



Rural Voices

THE MAGAZINE OF THE HOUSING ASSISTANCE COUNCIL

Fall 2003 • Volume 8 / Number 3

Self-Help Housing

Dear Friends,

This issue of *Rural Voices* celebrates the 40th anniversary of the U.S. Department of Agriculture's self-help housing program. Collective homebuilding and community barnraising are ancient concepts, and self-help construction relies on the same community spirit. Owners help to build their own homes and, in some cases, their neighbors' homes as well.

Organized self-help developments were constructed in the United States as early as the 1930s, but over the past 40 years much of this country's use of the self-help model has been made possible by USDA's support. The USDA self-help program enables families to contribute "sweat equity" to their homes in lieu of down payments. Without this opportunity, many low-income families would be unable to afford their dreams of homeownership.

USDA's program relies on a "mutual self-help" model. Families work in groups of six to ten, and no family moves into its new house until all the houses in the group have been completed. The families contribute about 65 percent of the total labor. Sponsoring organizations funded by USDA's Section 523 program train them and supervise their work. Four regional organizations, in turn, provide technical and management assistance to the local sponsoring organizations. Many of the families receive USDA mortgage financing as well, through the Section 502 direct or guaranteed programs.

This issue of *Rural Voices* begins with an overview by Art Garcia, administrator of USDA's Rural Housing Service. The next pieces provide the perspectives of those who were present at the beginning of USDA's program, including one of the first three self-help builders who still lives in the home her family helped to construct in Goshen, Calif. in 1963. One of the four regional contractors explains his organization's role, and local sponsoring organizations from each region describe their experiences with the program.

Of course USDA's program is not the only way to involve homebuyers in helping themselves. Other self-help models flourish around the country as well, and this magazine includes articles depicting four of them. In the colonias on the U.S.-Mexico border, in Appalachia, and in Indian Country self-help has been successfully adapted to fit local cultures and conditions. Finally, Habitat for Humanity — perhaps the best known self-help program — relies on volunteer labor in addition to family work, and funds its buyers' mortgages itself.

It is easy to find the common theme running through all these articles. Every one of these stories shows how self-help housing translates into higher standards of living, increased self-esteem, and a better quality of life, not only for the self-help participants but for their communities as well.

Additional information about self-help housing is available on HAC's website at www.ruralhome.org/resources/selfhelp.htm.

Sincerely,



Debra Singletary, Chair



William Picotte, President



Moises Loza, Executive Director

1 HAC FACTS

FEATURES

2 The View From Washington: USDA's Self-Help Program, Past and Present

by Arthur A. Garcia The administrator of USDA's Rural Housing Service describes his agency's program and how it can help increase minority homeownership.

4 The California Beginnings of USDA Self-Help Housing

by Bob Marshall The former executive director of Self-Help Enterprises, one of the country's leading developers of sweat equity housing, recalls the program's inception and its development.

7 USDA Self-Help Expands in New Jersey

An interview with Art Collings A former Farmers Home Administration county supervisor explains how his office took on the task of expanding USDA's mutual self-help program beyond California.

10 Regional Contractors Provide Essential Assistance for USDA Self-Help Housing

by Selvin McGahee Four regional organizations help local organizations to make the USDA program function smoothly.

13 Fulfilling Goals in Arkansas

by Patricia Atkinson The story of a successful self-help participant embodies the successes of one agency's 27-year-old program.

15 People Are Counting on Us in Washington

by Barry Brodriak September 11 helped a self-help participant and a program director to understand the importance of a home.

17 Changing Lives in Ohio

by Patty Griffiths Take one construction supervisor who builds homes with his crew, add six families and one program manager who is trying to learn how the program really works. That's how self-help housing gets started.

19 From Challenges to Opportunities in Florida

by Earl Pfeiffer A disastrous first week on the job showed a self-help director the challenges he would face, but the organization has persevered and its program has grown.

21 Beyond Self-Help: A New Beginning for Colonias Residents

by David Arizmendi Culturally appropriate self-help housing changes the way participants view themselves and their communities.

23 The Appalachian Approach to Self-Help

by Gina Chamberlain The Federation of Appalachian Housing Enterprise's approach to self-help is derived from the culture, topography, history of social services, and local resources of Appalachia.

25 Building Dreams on the Pine Ridge Indian Reservation

by Leslie Newman Self-help can be particularly challenging in Indian Country, but a nonprofit organization on the Pine Ridge Reservation has found ways to make it work.

27 Serving Rural Communities: Habitat for Humanity's Rural Housing Initiative

by Starr Mayer Habitat's new Rural Initiative will build on the organization's existing work in rural places.

BOARD MEMBER PROFILES

Nancy McLaughlin, Lenin Juarez

Cover Photo: The daughter of self-help homebuilders Kevin and Martha Cummings helps break ground for the family's new home in Louisiana. Photo courtesy of Seventh District Pavilion, Inc.

Unless otherwise noted, all photos in this issue are from HAC files.



HAC Helps Tennessee Groups House People with Disabilities

Funds from the Creating Homes Initiative of Tennessee's Department of Mental Health and Development Disabilities, along with HAC's assistance, have provided two Tennessee housing groups with the means to create housing for persons with disabilities. The Initiative provided Behavioral Health Initiatives of Jackson and Carey Counseling Center of Paris with regional housing facilitators to help them develop affordable housing for people with mental illness.

HAC's Southeast Regional Office worked with BHI's facilitator to design and develop an application for HUD HOME funds, which yielded a \$500,000 grant to build 12 units. Additionally, HAC provided technical assistance to CCC for its HOME application, which also resulted in a \$500,000 grant. Carey will build ten units of rental housing for low- and very low-income persons with disabilities. The goal of the state's Creating Homes Initiative is to develop 2005 homes by the year 2005. If this goal is met, a new goal of an additional 2005 units will be established.

HAC Sponsors Health and Housing Symposium

On August 4, 2003 HAC convened a symposium of health and housing practitioners to discuss HAC's new "Home Sick" research project. The invited experts shared their knowledge of the impact of poor housing conditions on the health of residents and provided insight as to how HAC could examine these issues in rural areas. Participants agreed that poor

housing conditions, including lead hazards, poor water quality, and housing cost burden, play a critical role in the physical and mental health of residents. Rural residents are particularly vulnerable to housing related health concerns, given the lack of public health infrastructure and the continuing housing quality problems in rural America. Findings from the symposium will be used to develop a research design to study these issues in the coming years. For more information on this topic, please contact Theresa Singleton, HAC's Research and Information Director, at 202-842-8600 or theresa@rural-home.org.

Self-Help Development Underway in Louisiana



Photo Courtesy of SDPI

Participants in SDPI's groundbreaking included Debbie Redford, Michael Taylor, Risa Lawson, Randy Roach, Kevin Cummings, Martha Cummings, Dazette Thorne, Willie Maynard, Bob Davis, Claudia Savoy, La Toya Jones, Ida Woods, and Charles Lewis.

A groundbreaking ceremony in June celebrated the beginning of construction on mutual self-help homes sponsored

CONTINUED ON PAGE 6

Thanks to the Annie E. Casey Foundation

The Housing Assistance Council is pleased to be able to provide copies of this issue of *Rural Voices* to all HAC News recipients thanks to a generous grant from the Annie E. Casey Foundation. The Annie E. Casey Foundation is committed to finding ways to improve the lives of children. To that end, the Foundation has provided HAC with a grant to study the impact of mutual self-help housing on the lives of children and their families. We believe that mutual self-help housing can build both housing and community in ways that are supportive of families and benefit children. The expanded distribution of this issue of *Rural Voices* is an effort to publicize mutual self-help and to

provoke greater dialogue on this method of housing development. HAC is excited about this project and we thank the Annie E. Casey Foundation for their commitment and support. We hope you find the magazine informative.

HAC is committed to making ongoing subscriptions to *Rural Voices* available at no cost to as many people as possible. Those who do not currently subscribe may request free subscriptions by contacting Luz Rosas at HAC, 202-842-8600, luz@ruralhome.org. If the demand exceeds the funds available to cover costs, HAC will process subscription requests in the order received. Paid subscriptions are always welcome at \$12 per year (including postage and handling), as are donations to help support the costs of producing *Rural Voices*.



USDA's Self-Help Program

PAST AND PRESENT

by Arthur A. Garcia

Self-help housing provides an opportunity for many low-income rural American families to achieve the American dream.

The American dream of owning a home dates back to the pioneer days and the birth of our country. While our population has increased and diversified, this traditional American pursuit remains stronger than ever.

The American Friends Service Committee introduced the concept of self-help housing by sponsoring homes for coal miners in western Pennsylvania. In 1963, the U.S. Department of Agriculture began funding self-help housing efforts using Section 502 direct lending funds in California and New Jersey. In 1971, the Section 523 Self-Help Technical Assistance Grant Program provided administrative funds to self-help housing sponsors. Today, USDA Rural Development's self-help housing is an active program that enables low-income rural Americans to become homeowners. The majority of the participants in this program would not otherwise qualify for a home loan.

Self-help housing provides an opportunity for many low-income rural American families to achieve the American dream. This program makes homes affordable by allowing families to contribute "sweat equity" to lower the cost of their



HUD Secretary Mel Martinez and USDA Secretary Ann Veneman signed an agreement at the National Rural Housing Summit in June with self-help homeowners, the Garcia family from California, looking on.

homes. Sweat equity often represents 25 percent of the overall value of the home.

A self-help group is organized to provide labor for the group members' new homes. The group consists of six to twelve families who work together under the guidance of a construction supervisor, hired by a nonprofit sponsor organization. The houses are built simultaneously and no family moves into their new house until every house in the self-help group is complete.

The Rural Housing Service, a Rural Development agency within the U.S. Department of Agriculture, has seen the self-help program grow and succeed over the past 40 years. More than 35,000 homes have been built with a total loan commitment amounting to nearly \$1.7 billion.

There are currently over 125 self-help grantees located across the nation. This program is unique because it serves a diverse population; in fiscal year 2002, 57.79 percent of the families participating in this program were minorities. While roughly 75 percent of Americans own their own home, the minority homeownership rate is less than 50 percent. This program plays an important role in bridging the "homeownership gap."

In October 2002, President Bush addressed the “homeownership gap” at a White House conference entitled “Blueprint for the American Dream.” President Bush announced his pledge to increase the number of minority homeowners by 5.5 million by 2010. To assist the President in reaching this goal, USDA Secretary Ann Veneman and Under Secretary for Rural Development Thomas C. Dorr have created the USDA Five Star Commitment to expand rural minority homeownership. The USDA Five Star Commitment consists of the following goals:

- lowering fees to increase minority participation in loan programs;
- doubling the number of participants in the mutual self-help program;
- reaching out to minority lenders to increase participation;
- promoting credit counseling and homeownership education; and
- monitoring lending activities to assure progress toward these goals.

The self-help program is a crucial component of the Five Star Commitment and will be an integral part of all efforts to increase minority homeownership. On June 16, 2003 USDA Secretary Ann Veneman showcased the self-help housing program by recognizing the Jose Garcia family at USDA’s first ever National Rural Housing Summit. The Garcia family is from the Coachella Valley in California and is a successful participant in the self-help housing program.

Mr. and Mrs. Garcia and their four children previously lived in a one-room home about the size of a garage. One extension cord provided all their electricity, and the nearest bathroom facilities were 40 feet from the house. Through the self-help housing program, the Garcias now live in the four-bedroom house they built themselves. The Garcia family is just one real life example of the difference self-help housing can make to a family.

The total result and benefits of the self-help housing program are not easy to quantify. We can track the number of homes built and sweat equity earned by participating families. This program fosters many outcomes that are not quantifiable, however, such as achieving the dream of homeownership, learning homebuilding skills, and creating neighborhoods and a sense of community. The positive effects of this program are endless.

Our partners play a major role in our ability to continue and increase access to our programs. The Housing Assistance Council has been a valuable partner for all of our programs including the self-help program. At the National Rural

EDITOR’S NOTE

The Structure of USDA’s Self-Help Program

Over the past 40 years USDA’s mutual self-help program has developed a structure and a language of its own. The program involves not only USDA staff, but also people working on at least three levels:

- homebuyers;
- local sponsor organizations, sometimes known as Section 523 grantees or (perhaps confusingly) technical assistance providers; and
- regional technical assistance contractors, sometimes known as Section 523 contractors.

The local sponsors are nonprofit organizations or public agencies that receive administrative funding from USDA’s Section 523 Rural Self-Help Housing Technical Assistance Grant program. These funds enable the sponsors to screen program applicants, provide homebuyer counseling for them, arrange for contractors and construction supervisors, and more. The sponsor organizations provide technical assistance to the homebuying families. The number of these organizations varies from year to year; recently there have been between 50 and 100 per year.

The four regional technical assistance contractors provide technical assistance to the local sponsors. Selvin McGahee of Florida Non-Profit Housing, one of the four, describes the contractors’ role in greater detail in an article in this issue of *Rural Voices*. Other articles describe grantees/sponsors in Arkansas, Florida, Ohio, and Washington, one in each of the four regions.

Housing Summit, HAC’s senior housing specialist Art Collings was recognized for his dedication to affordable rural housing. His contributions and unswerving commitment to rural America are well appreciated.

We cannot overemphasize the importance of our pledge to increase rural minority homeownership through our self-help housing program. Today, this is our most important task. Tomorrow, this will be our legacy.



Arthur A. Garcia is administrator of the Rural Housing Service, U.S. Department of Agriculture.



Photo by George Ballis

Self-help housing programs in California in the 1960s enabled participants to move out of homes like this.

The California Beginnings of USDA Self-Help Housing

by Bob Marshall

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

In 1937, the American Friends Service Committee assisted 50 coal mining families to 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.

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 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 was created. In 1965, Bard McAllister, Howard

Washburn, and Everett Krackov, Director of the OEO-funded Tulare County Community Action Agency, applied for a grant from the Migrant Division of the OEO to administer a self-help housing program. Self-Help Enterprises 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

that the San Joaquin Valley was a more manageable service area and 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 International Self-Help Housing Associates, 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.

Mrs. Lilia G. Jimenez (center), her son Tommy Jimenez, and her brother Lucio Gomez live three or four blocks apart in Goshen, Calif. in the homes they helped to build 40 years ago. Mrs. Jimenez recalls that their group, the first to receive USDA funding for self-help construction, started with 14 families, all relatives or friends. The others dropped out of the program one by one during the pre-construction meetings, but some were able to participate in the self-help program later.



Mrs. Jimenez's family had lived in a house with no insulation, no indoor toilet, and no city water. The new home they built on family land had four bedrooms and one bathroom. Mary Lupe

(pictured on the left) was four years old, and Jolanda (right) was ten. It was difficult for a family of 16 (husband, wife, and 14 children) to share a bathroom, so later the family added an outside bathroom and a studio. Their home loan was \$6,800 with a mortgage payment of \$31 per month.

Now 75 years old, Mrs. Jimenez says that building their home through the self-help housing program was the best thing that ever happened to her family. Asked whether she would like a new house, she

says no. "My house was built out of real lumber," she says, "not the particle board they use nowadays."

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

In 1973, various self-help organizations came together to create the California Self-Help Housing Association, 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, works closely with the National Rural Housing Coalition, and helps support

CONTINUED ON PAGE 6

FROM PAGE 5 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 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.

Additionally, in 1972, 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 generous 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 Bothers assisted in construction roles. They helped with land development, carpentry, plumbing, and electrical work. They lived with building families and helped

FROM PAGE 1 by Seventh District Pavilion, Inc. of Louisiana. SDPI plans to work with owner-builders to construct 20 such homes throughout Calcasieu, Evangeline, and St. Landry parishes in the next two years.

Technical assistance and pass-through funding from HAC helped make this program possible. For several years HUD has contracted with HAC to work with Community Housing Development Organizations, including SDPI, designated under

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, including Peter Carey 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. 

Bob Marshall is the retired executive director of Self-Help Enterprises.

HUD's HOME program. Through this arrangement, HAC passed HUD funds to SDPI so its staff could attend training conferences on mutual self-help housing, housing counseling, and other housing programs. HAC staff also helped SDPI to apply successfully for \$240,000 in USDA Rural Development Section 523 funding to administer its self-help housing program.



INTERVIEW WITH ART COLLINGS

USDA Self-Help Expands in New Jersey

Q The first self-help development funded by the Farmers Home Administration was in California in 1963. Yours was the second. How did it come about?

COLLINGS: It was 1964. Things happened at this point in time because funding became available. The American Friends Service Committee had experimented with the self-help approach, but they never had a permanent source of funding for the families, for materials and subcontracts and so forth. In 1962 Farmers Home got the authority to make non-farm housing loans. That's when Bard McAllister and the American Friends Service Committee got into self-help out in Goshen, California.

I was a county supervisor at the Farmers Home Administration in Cumberland County, New Jersey. Our state director, Chester Tyson, Jr., was a Quaker and relatively active in the American Friends Service Committee. When he saw what they were doing with self-help he contacted me about doing it in New Jersey. I said, "That won't work."

Q Had you heard of self-help before?

COLLINGS: No. Shortly after that a man came in to request a loan, the son of one of our farm borrowers. He was working for his father for about \$4,000 a year and he couldn't afford to buy a house at the 4 percent interest rate we charged at the time. I got to thinking that if we could get the cost down, then he could

afford it. So then I decided maybe I'd give self-help a try.

About that time Ralph Johnson, who was another county supervisor, had come home from working with the American Friends Service Committee in Jordan, and Chet detailed him to help with this. The two of us began to outline a self-help project. In our case the government would be the sponsor as well as the funder.

Q Why was Farmers Home the sponsor?

COLLINGS: It was a new thing and we really didn't know who would be the sponsor, so we just sponsored it ourselves. The first thing we had to do was plan how we were going to do it. We copied a lot of what they did in California. First we had to prepare something that Chet submitted to [the Farmers Home national office] to get approval to hire a builder supervisor. His job was to show the families how to do things, correct them if they were doing it wrong, and so forth. We designed our program based on what I call the Quaker model, which involves a lot of family labor.

Second, there was a training period. All this preparation took a lot of time. It was probably six months or more before we actually started construction. We met with the families one night a week. I've never been much of a planner, but I must admit that planning is a good idea in self-help housing. It gets the people familiar with what they're going to do, how

CONTINUED ON PAGE 8



FROM PAGE 7 they're going to work with each other. There were times when they didn't feel like working with each other. We'd get those ironed out.

Q How many families were in that first group, and what were they like?

COLLINGS: Six families. Five of the couples were in their twenties and had small children. The other couple were around forty. Four of the families were related, three brothers and a sister. One of those families lived in a house that was just unbelievably bad. There were holes in the floors everywhere. But we got them out of there.

Things went reasonably well, but the first group took more than a year to build. The families worked evenings when the weather was right. Saturday was the big work day. There was a morale problem because one brother had a tendency to gamble and he often didn't make it on Saturdays. But his wife was a hard worker, and that helped a lot.

We subcontracted heating, electric, plumbing — things that people didn't have the expertise to do. Two of the brothers had a lot of expertise in wells, so we drove our own wells in by hand. We put the concrete floors in ourselves, and the first one was a bit rough because we didn't do it fast enough and it set a little too quickly.

We tried not to make the same house the first for more than one thing. When we were doing something new, a different house always went first. That way nobody got stuck with a lot of problems.

Q Who chose the participants?

COLLINGS: Nobody chose them per se. I talked to Clarence Custis, the son of the farm borrower, and he was interested. He located another man. And then we had trouble finding anybody else. I went around to all the churches, I went all over the area, and nobody believed you could do it. We had a few pictures from California but a picture isn't like seeing something yourself. Finally somebody told me about another man, and we agreed to get together to talk about it. When we did sit down he brought his brothers. Their sister and her husband came in afterwards.

Q What were the houses like?

COLLINGS: We designed them. They were about a thousand square feet, with three bedrooms and one bathroom, full cellars, hardwood floors in the living rooms, ceramic tile baths, and good heavy shingles. They cost about \$6,000 each. One

went up as high as \$6,500 because we allowed them some variation in design. The other houses were ranch style, but this family had more children than the others. So they got a Cape Cod style, with two bedrooms downstairs and one big dormitory room upstairs.

Q Did suppliers give you a break on materials prices?

COLLINGS: No. It was just a question of shopping around. The houses were small — Farmers Home boxes — but the materials were good quality and they were definitely structurally sound.

Q Did the cost include the land?

COLLINGS: No. At that time Farmers Home didn't have the legal authority to cover the land. One man's father gave him a piece of land. One had bought a lot some years before — he had a lot and a dream. The father of the three brothers and a sister carved lots for each of them out of a tract he owned. All the families' lots were fairly close together in Gouldtown. For the second group we did later, the lots cost between \$150 and \$250 apiece.

Q Do you know what the market cost would have been?

COLLINGS: We were getting similar houses built by contractors for about \$10,000 or \$10,500, and up to about \$13,000, excluding land costs. So there was a 40 percent savings. You can't make those savings these days because land costs and use fees and so forth are so high. The average self-help house now costs many times more. I was pretty pleased.

Q When you talk about the construction you say "we." Were you working with the families?

COLLINGS: When we were getting close to finishing, the state director and others decided to have a celebration to publicize self-help, and we had to make sure that one house was far enough along to show off. I put in hours then because I didn't have much choice, just so we would have something to show when all these people came.

The principal lumber supplier built a speaking platform. Howard Birch, the Farmers Home administrator, was there. The state director was there, and state government officials, the state head of the new Office of Economic Opportunity, the state NAACP director. The congressman came and brought flags to the families. The governor came in a helicopter and landed right on the site.

The owner of the local newspaper went one better. He had a dinner at the country club for the families and the principals. That was nice. He was a very conservative gentleman and was the leader of one of the political parties in the county. He thought it was appealing that people were using their own sweat to move into a better environment. He gave us good press all along. That was good for the program and then people began to realize this could work.

Q You did a second self-help group after that first one?

COLLINGS: Yes, and we did one major thing differently with the second group. For the first group, we made the mistake of having the families lay the cement block foundation and cellar. It took forever, so we had morale problems. For the second group we found a good block layer and paid him. The families carried the material to him and also helped lay block, but he was fast and that made up for the fact that they were slow. So the second group didn't have that same morale problem, and the houses were finished in much less time.

Q Do you know whether the houses and the families are still there?

COLLINGS: I think they are. There was a tragedy in one of the houses. Something happened to the young man with the larger family — he gambled his pay away and something snapped, and I think he committed suicide. His wife stayed in the house and raised the kids there.

Good things came out of this for Clarence Custis, the first person who signed up for the program. There was nothing dumb about any of them, and he had a high school education but he just didn't earn a lot of money. When a franchise

lumberyard opened up, he got a job as low man on the totem pole. A couple of years later he was the manager. I think later he went into business for himself. His success was related to the fact that he honed his skills in this self-help undertaking.

In 1999 Ralph Johnson and I were invited by the state director in Delaware/Maryland to speak at an event celebrating the 50th anniversary of the 1949 Housing Act, and Clarence Custis addressed the group as well.

Q When did other states start doing self-help?

COLLINGS: Almost right away. Once we started to work on it we got a lot of visitors from groups who thought it might be a good idea and came down to see what we were doing. The Friends Service Committee publicized self-help, and a lot of groups might have been on the verge of doing something similar anyway. There were only a few places where Farmers Home was the sponsor.

Q How does it feel to have helped start USDA's self-help program?

COLLINGS: Ralph Johnson and I submitted an employee suggestion for how our self-help plan could become agency procedure, and it was rejected. Then later it reappeared. Someone picked it up and put it in for a budget saving award under President Johnson. My idea was that it was a way of spending money, a way to get more people involved, and their idea was that it saved money because houses were being built for \$6,000 or 7,000. Ralph and I shared a \$400 award, after taxes.

I had an opportunity to contribute to some part of something. There were hassles, but it was nice to be in on it early. It makes you feel good.



Art Collings is senior housing specialist at HAC.

CORRECTION Because of an editorial mistake a phrase was inserted inappropriately in an article in the summer 2003 issue of *Rural Voices*. On page 8 in that issue, the sentence that begins at the bottom of the first column should read: "Purchasing a home in a land-lease community not only provides the American dream of homeownership but also allows the buyer to build equity and deduct the interest paid on the mortgage." HAC apologizes for the error.



Regional Contractors Provide Essential Assistance for USDA Self-Help Housing

by Selvin McGahee

FmHA decided that more specialized technical assistance was needed to help guide the growing program.

Some 40 years ago the model for what we see today as USDA Rural Development's Section 523 mutual self-help housing program was created by a few visionaries who decided they could help farmworkers to build their own homes in California. This effort began under the umbrella of the American Friends Service Committee. Through the mid 1960s similar programs were begun in other states.

The creation of the Section 523 Technical Assistance Grant Program in the early 1970s brought on a new wave of self-help organizations across the country. These grants were administered by the Farmers Home Administration's district directors. The task of providing technical assistance for this new program was also added to their already long list of responsibilities.

During the next ten years the mutual self-help program displayed steady growth, due largely to the availability of administrative grant funds and the word of mouth news of this new opportunity to help rural low- and very low-income families into homeownership. AFSC was doing a wonderful job of establishing new nonprofit organizations, leading them through the application process and getting them started down the road of mutual self-help housing. Sebring, Fla., located in the center of the state and in the heart of the Citrus Belt, was one of their hubs.

Also revealed was a wide range of successes and failures, mostly failures, at achieving the lofty goals proposed by inexperienced grantees. The FmHA district directors did not have the specific training, the experience, or the time to provide the level of training and technical assistance required to help this new wave of grantees succeed.

FmHA decided that more specialized technical assistance was needed to help guide the growing program. In February 1980 the agency issued a request for proposals for private nonprofit organizations to provide (1) regional and on-site training and technical assistance for Section 523 self-help grantees within six geographical regions and (2) a national self-help clearinghouse to add coordination and consistency to the regional training by providing appropriate training and informational materials, and to perform independent studies and data collection on the program. Some of the services listed in that initial RFP included:

- providing training to both existing and new TA grantees in a region;
- emphasizing the responsibilities of each grantee to coordinate the efforts of the families and assist them with the range of activities needed to construct a home under the

mutual self-help method;

- developing specific work plans with TA grantees for review and concurrence by the FmHA state office;

- providing training to interested organizations in applying for TA grant funds;

- conducting regional training workshops;

- conducting initial on-site TA and training;

- conducting periodic on-site TA and training;

- providing training assistance to FmHA personnel;

- providing staff training and materials for the program;

- assisting in setting up proper management and accounting systems;

- assisting grantees with problem resolution and compliance with FmHA and Office of Management and Budget regulations; and

- encouraging cooperation and understanding between TA grantees and FmHA personnel.

Florida Non-Profit Housing, Inc. was formed in 1978 to carry on the important work begun by AFSC in rural Florida. FNPB responded to that first RFP, proposing to work in the Southeast, and was awarded one of the six regional TA contracts. Since that first contract award six subsequent contracts have been awarded. The number of contractors was reduced to four by 1983 and has remained there since. The inclusion of a national contractor did not continue.

The essential services listed in that first RFP have changed very little over the past 23 years. The organizations providing the TA under the first contract have also changed very little. All four of the current regional training and management assistance contractors were involved as either primary contractors or subcontractors during that first contract period. Delivery of our services has undoubtedly been subject to some regional and perhaps philosophical differences, but our primary function has

CURRENT REGIONAL TECHNICAL AND MANAGEMENT ASSISTANCE CONTRACTORS

REGION I

Florida Non-Profit Housing, Inc.
P.O. Box 1987
Sebring, Florida 33871-1987
863-385-2519
fnph@earthlink.net
AL, FL, GA, MS, NC, SC, TN, PR, VI

REGION II

Little Dixie Community Action Agency, Inc.
500 East Rosewood
Hugo, Oklahoma 74743
850-326-5165
bharless@ldcaa.org
AR, KS, LA, MO, NE, ND,
NM, OK, SD, TX, WY

REGION III

NCALL Research, Inc.
363 Saulsbury Road
Dover, Delaware 19904
302-678-9400
info@ncall.org
CT, DE, IL, IA, IN, KY, MA, MD,
ME, MI, MN, NH, NJ, NY,
OH, PA, RI, VA, VT, WV, WI

REGION IV

Rural Community Assistance Corporation
3120 Freeboard Drive, Suite 201
Sacramento, California 95691
916-447-2854
rcac@rcac.org
AK, AZ, CA, CO, HI, ID, MT, NV,
OR, UT, WA, W. Pacific Territory

remained relatively constant over the years and can be described succinctly as the facilitation of efficient grant management.

I think we all have shared the experience that if Section 523 grantees are developed and left to go it on their own, the exceptional groups will meet their goals and the rest will flounder. Most people underestimate the complexity of the self-help program. In my opinion, the sooner a prospective 523 grantee gains access to an experienced T & MA provider, the better. The same is true for their respective Rural Development personnel. In addition to the services listed above, much more assistance has always been available from the TA providers, depending on the needs of each individual organization. This help includes:

- establishing nonprofit charters and applying for 501(c)(3) tax exemption;
- training boards of directors;
- ensuring that all parties, including Rural Development staff, know about regulatory changes;
- advocating for changes needed to enhance the program and sometimes against those that are not good for it;
- developing demographic and statistical reports by grantee, state, and region, as well as nationwide;
- coordinating and sometimes developing other resources, both administrative and financing, to support the self-help program; and

- planning and conducting area, regional, and national conferences and workshops.

As the world was bombarded by the technological explosion in the 1980s and 1990s, the regional T & MA providers assisted many grantees with acquiring hardware, software, and training to try to catch up to this revolution. We have since helped to introduce them to the internet, web pages, and even a new electronic grant reporting system called SHARES.

National self-help conferences have

CONTINUED ON PAGE 12

FROM PAGE 11 highlighted some of the regional differences in practices and interpretations. As a result, for the past several years contractor staff have met at least annually to work on developing consistent practices and interpretations in our delivery of T & MA nationwide. In 2003 we delivered a set of training guides, developed jointly by all four contractors. While it is still a work in progress, it should be a tremendous asset as the program continues to grow. For most of our history, we were prohibited from openly recruiting new potential grantees. Now we are required to do so.

Life as a T & MA provider for the self-help program has its challenging moments as well. The volume of travel required to assist the growing number of organizations scattered across rural America has always been challenging. The increased level of scrutiny and security imposed since September 11, 2001 has only added to that challenge. Keeping pace with the regulatory changes (RD Instructions, OMB Circulars, federal travel regulations, etc.), disseminating them to grantees, and providing training and implementation is a challenge. Providing assistance

to a grantee who has finally gotten its first grant underway and suddenly feels your help is not needed any more is a challenge. Trying to mediate a conflict between a grantee and its local RD office, while remaining neutral, is a challenge.

It is also quite rewarding to attend a key ceremony for a group of families that you met four months before when they did not believe they could ever own their own homes. Witnessing a grantee's completion of its 100th house, or its 10th or 20th anniversary as a self-help grantee is extremely rewarding. Being a part of where this program is now, enjoying broad bipartisan support today after struggles just a few years ago, is rewarding.

The regional T & MA contractors have indirectly assisted thousands of families to attain the dream of homeownership and contributed millions of dollars to their local economies. I am very proud of the contribution that the T & MA providers, past and present, have made to the success of the Section 523 mutual self-help program. We are part of a partnership in which all of the partners play a crucial role for continued success.



Selvin McGahee is executive director of Florida Non-Profit Housing, Inc.

THE SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM

Since 1996 a very important secondary source of funding for self-help housing has come from HUD's Self-Help Homeownership Opportunity Program (SHOP). SHOP allows local nonprofits to receive up to \$10,000 per unit to pay for land and infrastructure costs of self-help homes. This funding has helped many USDA-supported (and other) self-help nonprofits.

Congress created SHOP in 1996 with the passage of P.L. 104-120. This law originally provided funds to Habitat for Humanity for a SHOP program and a competitive pool of funds to other intermediaries with similar self-help programs. Since 1998 SHOP has been an annual competition, with several national and regional intermediaries, including Habitat, applying for the SHOP funds. Seven funding rounds have provided over \$160 million to local groups through the intermediaries. The funds may be used only for land and infrastructure, but these are some of the most difficult items for local nonprofits to finance. SHOP dollars have to be used and units built within three years. For fiscal year 2003, SHOP funds are being distributed by Habitat for Humanity, the Housing Assistance Council, and Northwest Regional Facilitators. The application period for HAC's 2003 funds has ended.

For more information, visit the HUD web site at www.hud.gov/offices/cpd/affordablehousing/programs/shop/index.cfm.

UHDC's self-help program involves the preparation of loan applications for homeownership through USDA Rural Development, the grouping of eligible families, and the supervision of those families as they all work on constructing their homes.



Fulfilling Goals in Arkansas

by Patricia Atkinson

Tucked away inside a dresser drawer is a food stamp coupon, ragged and frayed at the edges, but still showing clearly the name of “Robin Fehnel” as the recipient.

Robin has purposely kept the coupon as a reminder of how far she has come in her lifetime.

Ten years ago Robin looked at her life and wasn't satisfied. With two daughters to support, she knew that continuing on public assisted housing and food stamps was not something she wanted for herself or her children and decided to do something about it. Robin knew that she alone was responsible for making the needed changes in her life and established a ten-year list of goals.

With the odds of success stacked against her, Robin perse-

vered. She completed her college education, lost 100 pounds, found successful employment with a leading national marketing corporation, and met most of her other goals. All but one — she had not yet achieved her goal of owning a home and her ten-year deadline was about to expire.

Robin met with a local mortgage lender, whom she states scoffed at her dream of owning a home when she mentioned that she did not have a downpayment and had a couple of adverse items on her credit report. Robin did not give up. Researching home lending agencies, she came across USDA Rural Development and decided to inquire as to whether it was the answer to her homeownership goal.

Robin met with staff members from

CONTINUED ON PAGE 14

FROM PAGE 13

USDA Rural Development and the Universal Housing Development Corporation, a nonprofit organization operating in west central Arkansas whose mission is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. This mission was the driving force behind a visit UHDC staff made to Little Dixie Community Action Agency in Oklahoma in 1976 to see their self-help housing program in progress. As a result of that visit, UHDC's Johnson County self-help housing program began later that year.

UHDC's self-help program involves the preparation of loan applications for homeownership through USDA Rural Development, the grouping of eligible families, and the supervision of those families as they all work on constructing their homes.

The partnerships involved in developing this method of construction and the labor savings known as "sweat equity" enabled this program to gain recognition and momentum quickly. By 1988, UHDC had expanded self-help into five counties and had assisted 488 families in becoming homeowners. UHDC's self-help staff has a combined total of 45 years experience and at the present are actively assisting families in a four-county area of west central Arkansas with fulfilling their goals of homeownership. UHDC has developed a 34-lot subdivision in Yell County and a 23-lot addition in Johnson County, and two additional subdivisions have been developed and filled in Pope County.

In its 27 years of administering the self-help program, Universal Housing Development Corporation has seen many changes. Some might feel that not all of these changes were for the betterment of the program but it is difficult to argue with the successes participating families have achieved through self-help. One of UHDC's most inspiring success stories is that of Robin Fehnel.

As soon as USDA and UHDC staff explained it, Robin knew that mutual self-help housing was the program for her. Never shy of hard work or a challenge, Robin secured her loan through USDA Rural Development and began the construction of her home.

Robin was an active homebuilder and was involved in every step of her construction process. She spent many hours working on her home, and when larger components of the house were being constructed by subcontractors, she was



present to learn and understand the job they were performing.

To go a step further in her learning and her understanding of home construction, Robin went to her local home center and purchased a book on the subject. She read every page and was not embarrassed to inquire or ask questions of anyone working at her house.

On February 5, 2003, USDA Rural Development, UHDC, and Robin attended the final inspection on her home. Built on a picturesque wooded site, with a large front porch, the house is reminiscent of a country cottage.

Pride in homeownership is reflected in Robin's voice each time she speaks about her home. She happily says, "November 2003 will be the 10th anniversary and I have achieved all of the goals I set for myself. Now I have a new five-year goal plan," and laughs, "All the new goals are about things I want to do to my house."

For now, the food stamp coupon will remain tucked away as a keepsake — as a reminder not only of where she was 10 years ago, but more importantly of how far she has come. USDA Rural Development and Universal Housing Development Corporation are proud to have been a part of assisting Robin Fehnel to achieve her most difficult goal. And she is just one of 1,028 homeowners whom UHDC has assisted since its inception in October 1971.



Patricia Atkinson is interim executive director and self help director of Universal Housing Development Corporation.

People Are Counting On Us in Washington

by Barry Brodniak

One fairly recent experience with a mutual self-help builder caused me to reflect more than a little about what it is that I have been a part of and has been a part of me these last 27 years.

As mutual self-help housing celebrates its 40th anniversary, Northwest Housing Development of Sumner, Wash., adjacent to Puget Sound, will be marking its 35th year of incorporation and 34th year as a USDA Rural Development (formerly Farmers Home Administration) Section 523 grantee. I have personally been active with the business of helping people to build their own homes since 1976. Reflecting upon my nearly 27 years of involvement with mutual self-help housing, I have thought about why I have stayed involved for this long. What is it about mutual self-help housing that has captured the greater portion of my adult life? Why is it that I must think that mutual self-help housing is worth the effort expended by me, my board of directors, my staff, and the self-help builders?

My experiences with mutual self-help housing over the last 27 years have included many comedies and tragedies. There was the self-help builder who fell into the same trench at the same spot three times before lunch and never got hurt. And there was the group that finished the house for the family whose head of household passed away from cancer before the house was completed.

One fairly recent experience with a mutual self-help builder caused me to reflect more than a little about what it is that I have been a part of and has been a part of me these last 27 years.

Prior to the September 11 tragedy I had scheduled a preliminary final inspection for ten mutual self-help homes for September 12, 2001. I went ahead with my planned inspection because I knew that it was important to the self-help builders who had been working so hard for the last year in the evenings and weekends, putting in their 35 hours per week to perform 65 percent of the labor on their homes and the homes of their neighbors.

Since it was a weekday I knew that the construction site would have less activity than on a weekend. I was not prepared, however, for how little traffic there was on the roads and how silent it was when I arrived at the construction site. As I started my inspection outside the first house, I saw that a car was parked in the garage. The car belonged to the self-help builder who owned the home. I found the soon-to-be-homeowner inside the home doing some touch-up painting. Her name was Amy. She asked if she could follow me around as I inspected her home.

As the inspection progressed, we both commented on the recent tragedy and how oddly quiet it was. No airplanes flying, very little traffic. It seemed everything had kind of stopped around us, but here we both were, doing our “jobs.” I asked how long she had been working on her house this morning. She told me, “Not long, just a couple of hours.” She had gotten her husband off to work, dropped her kids off at the babysitter, and came straight over to work on the house.

She seemed understandably distraught about what had happened the day before, so I suggested that she might feel better if she were to go home today rather than work on her house alone. Amy looked at me for a moment and said, “That’s why I’m here. This is my home and I feel safest here. Not at that apartment.”

Even though her mutual self-help home was not yet complete and she and her family had not physically moved in, the feeling of home and security was already strongly rooted in Amy for this as yet unoccupied house. Amy felt protected from all that was happening during that tragic time by this house that was being built by her, her husband, her family, and her future neighbors. The apartment where she and her family resided, where their belongings were kept,

CONTINUED ON PAGE 16

FROM PAGE 15

where they ate and slept for more than two years was not as comforting as this house into which they had poured their sweat during whatever spare time they had for most of the previous 12 months.

I asked myself, “Is it common for a person to feel less connected to where they live and more connected to a house that they have yet to occupy?” Clearly it is possible to have made a house your home before you ever move in. I think Amy and her family occupied that apartment but they had already made a home of the house they were building through mutual self-help housing.

I had the presence of mind to ask Amy if she didn't feel safe at her apartment. She said, “I don't feel unsafe there, but I don't feel as good as I do here. This is the first home that my family will own. My parents never owned their own home and I didn't realize how I was going to feel about this house until after the walls were up. That apartment is just someplace to stay until we can move into our real home.”

I completed my inspections that day and left each homeowner a punch list to complete prior to the city and USDA Rural Development final inspections. Since that day, I have often thought about how it is possible for me to measure the sense of security that occurred for Amy as a result of her family building a mutual self-help home. How do I measure the feelings of self-worth that Amy expressed as the first person in her family to own a home? Amy's house was #641 completed by NHD and was part of our USDA Rural

Development Section 523 grant #18. Amy's house was one unit of grant #18. Amy's group was group #71 and completed ten homes in 372 days. The average loan for the homes in group #71 was \$123,000.

These are numbers I can produce from the construction of mutual self-help homes. I know that standardized tests exist or could be developed to “test” for people's feelings of security, self-worth, and community before a mutual self-help construction group begins and then again after the houses are completed, so we could calculate the differences. I am not a social scientist. I am a housing developer. The demands of housing development and the mutual self-help housing program do not often allow the luxury to contemplate the finer points of this thing called mutual self-help housing.

I guess I can answer those questions I posed to myself. Why have I stayed involved with mutual self-help housing? What is it about mutual self-help housing that is worth the effort that must be made to make the program successful? The answer is obvious and I expect it is the same for every one of us who work in this field. It is Amy. It is her family. It is all the people who have built a self-help home or ever will. As Peter Carey, executive director of Self-Help Enterprises, has so eloquently put it, “People are counting on us.”



Barry Brodniak is executive director of Northwest Housing Development.



RURAL VOICES

ruralvoices@ruralhome.org

Statements made in *Rural Voices* are the opinions of the authors of the individual articles, not of the Housing Assistance Council. Subscriptions to *Rural Voices* are free, but donations of \$12 per year are gratefully accepted. Single copies and back issues are \$4. Material may be reproduced without permission, but *Rural Voices* should be credited.

The Housing Assistance Council (HAC) is a national nonprofit corporation founded in 1971 and dedicated to increasing the availability of decent housing for low-income people in rural areas. HAC strives to accomplish its goals through providing loans, technical assistance, training, research and information to local producers of affordable rural housing. HAC maintains a revolving fund providing vital loans at below-market interest rates to rural housing developers. Developers can use these funds for site acquisition, development, rehabilitation or new construction of rural, low- and very low-income housing. HAC has a highly qualified staff of housing specialists who provide valuable technical assistance and training, and research and information associates who provide program and policy analysis and evaluation plus research and information services to public, nonprofit, and private organizations. HAC's subsidiary, Rural Housing Services, Inc. (RHS), syndicates rural housing developed with the Low Income Housing Tax Credit.

EDITORS Nicole Reid, Leslie R. Strauss

ISSN 1903-8044

HOUSING ASSISTANCE COUNCIL

NATIONAL OFFICE	MIDWEST OFFICE	SOUTHEAST OFFICE	SOUTHWEST OFFICE	WESTERN OFFICE
1025 Vermont Avenue, NW, Suite 606 Washington, DC 20005 TEL 202-842-8600 FAX 202-347-3441 E•MAIL hac@ruralhome.org	10920 Ambassador Drive, Suite 220 Kansas City, MO 64153 TEL 816-880-0400 FAX 816-880-0500 E•MAIL midwest@ruralhome.org	615 Peachtree Street, NE, Suite 1130 Atlanta, GA 30308 TEL 404-892-4824 FAX 404-892-1204 E•MAIL southeast@ruralhome.org	3939 C San Pedro, NE, Suite 7-C Albuquerque, NM 87110 TEL 505-883-1003 FAX 505-883-1005 E•MAIL southwest@ruralhome.org	131 Camino Alto, Suite D Mill Valley, CA 94941 TEL 415-381-1706 FAX 415-381-0801 E•MAIL susan@ruralhome.org

www.ruralhome.org

Photo courtesy of CAC of Fayette County



Changing Lives in Ohio

by Patty Griffiths

Sounded easy enough: just take one construction supervisor who is used to building homes with his crew, add six families — mostly single mothers with full-time jobs and no construction experience — and add one program manager who is still trying to learn how the program really works.

The Community Action Commission of Fayette County, Ohio is a multi-funded anti-poverty and community development nonprofit organization that was founded in 1964. In 1992, the agency's constitution and by-laws were amended to include housing as a specific purpose and the agency was certified as a Community Housing Development Organization by the state of Ohio. That was also the year that CAC of Fayette County started our self-help housing program.

Bambi Baughn, the agency's deputy director, submitted a pre-development grant proposal to USDA Rural Development, along with a matching grant application to the Ohio CDC Corporation. With these funds, I was hired as the housing director to write our first Section 523 technical assistance grant request. I came to the agency as a former elementary school teacher, school psychologist, and real estate salesperson with experience in mortgage origination. When people ask me why I decided to take this job, I always say that it looked like a great challenge.

That is perhaps one of the biggest understatements of my life. Knowing nothing about construction and working out of my home because there was no workspace for me at agency headquarters, I spent the next six months searching for lots (what's a septic system anyway?), visiting the USDA field office, finding suitable house prints, recruiting families, obtaining cost estimates from local building supply stores, and finally writing the grant application.

What was supposed to happen in six months actually took nine, but the program was up and running on December 1, 1992 with its first group of six families and a one-year grant to construct a dozen homes. Sounded easy enough: just take one construction supervisor who is used to building homes with his crew, add six families — mostly single mothers with full-time jobs and no construction experience — and add one program manager who is still trying to learn how the program really works. And that's how self-help housing gets started.

Since those humble beginnings, CAC has obtained five USDA Rural Development 523 technical assistance grants totaling \$1.16 million and four Self-Help Homeownership Opportunity Program grants from the Housing Assistance Council for \$850,000. We have developed two large subdivisions with 107 lots and, to date, have assisted 112 families in the construction of their own homes. With these funds, CAC has been able to leverage more than \$8 million in local funds.

From these impressive figures, it would appear that CAC is a master at self-help housing. Upon closer inspection, though, one would find that Community Action has

CONTINUED ON PAGE 18

FROM PAGE 17 had to ask for time extensions on every grant we have had, and at one time we were even designated a “high-risk” grantee.

That temporary high risk label was due to delays in project completion, not to serious program problems. We have, however, had our share of challenges that threatened our success. One of these major problems has been coping with the Not In My Back Yard syndrome (NIMBYism). Many of the residents and politicians in the communities in which we work have held biases against the establishment of affordable housing for low-income people in their neighborhoods. They fear that when “those people” enter their neighborhoods, the quality of the neighborhood will suddenly plummet to the status of a slum. They fear that the effect will be to drag everyone in the neighborhood into the ills associated with poverty instead of helping people in their struggle out of poverty.

One example of our battle with NIMBYism occurred when the mayor of a local village invited CAC to establish self-help housing in the village. Before the project work was completed, a new mayor was elected and the new city council did not want low-income housing in their village. They stubbornly rejected housing for “those people” even though, in this case, “those people” moving in would have increased the median income of the area. The council tried to stall or kill the project with endless meetings and all sorts of qualifications on building standards that were not applied anywhere else in the village. Through persistence and compliance with many of the extra rules, CAC prevailed and the subdivision was a success.

Not every story has a happy ending, though. CAC’s next project again encountered NIMBYism, but this time it was compounded by land development problems. This project was a collaborative effort between CAC and another local agency. Once land was identified for a new subdivision and it had been established that the zoning was appropriate for this type of project, CAC hired architects to draw up the plans for the

subdivision. At this point the township trustees stepped in. The trustees were not amenable to a low-income housing subdivision in their town and they used zoning and land development provisions in the town code to block it.

It turned out that due to a little-known rule about railroad land use, this particular plot of land was not zoned appropriately after all and a variance could not be granted. After two years and many investment dollars, the project ground to a halt and the trustees prevailed. This dark cloud had a silver lining, however. City officials suggested a different parcel of land where building might go more smoothly. Not only was this site more appropriate to a housing subdivision, but the city also granted \$100,000 to CAC for infrastructure development in this subdivision.

Both these cases are typical of CAC’s self-help process and both resulted in delays that eventually postponed the launching of a subsequent group of self-help participants. Over the years, however, CAC has proven itself as a capable and stable organization and it is because of our persistence and continued presence in the community that resistance to low-income housing subdivisions is diminishing.

Has it been worth it all? Perhaps the best way to illustrate the value of self-help housing in Fayette County is to tell the story of one participant who was a single homeless mother in a domestic violence situation in 1996. CAC housed her first in our homeless shelter and then in our supportive housing program. She was approved for the self-help housing program in 1998 and today is the proud owner of a beautiful new home. She has an excellent job and her children are thriving. So, when construction schedules fall behind and things don’t always go smoothly, it is important to pause and remember how self-help housing changes lives.



Patty Griffiths is housing director of the Community Action Commission of Fayette County, Ohio.

From Challenges to Opportunities in Florida

by Earl Pfeiffer

If you are clear in your purpose and operate your organization like a business, self-help housing is one of the most successful affordable housing models in the United States.

I couldn't help the good feeling that came over me as I read the ad in the *Tampa Tribune*. An executive director was wanted to administer a self-help housing program at a local nonprofit agency, Homes for Hillsborough. As a partner in a construction company that built affordable housing for the city of Tampa, I felt this job was mine. After all, I had nine years of partnering with the city and various nonprofit agencies, and I was fairly in tune with the local political and housing climates. I applied for the job.

As one of six candidates for this relatively new agency, I felt I had to do something to make a difference. The current director was a banker with no construction, supervisory, or management experience. An experienced replacement was needed. After my interview with the board, I toured the organization's housing site.

What I saw was interesting. A new 32-home subdivision site was being developed, and eight homes were under construction. I could tell from the graying roof decking that construction progress was extremely slow. I noted that home construction might likely be completed before the infrastructure was operational, leaving the new homeowners with no water or sewer. I also noticed a huge hole being dug about 15 feet from the last house. I later found this hole would be the community's new lift station (sewage pumping station).

I sat down and outlined my goals to put the agency on track. I faxed the board my vision, and a week later I was hired. Getting hired was the easy part. The old director was relieved on Friday. I started Monday. So much for orientation.

My first day on the job, I found a stack of client files on my desk. These cases were at the title company, but were

Photo courtesy of Homes for Hillsborough



unable to close because the appraisals were too low. Tuesday began with phone calls from group one about the lack of progress on their new homes. The families wanted all this gray wood removed from their homes and replaced with structurally sound new material.

Wednesday started with a phone call from the lady whose house was located nearest that big hole. It seems no one bothered to tell her a lift station was being built next to her house, nor that the lift station was on her property. This was 1997, the year El Nino produced record amounts of rain in Florida. Would her foundation be undermined by the excessive rains filling this massive excavation? It was anybody's guess. She didn't care, she just wanted the lift station moved and the hole

CONTINUED ON PAGE 20

FROM PAGE 19 filled in, or she would sue.

Thursday I learned that the agency's brand new pickup truck was being driven home at night by the construction supervisor, so grant funds could not be used to pay for it. The arrangement had been negotiated as part of his compensation package, so this would be no simple task to solve.

Friday started with my learning that an EU is an equivalent unit and that equivalent units, which represent the total completed work for all families in a self-help program, are used to measure progress during the period of a grant. I also learned we were behind in amassing the proper amount of EUs to meet our grant requirement of 32 homes in 24 months. Friday ended with my discovery of a stack of letters from the local USDA Rural Development office. The letters pointed out several errors that had been made on loan application packages and additional concerns with the family checking accounts.

With much hard work and persistence over several years, the problems I encountered in my first week at Homes for Hillsborough have been resolved. These issues were a warning of the types of things that can go wrong with self-help housing programs. However, with timely intervention and the collaboration of dedicated individuals, we managed to turn a potential disaster into a success.

After a couple of months, Homes for Hillsborough finally gained the confidence of the first group of self-help participants. Our organization worked with the local building officials to assure the families that their graying homes were structurally sound, merely discolored. We learned valuable lessons from that first group of future homeowners. Maintaining trust and confidence in a self-help group is essential to a successful program. We also learned that self-help is different from conventional building, where clients see their homes under construction only two or three times. In self-help, the client is in the house every day. They miss nothing and are emotionally invested in the details of their homes.

The lady with the lift station hired an attorney and called in the NAACP, because she felt she was discriminated against. She sued us. We bought the house back and sold it to another client who was pleased to get an 80 percent complete self-help home and who was not bothered by the presence of the lift station.

As far as equivalent units were concerned, every homebuilder fights schedules and projections. We finished that grant with 24 out of the necessary 32 EUs. That was a particularly difficult setback because we then became designated as a high risk agency. USDA did not want to close our next grant but we were eventually able to close. We completed that new

grant of 42 units on time (barely). Our next grant for 48 units was 90 percent complete when we started our current grant of 58 homes. By then, USDA was confident we that would complete our units, and that we were no longer high risk.

The biggest challenge I faced in operating this program was working with the local USDA Rural Development office to process self-help clients. The local office had never done self-help prior to working with Homes for Hillsborough. This is a labor-intensive program for the grantee and USDA. Our RD office has always been very fair regarding underwriting criteria. I do believe, however, that they were not prepared for the barrage of 16 self-help clients a year. This forever changed their way of doing business.

The Rural Development office in Plant City, Fla. had been one of the smallest offices in the state. Although they did not do significant volume, they had a penchant for accuracy. Unfortunately, the experience and performance of our accounting and recruiting staff were inadequate for our needs and for a period of several years, either the dockets were not submitted correctly or family accounts had errors. This was a weekly ongoing battle. Our board president and USDA management were pulled into the middle of this problem many times.

Today, Homes for Hillsborough has a very competent staff of nine, including two recruiters and two bookkeepers. We get along with the local Rural Development staff quite well. We have learned to work together to help each other reach our mutual goals. The relationship between our offices is now a cornerstone of our success.

Homes for Hillsborough is embarking on our largest community to date. We are planning a 188-home community with a swimming pool and recreation center. The community will have a 75-child daycare facility and features a retail/office component that will generate income to offset maintenance and operating costs of the community, keeping homeowner assessments to a minimum.

Homebuilding is a very challenging business, even under the best of circumstances. So many things can, and do, go wrong. Add self-help participants and the federal government to the mix and it gets all the more exciting. However, if you are clear in your purpose and operate your organization like a business, self-help housing is one of the most successful affordable housing models in the United States. You can help more families than you ever imagined possible, and have a great time doing it. I still get a good feeling when I think of that want ad.



Earl Pfeiffer is executive director of Homes for Hillsborough.



Yolanda Garcia became a homeowner with assistance from Proyecto Azteca.

Families and food are part of the celebration held after each group of Proyecto Azteca self-help homes is completed.

BEYOND SELF-HELP

A New Beginning for Colonias Residents

by David Arizmendi

“From the depths of need and despair, people can work together, can organize themselves to solve their own problems and fill their own needs with dignity and strength.”

— César Chávez

At the end of her last work day, a proud Yolanda Garcia stood back and admired the fine work she and the other crew members had done on what was soon to be her new home. The humid Texas heat could not dampen the happiness she felt in knowing she was able to provide a decent home for her children. As she walked toward her car, she stopped, turned back, and took a second look as if to make sure the house was still there. Her proud smile turned into tears of joy as she drove home to tell her children, Fernando (16), Bridgette (6), and Brittany (5), that they would soon be moving in. That day, she called her family and friends to invite them to the house blessing and pachanga that accompanies the completion of work on a home at Proyecto Azteca.

Ms. Garcia was born in Raymondville, Texas. She married very young and did not finish high school. When her marriage did not work out, she suddenly found herself with the responsibility of raising three children with no family nearby to help her. She took a job as a waitress to support her family. She and her children lived in a dilapidated mobile home in a colonia outside of Alamo, a small border town in the Rio Grande Valley of Texas. Earning less than 30 percent of the area median family income (less than \$9,000), Ms. Garcia had little chance of ever becoming a homeowner. Her income would be considered too low and, because of the nature of her unstable employment, she would not be considered creditworthy.

CONTINUED ON PAGE 22

FROM PAGE 21 **The Self-Help Program**

With the assistance of Proyecto Azteca, a nonprofit organization, and its sister organization, Azteca Community Loan Fund, Ms. Garcia was given the opportunity to participate in a self-help housing program that enables extremely low-income colonia residents to become homeowners. Ms. Garcia and nine other families came together, working cooperatively to build their homes with the assistance of Proyecto Azteca construction trainers. The ten houses were completed in six weeks. With a mortgage payment of only \$100 a month, Ms. Garcia can be a homeowner without having to sacrifice the welfare of her family every time a payment is due.

Based in San Juan, Texas, Proyecto Azteca was founded by the United Farm Workers of America in 1991 with assistance from the Texas Low Income Housing Information Service and Texas Rural Legal Aid, Inc. Proyecto Azteca's executive board is composed of colonia residents who believe that members of the low-income community have the responsibility and the obligation to organize themselves and, through their association, to begin to address their housing needs. Such belief is rooted in César Chávez's teaching that it is necessary for people to take ownership of their organization by investing their own efforts and resources. The people's participation in building their own homes, and the responsibility that comes with it, form the philosophical foundation of Proyecto Azteca.

The Cultural Element

In the construction of the homes, the families and trainers work together in a cultural atmosphere that promotes responsibility, self-development, and a *si se puede* (yes we can) attitude. The ten families (*tanda*) begin to bond as they work together on each other's homes, share their food during breaks and lunch, and then help each other with other family needs. Families, including the children, trainers, and staff, get together every two weeks to celebrate the progress that has been made. Marked by food, singing, and storytelling, each of these gatherings is a time of sharing and gathering strength for

the work that is yet to be done.

At the completion of the homes, careful preparation is made for the blessing and *pachanga* (fiesta) that is to take place. Friends, suppliers, contractors, and funders are invited. The usual crowd of nearly 100 will gather where each family is given the key to their home after a traditional Mexican blessing, accompanied by the singing of "De Colores" and lots of hugs and kisses. The families will talk about the meaning of building their homes and what they represent to the children. There is much food, games for the children, mariachi music, and *platicas* about life.

As Ms. Garcia explained, "Building my home has greatly improved my confidence and has given me the strength to believe that I can do better for the sake of my children." Ms. Garcia was recently hired as a trainer at Proyecto Azteca and is now working with other families in the construction of their homes. Ms. Garcia wants to enroll in nursing classes so that she no longer has to rely on public assistance to support her family.

Self-Help Is More Than Meets the Eye

Self-help housing is not simply about reducing the cost of housing. It is about the transformation that occurs in the process of building your own home. By involving colonia residents directly in addressing their housing needs, Proyecto Azteca provides a social experience that changes how they view themselves and their community. The construction of the homes is driven by the residents' efforts and the recognition that, when given the opportunity, people have the power and ability to impact their own lives. Proyecto Azteca's organizational design requires people to rise to a level of expectation that they may not have otherwise believed possible. Outsiders are often surprised that Proyecto Azteca is not seen by the people as a low-income housing program but, instead, as a means to address a necessity through collective action and determination.



David Arizmendi is executive director of Proyecto Azteca in San Juan, Texas.

The Appalachian Approach to Self-Help

by Gina Chamberlain

Although the traditional models of self-help are not the norm in Appalachia, the region does have other resources that assist in construction and community-building for affordable housing.



The members of the Federation of Appalachian Housing Enterprises have been providing affordable homeownership opportunities for years in the economically distressed Appalachian regions of Kentucky, Tennessee, Virginia, and West Virginia. FAHE does not consider itself to be a self-help program, though we see the value of our program design from a community empowerment/self-help perspective. FAHE's approach to self-help is derived from the culture, topography, history of social services, and local resources of our region.

Most of FAHE's member groups, which are rural community-based nonprofits, have included some component of self-help or sweat equity in their programs, but most have not used USDA Rural Development's Section 523 mutual self-help model or Habitat for Humanity's required sweat equity model. Section 523 self-help is a wonderful program that provides people the opportunity to build their own homes and their neighbors' homes, and to obtain the pride and knowledge that come with that task. The group approach needed for the Section 523 program, however, often runs counter to the fierce independence and privacy of the Appalachian culture. These characteristics not only affect the group approach to building but also mean that most homeowners here want to live on family land or in the country and not in a subdivision. These cultural difficulties are further compounded by the topography and the region's remoteness, which make subdivision development difficult, with very little access to public water and sewer.

Appalachia has a long history of social service and charity programs that have often left participants with the negative stigma charity can bring. Requirements for low-income borrowers to provide sweat equity can add to the stigma because these obligations do not apply to their moderate-income neighbors. FAHE wanted to offer the same option of homeownership to our borrowers, but with affordable financing and extremely few give-away grants.

While FAHE's approach to self-help has **CONTINUED ON PAGE 24**

FROM PAGE 23 varied over the years, its focus has remained primarily community-based. The local member organizations create revolving loan funds, which give local residents the opportunity to help themselves by purchasing homes with affordable downpayments and affordable mortgage payments. Our programs are not give-aways, and the success of each homeowner impacts the success of future homeowners as the loan funds revolve on the local level. The homeowners can say that they are not receiving charity, but are buying their houses with financing designed in a way that is affordable.

Volunteers

Although the traditional models of self-help are not the norm in Appalachia, the region does have other resources that assist in construction and community-building for affordable housing. Appalachia has a long history of hosting volunteer programs, most of which rely on church-based youth groups from outside the region. These programs bring thousands of volunteers to the region not only to build and repair homes, but also to develop a better understanding of the economic needs of Appalachia and the United States as a whole. The volunteer programs are designed to work with the homeowners and lend a helping hand. This approach to self-help brings together communities of people, resources, and skills. Homeowners who cannot afford the cost of the materials and do not possess the construction skills for their needed home repair work alongside volunteers who provide the materials and the extra labor for the required repair or new construction. The volunteer approach allows people to work on their homes; however, since the work is not a requirement for assistance, the handout stigma is removed. The volunteer programs also contribute significantly to the local economy in a way that does not remove or replace local jobs and resources.

Self-Help/Sweat Equity

Although most of FAHE's member groups did not start with self-help or sweat equity components of their programs, over the past decade many have incorporated self-help into some aspects of their overall work. The Self-Help Homeownership Opportunity Program has been key to the development of the self-help component, as it creates an incentive and not a requirement for self-help. SHOP funds, originating with the U.S. Department of Housing and Urban Development and

administered by intermediaries including the Housing Assistance Council, are loaned and granted to local organizations that sponsor self-help programs. The money can be used to acquire and develop sites on which self-help homes will be built. A group whose homebuyers work a minimum of 200 hours on their homes can access SHOP funds, helping to make the homes affordable.

Most FAHE groups offer self-help as an option. However, many homebuyers are still unable or hesitant to contribute the required 200 hours of sweat equity. Non-self-help funds have been set aside to facilitate homeownership among these people. For example, the applicant base of Peoples' Self-Help Housing in Vanceburg, Ky. averages one-third elderly people, one-third people with disabilities, and one-third working single-parent households. Elderly and disabled people find significant difficulties in participating and working single-parent families often do not have the time or support to meet the self-help component. Although the organization's name includes "self-help," its applicant base precludes it from offering self-help housing as the only option.

Community Development/Community Self-Help

One of the greatest needs in Appalachia is jobs, and FAHE member groups have seen their role as self-help from a community development perspective. Many of the groups have developed their own construction crews, which not only provide good full-time employment, but also train people through employment in trades that are needed within their communities. The jobs, the purchase of materials from local suppliers, and the training in construction have a long-term economic development impact that allows the communities to build from within and not through outside charity.

Local community-based nonprofits bring pride through community self-help as local businesses that provide both affordable housing and economic development. FAHE has built our program around securing dignity by making it possible for individuals and communities to help themselves and others through revolving loan funds and economic impact.



Gina Chamberlain is director of public policy for the Federation of Appalachian Housing Enterprises. FAHE will be celebrating its 25th anniversary next year and builds over 200 single-family homes a year through its 32 member groups in Central Appalachia.



Building Dreams on the Pine Ridge Indian Reservation

by Leslie Newman

From the beginning, the OSTPH saw self-help housing as one approach to addressing the critical housing needs on the reservation.

Most people who have worked with self-help housing programs around the country — both program staff and participants — agree that self-help is not easy. Most people who have worked with self-help in Indian Country would argue that developing and implementing a self-help program on a Native American reservation is even more challenging because of large service areas; because of the complicated, time-consuming leasehold mortgage process; and because of credit issues prevalent on Native American reservations.

This article will look at one such program — the self-help program of the Oglala Sioux Tribe Partnership for Housing — considering both the obstacles this program has faced and the ingredients that account for its success. Over the past four years, the OSTPH has worked to develop its self-help program on the Pine Ridge Reservation, a program that many believed could never succeed. Through the program, which families have named the “Dream Builders,” 16 homes are now complete, and eight new families have recently begun construction.

Self-Help Construction on the Pine Ridge Indian Reservation

The Oglala Sioux Tribe Partnership for Housing is a nonprofit, 501(c)(3) organization working to increase homeownership on

the Pine Ridge Indian Reservation. Located in southwestern South Dakota, Pine Ridge is home to the Oglala Sioux (Lakota) tribe, and the second largest reservation in the country.

In fall 1999, the OSTPH board of directors launched its self-help housing program, the second self-help program in Indian Country and the first in the Northern Plains region. From the beginning, the OSTPH saw self-help housing as one approach to addressing the critical housing needs on the reservation. Laying the groundwork for the program focused on outreach to participants, development of model home floor-plans based on the input of tribal members, loan packaging to match existing resources with participant needs, homebuyer education to prepare participants for the responsibilities of homeownership, and formation of an advisory committee to oversee family selection and program parameters.

The first eight families began building their homes in summer 2000, while the second group of eight families began building in summer 2001. The first eight families are currently living in their new homes, while construction on the second eight homes is substantially complete. Eight new families have recently begun construction.

Participating families build together in a construction yard in Kyle, the geographic center of the reserva- **CONTINUED ON PAGE 26**

tion. This central site location enhances supervision, quality control, coordination, and efficiency. When home construction is substantially complete, homes are moved to lots selected by individual families located throughout the reservation's nine tribal districts. Families contribute at least 30 hours each week to self-help construction, working afternoons, evenings, and weekends. Under the supervision of experienced construction trainers, families carry out the majority of construction; the only contracted components are basements, mechanical work, electrical work, and house moving.

Responding to Challenges

The OSTPH has faced challenges every step of the way in developing its self-help housing program. Following is an overview of three key challenges, and the OSTPH response to these issues.

The leasehold mortgage process. Working to secure a homesite is a complicated, time-consuming process on the Pine Ridge Reservation. The OSTPH must coordinate closely with the Bureau of Indian Affairs, educate family participants on the process of securing land, and plan adequate time to complete the process. To address land issues, the OSTPH has also hired a land specialist on contract.

Geography. The OSTPH is committed to enabling participating families to live on scattered sites on land that they select. Based on the geography of the Pine Ridge Reservation (an area 100 miles by 40 miles, roughly the size of the state of Connecticut), it would not be feasible for participating families to build from the ground up on scattered sites. In response, the OSTPH has focused on the centralized building site/scattered site building method, where families come together to build on a central site, and houses are moved to scattered sites once they are substantially complete.

Credit issues. The lack of credit on the reservation or poor credit histories prevent many families from successfully building assets and owning homes. Because many families may be unable to qualify for traditional mortgage products, the OSTPH works to arrange alternative financing for self-help program participants. It has used Native American Housing Assistance and Self Determination Act funds granted by the Oglala Sioux Housing Authority, for example, to originate its own loans to self-help families. The OSTPH has also placed a strong emphasis on homebuyer and credit education, conducting on-going workshops and counseling to prepare families for the responsibilities of homeownership.

Ingredients for Success

The OSTPH attributes the success of its self-help housing

program to the following factors:

Local Direction and Ownership. The OSTPH is led by Emma “Pinky” Clifford, a tribal member with over 20 years of experience in working to improve housing conditions on the Pine Ridge Reservation. The knowledge of Ms. Clifford and her staff, all tribal members, and their familiarity with the community, are critical to the success of the self-help program.

Local input is also reflected in the home design. Participating families played a central role in the design and development of self-help program floorplans. Through a series of monthly design meetings, families worked with an architect to develop model home plans, insuring that floorplans reflected family input and priorities. Families emphasized cultural constraints (homes should face the East), house size, house layout, and physical appearance. For example, the desire for a sense of circularity or roundness in the home, an important concept in Lakota spiritual practice, is reflected in the placement of a large bay window in the front living area. Wooden posts supporting the front porch reflect the families’ desire to incorporate logs and rough-wood materials into the home design.

Building on the extended family structure. Families have noted how the program encourages participants to return to their tradition of building their own homes and helping one another. The self-help program lends itself to the extended family structure in Lakota tradition, the *tiospaye*. Participants have the opportunity to build their own homes in close proximity to extended family members. This way, families are able to support one another, while enjoying the privacy of their own homes.

Recognizing the importance of land in Lakota tradition and history. While most housing assistance programs on the reservation require that families move to selected sites and live in housing “clusters,” and most self-help programs around the country develop subdivisions, the self-help program enables families to live on land allotted to their family or on tracts of tribal trust land that they select. This opportunity to choose their own homesites further complements the extended family structure. To accommodate families’ desire to live on land they select, the OSTPH has focused on the centralized building site/scattered site building method described above.

Working together/building partnerships. Partnerships on every level have been key to the success of the OSTPH program. On the tribal level, the self-help program works with all entities involved in the new home construction process, including the Bureau of Indian Affairs, Indian Health Services, Rural Water, and the tribal Environmental Protection Office. The program also works closely with Oglala Sioux (Lakota) Housing, the Lakota Fund, and Oglala

CONTINUED ON PAGE 28

SERVING RURAL COMMUNITIES

Habitat for Humanity's Rural Housing Initiative

by Starr Mayer

As Habitat for Humanity has evolved, it has become increasingly aware of the special challenges inherent in building in rural America.

Appalachia Habitat for Humanity in Robbins, Tenn. builds and repairs more than 20 houses a year in two rural counties where unemployment is high and a third of the housing is substandard. Sisters Habitat for Humanity in Sisters, Ore., a community of 1,000 people, averages four or five new homes constructed each year in its 10,000-person service area. Retirees and tourists fuel the economy of this scenic Cascades community, but more than half the population is considered to be low-income. Service industry workers, for example, find it hard to afford good housing.

The circumstances of these two Habitat affiliates are vastly different. Yet to one degree or another, they share problems faced by more than 1,000 Habitat affiliates serving rural areas. These include low population density, few job opportunities, few resources, difficulties with land availability, high cost of infrastructure, few volunteer/leadership resources, fewer public services, limited mortgage and credit services, and limited media coverage.

Local Habitat affiliates build houses with partner families who are not eligible for conventional loans. Each family makes a down payment and contributes 250 to 500 hours of "sweat equity" to build its home and others, as well as paying back a no-profit, no-interest loan. Repayments are added to a revolving Fund for Humanity that supports house building. Since Habitat for Humanity International was founded in 1976, more than 48,000 Habitat houses have been built in the United States and 150,000 houses worldwide.

Habitat's roots are planted deep in the soil of rural southwest Georgia, where its headquarters is today. There founder Millard Fuller and his wife Linda met Clarence Jordan, a Bible scholar turned farmer who founded Koinonia Farm. Together they developed the method that made simple, decent housing affordable to the community's neighbors, many of whom had always lived in rundown sharecroppers' shacks.

Said Ted Swisher, Habitat's vice president for U.S. affiliates and Canada, "Clarence Jordan had been involved in an inner city ministry and knew the hardships people faced when they left the rural areas looking for jobs. He wanted them to have the opportunity for a better life without having to leave their home."

Today Habitat for Humanity's 1,670 U.S. affiliates are within reach of 87 percent of the United States population. Their pace of building continues to increase. As Habitat for Humanity has evolved, it has become increasingly aware of the special challenges inherent in building in rural America.

Rural affiliates benefit from diverse sources of funding, including government funds received by HFHI, said Habitat's HUD funds director, Donna Golden. Ms. Golden added that more than one-third of the capacity building grants awarded to

Rural areas have a higher rate of homeownership than cities, but many of the homes may be in poor condition.

Habitat were reserved for rural affiliates. Habitat's rural affiliates also use Self-Help Homeownership Opportunity Program funds from the Department of Housing and Urban Development for land acquisition and infrastructure.

Annie Patterson, executive director of Appalachia HFH, said two keys to success are creative partnerships and an active, working board of directors. "It's rare for us to be able to tap a single source of revenue to fund a house. Because resources are harder to come by, the affiliate has to make the most of every opportunity." In addition to local partners and AmeriCorps members providing labor, there are teams of outside volunteers — college students on school break and adults on working vacations.

CONTINUED ON PAGE 28

FROM PAGE 27

Patterson said rural areas have a higher rate of homeownership than cities, but many of the homes may be in poor condition. “We do a lot of major rehabilitation work to bring houses up to code and prevent them from being lost,” she said. Rehabilitations are often done with elderly homeowners. “We make the homes accessible so the residents can stay there longer and they’ll have something of value — a livable house — to leave to the next generation,” Patterson explained. “With rehabs, we can sometimes serve people who are at a much lower income level — folks for whom a \$15 a month payment is a big deal.”

The Rural Initiative also seeks to foster a sense of community among rural affiliates though they are geographically widespread and often isolated.

Bruce Petersen, affiliate support manager, cited good leadership and strong community support as keys to the success of Sisters Habitat for Humanity in Oregon. “The affiliate has really been adopted by the community, including retirees who have moved into the area. They are solidly behind Habitat for Humanity as a solution for housing challenges a community is facing.”

To better understand how it can provide more housing to rural areas, Habitat for Humanity launched its Rural Initiative in January 2003. Forty people, including representatives from the Federal Home Loan Bank, the Housing Assistance Council, the Rural Local Initiatives Support Corporation, and Habitat for Humanity, met for a brainstorming summit in March. The group wanted to increase house building in a sustainable way while at the same time redefining success in terms broader than just house building.

They decided that these benefits were needed from the Rural Initiative:

- analysis of “best practices” and the creation of case histories and models;
- collection and analysis of data on rural affiliates;
- assessment of affiliates’ readiness to receive resources;
- consideration of models such as “chapters” to serve exceptionally small communities; and
- creation of models for partnerships (Habitat with other housing groups; urban and rural affiliates; clusters of small rural affiliates).

An advisory committee was formed and its first focus was to develop an assessment tool to identify strengths and weaknesses of rural affiliates. Data collection and analysis will allow affiliates to compare their methods to the best practices and will suggest what contributes to success and how to increase productivity. Pilot projects will follow.

The Rural Initiative also seeks to foster a sense of community among rural affiliates though they are geographically widespread and often isolated. It will be important to find new ways to connect affiliates to other parts of the organization as well as to other housing organizations.

Habitat for Humanity is proud to partner with organizations that address housing needs in rural communities. The challenge of knitting together a community’s resources to benefit homeowners is enormous. We gain strength by our partnerships with other self-help housing programs and look forward to increased collaboration in the future.



Starr Mayer is project manager of Habitat for Humanity’s Rural Initiative.

FROM PAGE 26

Lakota College. On the federal level, the self-help program receives support and assistance from both HUD and USDA. From the beginning, Little Dixie Community Action Agency has provided valuable assistance and support for the new program.

A will to succeed and be flexible. The will to succeed and flexibility have also been key to OSTPH success. While many stakeholders (both tribal members and representatives of potential partner agencies) were skeptical, the OSTPH leadership believed from the beginning in the value of the self-help

program, and the benefits of developing the program on Pine Ridge. Also from the beginning, the OSTPH recognized the need to combine key elements of traditional self-help housing with the history and traditions of tribal members, to tailor the program to the realities of the Pine Ridge Reservation.



Leslie Newman provides technical assistance to nonprofit organizations focusing on affordable housing and community development. She has worked to assist the OSTPH with the development and implementation of its self-help housing program since fall 1999.

Each issue of *Rural Voices* profiles members of the Housing Assistance Council's board of directors. A diverse and skilled group of people, HAC's board members provide invaluable guidance to the organization. We would like our readers to know them better.



NANCY McLAUGHLIN

Nancy McLaughlin is a long time friend of HAC. Though she stepped down from the HAC board in 2003 after only four years, her association with the organization goes back 15 years. She first became familiar with HAC while working as chief of housing policy for the state

of California. She worked with Susan Peck, director of HAC's Western regional office, on numerous housing issues in California. Years later, while working for Bank of America, she met Moises Loza and through work on colonias issues became increasingly impressed with HAC and its work in rural America.

Very active in the housing community, McLaughlin is president of the board of directors of the Rural Community Assistance Corporation, as well as a member of RCAC's loan committee. She is a member of the advisory committee for the Agricultural Workers Health and Housing Program. She has served on the boards of directors of HAC and the California Housing Consortium, as well as several nonprofit organizations and statewide task forces. In addition, she is on the planning committee of The Campaign for Affordable Housing. She is a past recipient of a fair housing award presented by the Sacramento Human Rights/Fair Housing Commission.

McLaughlin is thankful for the many opportunities sitting on the HAC board has provided. The work she has accomplished with HAC has put her in contact with a wide range of individuals across the United States, especially those in the Southeast, and has broadened her understanding of rural housing issues nationwide.

"I view HAC as one of the most dedicated and committed groups working on housing in the U.S.," states McLaughlin. "I was happy to sit on HAC's board and assist with its work."

She currently lives with her husband, Keeley Kirkendall, a fellow housing advocate, in Westlake Village, Calif. She is the executive director of the California Housing Consortium.



LENIN JUAREZ

Among the many board members who have served HAC for decades, Lenin Juarez claims the longest continuous involvement with the organization. As an analyst at the Office of Economic Opportunity in 1970, he helped to design HAC and select its first board of directors. A year or

so later HAC's first executive director, Gordon Cavanaugh, hired him as the organization's assistant director for field operations, based in Washington, D.C. In 1972 he moved to Albuquerque to open HAC's Southwest Regional Office. In 1974, after he left HAC to practice law in Lubbock, Texas, he was elected to the board of directors.

Juarez has now lived in Houston for more than 20 years, working in the drywall distribution business. He and a partner recently started their own company. After only seven months, he says, things are "going quite well." He and his wife Vera have three children and three grandchildren, and he is particularly pleased that his oldest son works with him.

Juarez remembers that in its early years HAC's board was "contentious," as a group of strong-willed individuals strove to determine how the new organization fit into the rural housing arena with its limited funding sources. Over the years, he says, board members have learned to trust each other.

The organization's reputation has evolved over time as well, Juarez states. Since HAC was initially created with funding for a limited time, no one expected it to endure and grow as it has. He appreciates HAC's strong positive relationships with its funders, policymakers in Washington, and rural housing organizations around the country. HAC derives its strength from its knowledgeable staff and its widely representative board, Juarez declares. "HAC is very, very fortunate," he says, "to have such a dedicated staff, from the executive director on down."

Juarez hopes to see HAC "continue to work to reach the poorest of the poor, and continue to be an advocate for those who have no voice."



Support Rural Voices

Subscriptions Are Free.

Only one free subscription per organization, please.

Contributions for additional subscriptions,
or to help cover production costs, are still welcome.

The suggested donation is \$12
for one year, but any amount will help.

Make your check or money order payable to:

Housing Assistance Council
1025 Vermont Avenue, NW
Suite 606
Washington, DC 20005

Or call 202-842-8600 to order using
a credit card.



Rural Voices SUBSCRIPTION FORM

NAME _____

ORGANIZATION _____

ADDRESS _____

CITY _____

STATE _____ ZIP _____

PHONE _____

- Check or money order enclosed.
- Please bill my credit card:
- VISA MasterCard American Express

CREDIT CARD NUMBER _____

EXPIRATION DATE _____

AUTHORIZED SIGNATURE _____

SINGLE COPIES AND BACK ISSUES ARE ALSO AVAILABLE FOR \$4 EACH.

**HOUSING ASSISTANCE COUNCIL
1025 VERMONT AVENUE, NW
SUITE 606
WASHINGTON, DC 20005**

