Site Supervisor is always on site with the families guiding them and teaching them skills as they go along through the construction process. The families and Site Supervisor work one night a week and both Saturday and Sunday, eight hours each day. The families

work through all four seasons. They build through the hot and humid summers, the freezing blowing snow in the winter and everything else in between.

Each month the families meet at the CCI office with the Site Supervisor and the Self-Help Group Worker. They go over any issues that might arise, talk about their progress and what comes next. The Group Worker discusses homeownership issues, such as maintaining a septic system and other house maintenance.

Over the course of construction, the families fill out and sign their weekly time sheets. The



group of six families also attends the ceremony and the “golden shovel” passes to them to start their journey through the Self-Help program.

The Self-Help Program would not be able to help the families it does without the Section 523 Mutual Self-Help Technical Assistance grant. The grant funding allows CCI to provide a valuable service at no cost to our families. With this funding CCI has a group of technically-educated self-help employees, such as the Group Worker, Bookkeeper, Site Supervisors and Program Manager.

*The Self-Help Program would not be able to help the families it does without the Section 523 Mutual Self-Help Technical Assistance grant.*

*Suzy Huard is the Housing Improvement Services Bookkeeper at Community Concepts, Inc. in South Paris, Maine. CCI offers a variety of housing, economic development and social services for Maine’s communities of Androscoggin and Oxford Counties. CCI’s self-help program also serves Franklin, Cumberland, and Kennebec counties. CCI’s services support both the basic needs of low-income families and promote self-sufficiency.*

Self-Help Bookkeeper keeps track of all the hours to assure that the families are getting their required hours in.

It takes about 10-12 months to complete the six homes. Once the construction is complete, the families, the Site Supervisor, Group Worker and Rural Development employee meet to conduct a final inspection of each individual home. The Rural Development employee completes the final inspection of the homes and the new homeowners receive the keys. There is usually a ceremony congratulating the families on their great accomplishment. The next



# EXPANDING SERVICE IN MICHIGAN'S UPPER PENINSULA

By Mike Shimon

A local Habitat for Humanity provider reaches more families using the USDA Mutual Self-Help program

The Marquette County Habitat for Humanity (MCHFH) affiliate, serving Marquette County, Michigan, was established in 1992 as a nonprofit organization with the core mission of eliminating substandard housing. MCHFH works with tenant families living in poor housing conditions and provides them an avenue to realize the dream of homeownership. The families must be low-income and willing to work sweat equity hours to help build their home.

During the first seven years, MCHFH provided homeownership to 16 families but there was a need to serve more families. In 2000, we started working with USDA Rural Development and NCALL Research, a regional Self-Help Technical Assistance (TA) provider. It took many months of work to apply for funding under the USDA Mutual Self-Help program. When it was done, though, we began serving many more families.

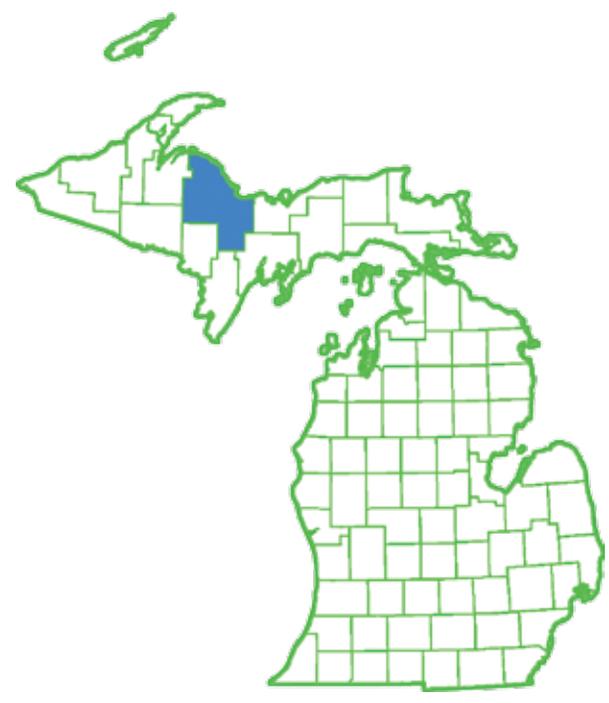


*In general, self-help housing is a great system because the family partner groups gain marketable construction skills and have a real pride of ownership in the home that they helped construct.*

Prior to collaborating with the USDA and NCALL, MCHFH worked with one family at a time and built one house at a time. Under the USDA model, partner family groups work together on each other's homes until all homes in that group are complete. No family moves in until all homes in that group are complete. At that time, a group dedication ceremony is held and all families move into their homes at the same time.

In general, self-help housing is a great system because the family partner groups gain marketable construction skills and have a real pride of ownership in the home that they helped construct. Through required education programs, they also learn about budgeting, finance, insurance, and home maintenance.

MCHFH funds the construction and other expenses to build each home. The family



receives a zero-interest mortgage equal to the total of these costs. MCHFH originates and services all mortgages. In addition, we require the families to make monthly escrow payments for taxes and insurance. Typically, a family will receive a 25- or 30-year, zero-interest mortgage based on the family's ability to pay.

Loan payments go into a revolving fund referred to as "Funds for Humanity." The proceeds from the revolving fund support approximately two houses per year. The net-profit from our Habitat ReStore, where we sell donated new and gently used furniture, home accessories, building materials, and appliances at a low-cost to the public, provides enough revenue to fund an additional house annually. We have several other funding sources that help us to build one or two additional homes. Funding is a big challenge

for us and we are looking into using the USDA Section 502 program in the future.

Of the 94 homes built in Marquette County since 1993, 66 families are still living in their homes. Twenty-eight families moved out of their homes. The homeowners sold about 80 percent of these homes on their own. The remaining families deeded their home back to Habitat in lieu of foreclosure. These homes were either sold to a low-income family using a USDA Section 502 loan or sold on the open market.

Of the families recently served, 77 percent are very low-income, 7 percent are a racial or ethnic minority, and approximately 60 percent are female-headed households. Most of the families have steady employment income and all seem to be committed to improving their lives.

One of the challenges MCHFH faces with the group system is the size of our county. MCHFH is located in the city of Marquette, a community in the Upper Peninsula of Michigan. The service area for MCHFH is 3,425 square miles. It is the largest geographical county east of the Mississippi in the United States and has a population of over 60,000 residents. This rural county provides lots of challenges because of its size, the weather, and the fact that nearly all of our homes are built on scattered sites in multiple cities. This requires substantial time and travel needs for the families.

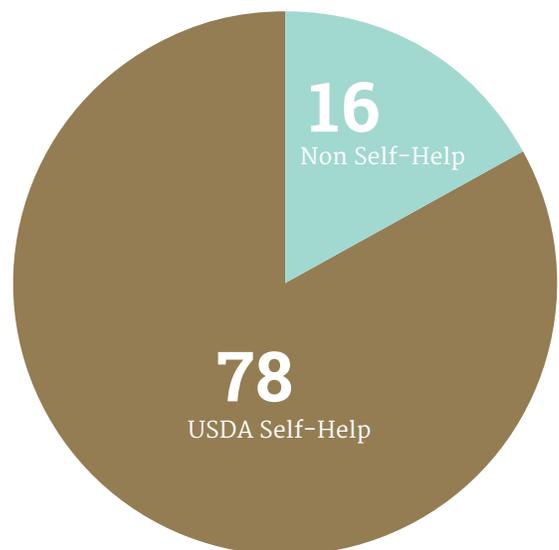
It was a relatively easy transition from serving one family at a time to adopting the self-help model that required all of the families to work together until all of the houses in a particular group were completed. The biggest challenge in our program is keeping the families motivated because we build on scattered sites and in different communities.

There are some very basic similarities between the Habitat for Humanity and the USDA Mutual Self-Help Housing programs. Family selection, the family commitment to partner with sweat equity, and their ability to pay a mortgage are critical factors to both organizations.

The Marquette County community has benefitted significantly since we have partnered with USDA. Since our inception in 1993, we have built 94 homes. During the past 15 years, 78 of those homes have been USDA-backed self-help houses. This has made a major impact on improving the low-income homeownership opportunities.



## MARQUETTE COUNTY HABITAT FOR HUMANITY Homes Built (1993-2014)



*Mike Shimon is the Executive Director of Marquette County Habitat for Humanity in Marquette, Michigan. Marquette County Habitat for Humanity is a nonprofit, ecumenical Christian housing ministry seeking to eliminate poverty housing, and to make decent shelter a matter of conscience and action.*

# Neither Wind, Nor Rain...



## Can Stop a Determined Self-Help Provider

### A local nonprofit is up to the challenge when disaster strikes twice.

By Linda Smith

*OMEGA PSI PHI fraternity, INC. XI KAPPA KAPPA  
Chapter Donated Their Time For Rebuilding Efforts*

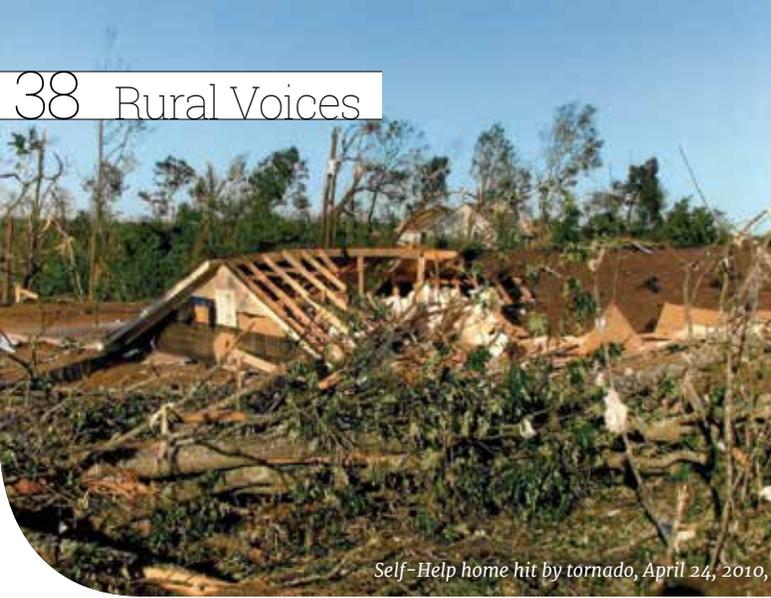


On April 24, 2010, I learned of an imminent danger approaching Yazoo City, MS. One of the worst natural disasters since Hurricane Katrina, a tornado struck the state of Mississippi affecting 17 counties. Before the tornado passed through the area, I received calls from traumatized homeowners and family members.

There were ten fatalities reported statewide and four were from Yazoo County. At least 150 people were injured. The tornado destroyed 390 homes in the state;

over half of these were located in Yazoo County. Most of the affected families lived in uninsured homes. Over 2,000 families applied for federal assistance due to the storm. The storm was ranked the ninth deadliest incident since the 1900s in Mississippi.

Esther Stewart Buford Foundation (ESBF) had just completed three self-help homes in the area, and the homeowners planned to move in the following week. Five other homes had been completed six months earlier. Six of



*Self-Help home hit by tornado, April 24, 2010, Rebuilt within two and one-half months.*

these homes were completely destroyed and two were damaged by the storms.

Upon arrival in Yazoo City, the staff found that there was no electricity, water or food. Several food stores, hotels, gas stations and restaurants had been heavily damaged or destroyed. ESBF's initial assessment of the damage revealed major losses on construction equipment such as trailers, scaffolding, compressors, and hoses, electrical components. Having no way to replace the lost equipment, ESBF turned to partners such as the Housing Assistance Council. HAC offered support and provided a \$10,000 loan to ESBF for the purchase of new equipment. Thanks to this and other support, no time was lost on construction. The recovery and rebuilding process started immediately. ESBF staff worked diligently for 72 hours straight

with little rest while procuring and securing emergency shelter, clothing, food and water for the victims of the storm. Local banks, churches, businesses, as well as state, county and local officials came together to provide clothing, food, shelter and other services to those in need. ESBF staff guided disaster victims through the application process to apply for any available help.

This was also the year that the ESBF was to be honored at the HAC National Rural Housing Conference with the Skip Jason Community Service Award. This award recognizes people whose efforts have improved the housing conditions of the rural poor in their communities. When we arrived in Washington, DC, we heard from concerned families that twin tornados had struck Yazoo City once again.

ESBF staff decided to leave Washington immediately and head back to Yazoo City to assist those in need. While the damage was not as severe as the earlier storm, homes and businesses that had escaped the April storm suffered damage from the twin storms. Families were shocked by a second round of tornados. Once again, ESBF teamed up with local churches and business. We worked with state and local Emergency Management officials to help provide services for those in need. Teams covered roofs with tarps pending the purchase of roofing materials. They repaired windows and ceilings. They helped residents find temporary shelter, food and water. ESBF helped families with credit applications because disaster funding was not available from the federal or state agencies. There was little or no alternative housing available due to the April 24 storm.

Without the help of our many partners and the resources they bring to bear, ESBF would not have been able to provide timely assistance and services to the low and very-low income families hit by these disasters. Someone once said, "The warmest gratitude comes from needs answered, problems shared and dreams encouraged." This is how I feel about HAC and all of our partners who answered the call to help.

**Linda Smith** is the Executive Director of the Esther Stewart Buford Foundation (ESBF). ESBF is a local nonprofit and Community Development Housing Organization located in Yazoo City, Mississippi. ESBF's mission is to provide quality housing for underserved people



## HAC ANALYSIS: USDA OBLIGATES OVER \$20 BILLION FOR RURAL HOUSING IN 2014

HAC's USDA Rural Development Program Funding Activity Report for Fiscal Year (FY) 2014 has been released. In Fiscal Year (FY) 2014, RD obligated approximately \$20.2 billion in loans, grants, and loan guarantees that were used to build, purchase, repair, or support 153,850 units of affordable housing for low- and moderate-income families in rural areas. Since the first USDA housing loan was made (around 1950), USDA has funded over 4.5 million loans, grants, or guarantees representing over \$243 billion to construct, purchase, or repair rural housing units.

▼ To download the report, visit [ruralhome.org/rdobs14](http://ruralhome.org/rdobs14)

## CRA IN RURAL AMERICA

Assessments of the Community Reinvestment Act's (CRA) scope and effectiveness are typically conducted at a market-specific level, and those markets analyzed are almost exclusively metropolitan or urban in nature. Very little is known about the implementation of CRA in the rural context. HAC conducted a general assessment of CRA to provide a better understanding of CRA's implementation in rural communities. The report focuses on mortgage lending and CRA.

▼ To download the report, visit [ruralhome.org/ruralcra](http://ruralhome.org/ruralcra)

## GREEN BUILDING AND ENERGY STAR TRAINING

Implementing ENERGY Star requirements in rural areas can be challenging as rural communities have limited access to trained ENERGY Star experts. To assist organizations in rural areas in bridging this service gap, HAC has created a series of four webinar trainings focused on implementing ENERGY Star and green building techniques. The webinars from this training series are available on HAC's YouTube channel and [www.ruralhome.org](http://www.ruralhome.org).



▼ To watch recordings of HAC's Green webinars visit <http://bit.ly/ruralgreentraining>

## HAC CONVENES POLICY MAKERS TO DISCUSS RURAL VETERANS

Sen. Johnny Isakson (R-GA) and Rep. Sam Farr (D-CA) were major speakers at a May 20 HAC conference on "Serving Rural Veterans." Sponsored by The Home Depot Foundation and J.P. Morgan Chase, this second annual training conference focused on the housing, employment, health and other needs of rural veterans.

▼ Conference materials are available at [ruralhome.org/veterans](http://ruralhome.org/veterans)





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Celebrating  
**50 YEARS**  
Of helping families help themselves.



# Families Building Wealth, Pride, and Community with Self-Help Homeownership

## The First Self-Help Families

Lilia G. Jimenez, her husband, and their children lived in a house with no insulation, no indoor toilet, and no city water. In the early 1960s, Mrs. Jimenez and two other families completed the first USDA-funded self-help homes. Lilia still occupies the home she helped construct more than 50 years ago in Goshen, California. Mrs. Jimenez said that building their home through the self-help program was the best thing that ever happened to her family.

## A Half Century of Growth and Change, But Still the Same Pride Through Self-Help

Yvette Cabili has managed to overcome numerous obstacles in her life and has not only become a self-help homeowner in Florida, but has also fulfilled her desire to help others achieve homeownership. Ms. Cabili learned the concept of self-sufficiency and determination from observing her mother who immigrated to the United States from Mexico. Yvette's perseverance was tested as she strived to raise her daughters as a single parent and build a home, all while taking college courses. From her initial request for an application, to the moment of final inspection, the self-help homeownership program was an emotional rollercoaster. Yvette had her highs and lows but despite the multiple demands, she learned time management, discipline, and the basics of building a home. She gained construction skills, home maintenance knowledge and, along with everyone in her group, she grew as a person. One thing she always mentions to other self-help homebuyers, whether they are single or not, is "If I did it, you can too! It's mind over matter!"

*Excerpted from "The Balancing Act," by Joey Henderson, Florida Home Partnership, Rural Voices, Fall 2014.*



*Yvette Cabili and her daughters*

# 50 YEARS and 50,000 HOMES ACROSS RURAL AMERICA

## Homeownership through USDA's Self-Help Housing Program

Fifty years ago, the U.S. Department of Agriculture (USDA) began supporting a “self-help” housing model where very low- and low-income households construct their own homes. People have engaged in collective homebuilding and community barn-raising for hundreds of years. USDA advanced this innovative concept to a national scale beginning in the mid-1960s. In 2015, the self-help community celebrates the construction of the 50,000th self-help home to be built with USDA and community-based support.

### Purpose

Operated by the Rural Development office (RD) of USDA, the *Section 502 Direct Loan* is used to finance self-help homes. Self-help housing is targeted to families who are unable to buy decent, safe, and sanitary housing through conventional methods.

*Families participating in a mutual self-help development perform a substantial amount (approximately 65 percent) of the construction labor on their own and each other's homes under qualified supervision. The savings from the reduction in labor costs allow otherwise ineligible families to own their homes.*

### Nonprofit Sponsors

Nonprofit organizations and public agencies sponsor mutual self-help housing. They organize groups, provide training and construction supervision, and assist participating families to file applications for loans to finance materials and sub-contracting when applicable. Most rural self-help housing sponsors use administrative funds from RD's Section 523 Self-Help Technical Assistance Grant Program.

### How it Works

USDA's mutual self-help program involves not only USDA, but also:

- » Homebuyers
- » Local sponsor organizations, sometimes known as Section 523 grantees or technical assistance providers because they provide technical assistance to homebuyers
- » Regional technical assistance contractors, sometimes known as Section 523 contractors, who provide technical assistance to current and potential Section 523 grantees.



65%  
HOURS  
OF LABOR  
PROVIDED BY  
HOMEOWNER

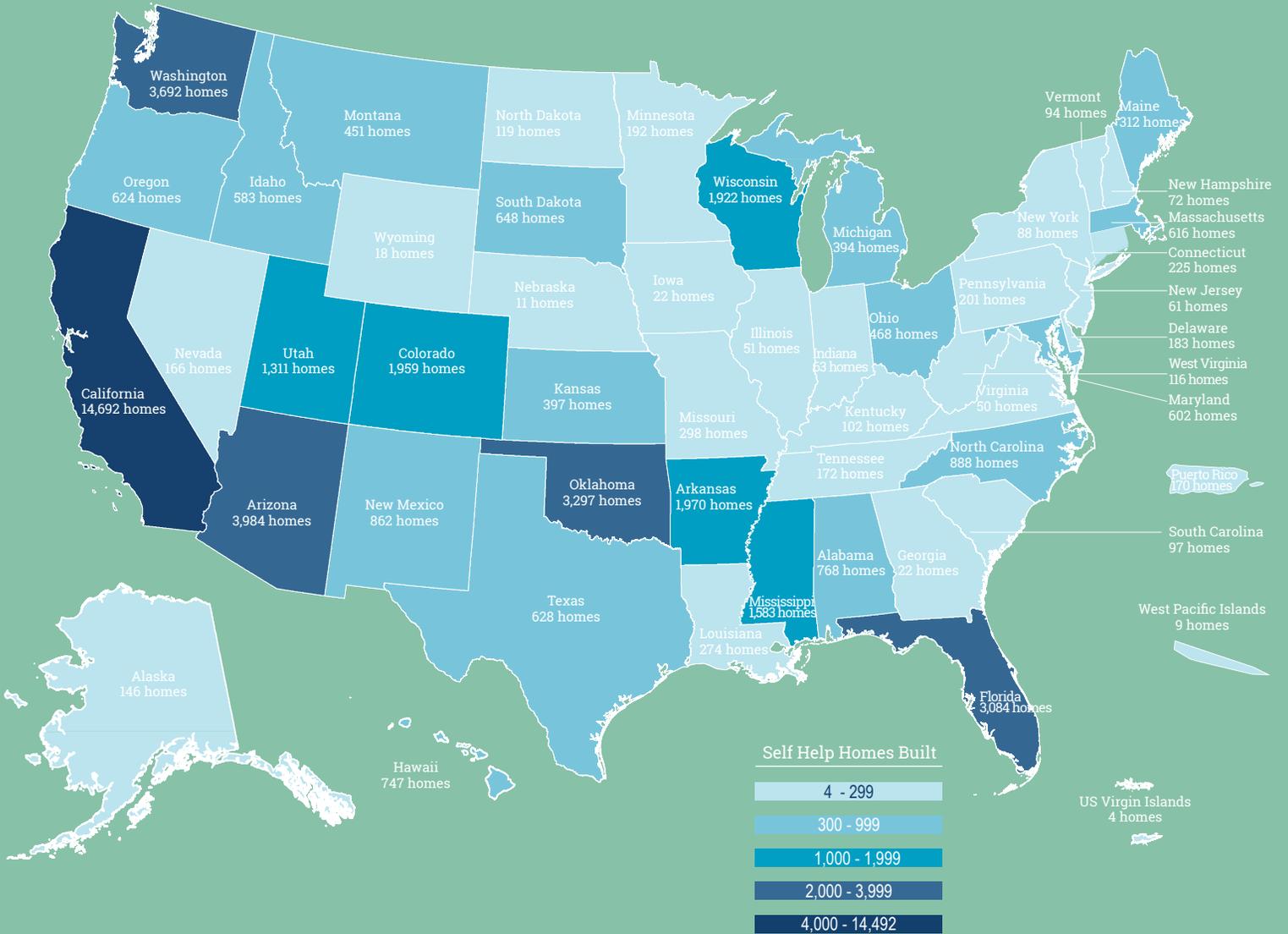


\$25,040  
ESTIMATED  
VALUE OF  
SWEAT  
EQUITY AT  
MOVE-IN

(FY 2014)

Source: USDA Data

# USDA Funded Self-Help Homes 1965 - 2015



Produced by the Housing Assistance Council (HAC) Source: HAC Tabulation of USDA-RD Report Data

**Affordability:**  
A Self-Help House is Less Than Half the Cost of a Newly Constructed Home in the U.S.

New Home Purchase Price, 2014

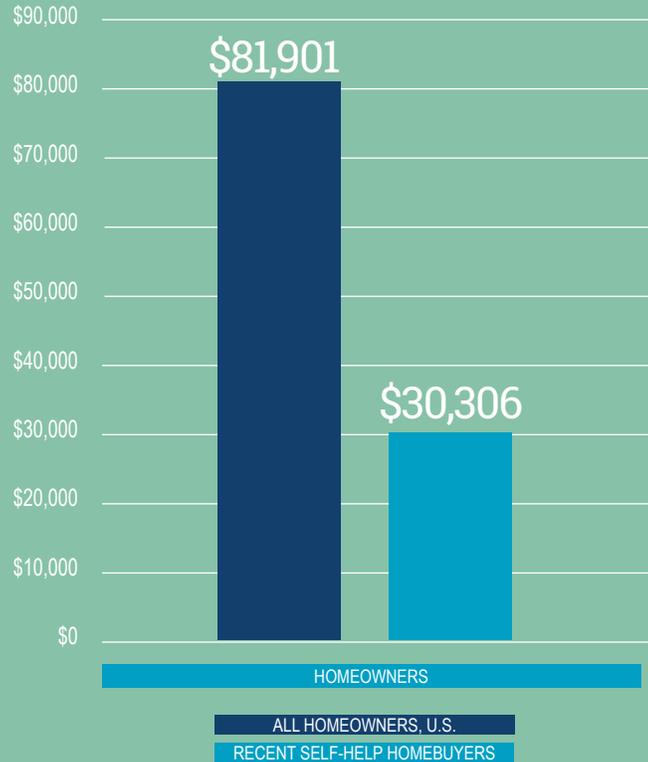


Sources: Characteristics of New Single Family Homes Built - U.S. Census Bureau, USDA RD Data

## Serving Modest Income Families:

The Average Annual Income of Self-Help Housing Participants is 63% Less Than the Average Income for All U.S. Homeowners

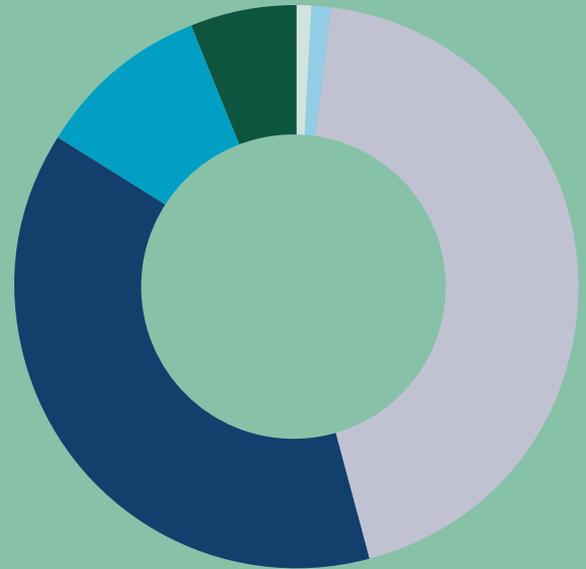
Average Household Income



Sources: USDA RD Data, HAC Tabulations of 2013 American Housing Survey

## Increasing Minority Homeownership:

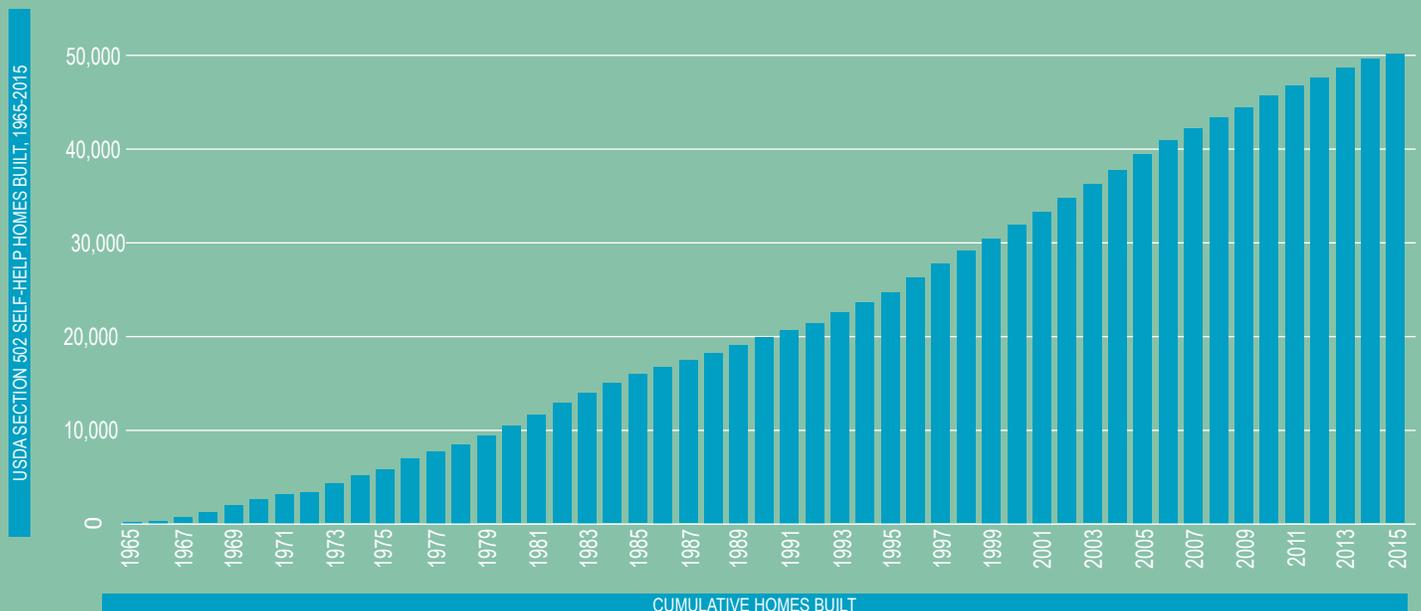
More Than Half of Self-Help Families are Racial or Ethnic Minorities



Race & Ethnicity of Self-Help Households, 2015



## Since 1965 More than 50,000 Families Have Achieved Homeownership Through USDA's Self-Help Housing Model





The Housing Assistance Council (HAC) is a national nonprofit organization that helps build homes and communities in rural America. For more than 45 years, HAC has supported self-help housing and the community-based organizations and families that make it one of the nation's most innovative and successful affordable housing models.

For more information about the Housing Assistance Council please visit:  
[www.ruralhome.org](http://www.ruralhome.org)

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