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**A.**  
**INTRODUCTION**

## INTRODUCTION

### **What's the difference between a Pre-Application and an Application?**

The purpose of a Pre-Application is to demonstrate to Rural Development that the area planned to be served needs a self-help housing program and that the organization is capable of operating such a program. These things are demonstrated to Rural Development in the 523 Pre-Application. Based on the 523 Pre-Application, Rural Development finds an organization eligible or ineligible. If eligible, you begin working on the 523 Application (or "Final Application").

Information about the proposed self-help program and organization along with other data, will go into the Final Application. If Rural Development approves the Final Application, you will receive 523 Grant funds.

Preparing the 523 Pre-Application can take up to one year. Please remember that Rural Development does not reimburse for funds expended before the grant period begins. In other words, the organization must pay for the cost of developing the 523 Pre-Application, which includes the feasibility study, program and organizational development, and preparing the 523 Pre-Application. For this reason, organizations may want to seek other grants or raise funds from other sources.

### **Rural Development**

Rural Development has four office levels: the National Office, State Office, Area Office, and Local Office. It is the State Office that will approve or disapprove your 523 Grant Application (if there is money available). If the Grant request exceeds \$300,000 prior written consent from the National Office will also be required.

However, your organization will, most likely, be working directly with the State, Area and Local Offices. The State or Area Office is your primary contact with regards to the 523 Grant. They are responsible for ensuring that the Grant is effectively managed and run according to regulations. The Local Office is responsible for making, then servicing First-Year Section 502 Rural Housing Loans. Your organization will be working with them on behalf of the participants.

Rural Development does provide administrative funds and affordable construction mortgage loans to participants, but the grantee can also expect to receive help from them throughout the program. They provide this help through their skilled staff members and contractors. Construction inspectors, a state architect, state engineer, and other housing specialists are among such helpers.

Rural Development also expects grantees to operate within their regulations and carry out the responsibilities of the Grant Agreement. Some of these responsibilities are:

- recruiting very-low income applicants and applicants from substandard housing,
- building the number of houses proposed,
- building the houses in a timely manner,
- keeping program costs within the required limit,
- making sure that the participants provide labor to houses other than their own, and

- setting up an acceptable accounting system.

**BEST PRACTICE** - It can't be overemphasized how important an organization's working relationship is with Rural Development. This relationship is critical to the success of the program.

**BEST PRACTICE** - NCALL is here to help organizations throughout the application process and in administering the self-help program. Please use us as a resource anytime assistance is needed.

**B.**  
**PRE-APPLICATION**  
**FORMAT**

# Pre-Application Format

## **Required Format**

The format of the pre-application is very important. Rural Development requires that the information be in a specified order. Additionally, the pre-application needs to be submitted to all parties in a three-ring binder, with a table of contents and tabbed sections. The tabbed sections need to correspond with the item numbers on the following checklists.

Included in this section is the most recent copy of the Rural Development AN which details the required format. Following that section is the checklist that NCALL uses to review pre-applications.

**BEST PRACTICE** - This checklist has more detail and will help you in assembling the pre-application to make sure all of the requirements are met.

TO: All State Directors

ATTENTION: Rural Housing Program Directors  
Rural Development Area Specialists  
Rural Development Area Directors

FROM: Russell T. Davis (*Signed by Russell T. Davis*)  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Self-Help Technical Assistance Grants Administration

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) provides guidance regarding the processing of Self-Help technical assistance grants. The intended outcome is to improve the consistency of processing pre-applications and applications for mutual Self-Help grants.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN No. 4304 (1944-I) dated August 9, 2007, which expires August 31, 2008.

**IMPLEMENTATION RESPONSIBILITIES:**

**Pre-Application Processing Checklist:** Attachment 1, "Pre-application Processing Checklist", provides a general checklist for use by the State, and Area Offices. New grantees to the Self-Help program are encouraged to submit pre-applications following this checklist. It will assist in processing grants and assuring all requirements under RD Instruction 1944-I are met.

EXPIRATION DATE:  
September 30, 2009

FILING INSTRUCTIONS:  
Preceding RD Instruction 1944-I

**Application Processing Through Grant Closing Checklist:** Attachment 2, “Application Processing Through Grant Closing Checklist”, provides a general checklist for use by the State, and Area Offices. New applicants and existing Grantees applying for another grant are encouraged to submit their application following this checklist.

This checklist will assist in the processing of Self-Help applications and assure all requirements under RD Instruction 1944-I are met. If processing checklists are already in place, they should be reviewed to make sure they are in compliance with the regulations and include the items in Attachments 1 and 2.

The checklists include some items that may not apply to all applicants’ situations. For instance, some applicants will not have a sponsor. Other differences may include the requirements for private nonprofit agencies versus public bodies. If a line item is not applicable, it should be marked “N/A”. Specific procedural references are provided for your convenience.

The Technical and Management Assistance Provider for your state must conduct a thorough review of each pre-application and application prior to the Agency’s eligibility determination of the grant application package.

**Uniform Letter of Conditions:** Attachment 3, “Letter of Conditions”, is a letter for use by the state for applicants who have submitted pre-applications and/or a pre-development grant request. Incomplete pre-application packages will be returned to the applicant noting incomplete or insufficient documentation until all requirements of RD Instruction 1944-I, §1944.410(a) have been met. Applicants determined eligible based on their submittal of the required information under these requirements will receive the “Letter of Conditions” from the designated Rural Development authorized official. The attached “Letter of Conditions” should be used but may include additional requirements determined by the state to be needed to demonstrate compliance with RD Instruction 1944-I. For instance, if an applicant lacks the experience and capability to complete the proposed number of houses over the next two years, a recommendation to build fewer houses may be appropriate. The applicant is requested to submit the final application in accordance with the requirements of RD Instruction 1944-I, §1944.410(e). If the applicant is determined ineligible by the state, the Rural Development authorized official will prepare a denial letter. Appropriate review, mediation and appeal rights will be given by attaching Attachment 1-B of HB-1-3550.

Attachment 4, "Letter of Conditions-Application Review," is for use by the state for applicants who have submitted their application package in accordance with the requirements of RD Instruction 1944-I, §1944.410(e). This letter of conditions will include information needed before Rural Development will approve the grant request. Incomplete application packages will be returned to the applicant noting incomplete or insufficient documentation until all requirements have been met. If the applicant is unable or unwilling to meet the requirements, the Rural Development authorized official will inform the applicant of the Agency's decision to terminate further processing of the application package. Appropriate review, mediation and appeal rights will be given by attaching Attachment 1-B of HB-1-3550 to the letter informing the applicant of application processing termination.

**Submission of Pre-Applications and Applications:** Pre-applications and applications should be submitted in separate binders, eight position folders, or similar type folders. Each binder/folder should begin with the appropriate checklist followed by a Table of Contents and the application. Each item required by the checklist should be included in the Table of Contents and tabbed accordingly in the application. Applications with funding requests that exceed \$300,000, or the amount of the grant request plus the unexpended funds from a previous grant exceeds \$400,000, should be forwarded to the National Office for review. Both the pre-application and application package should be submitted for new grantees.

This AN should be strictly adhered to in processing of Section 523 Grant applications. State Offices needing further guidance on this AN should contact Debra S. Arnold, Senior Loan Specialist for the Single Family Housing Direct Loan Division at (202) 720-1366 or Carolyn Bell, Branch Chief at (202) 720-1532.

Attachments

**PRE-APPLICATION AND/OR PREDEVELOPMENT PROCESSING CHECKLIST**

Description of Documents	Form/Instruction Number	Tab Position	Date Received/Comments
(1) Application for Federal Assistance	1944.410(a) Form SF-424		
(2) Intergovernmental Review Submittal	1944.409		
(3) Previous Experience	1944.410(a)(1)		
(4) Organizational Papers (a) Reference to State Law (b) Certified copies of Articles of Incorporation and Bylaws, or other evidence of corporate existence (c) Certificate of incorporation for other than public bodies (d) Evidence of Good Standing from the State (e) Names and addresses of Board of Directors, officers and members (plus principal business of any member that is an organization) (f) Copy of 501(c)(3), if non-Profit	1944.410(a)(2) 1944.404(d)(1-4)		
(5) Authorized representative of applicant	1944.410(e)(6)		
(6) Information about sponsor (if applicable) (a) Name and address (b) Experience and ability (c) Written agreement to assist	1944.404(b)(2)		
(7) Current Financial Statements for Applicant and any Sponsor	1944.410(a)(3)		

(8) Narrative Statement (a) Amount of request (b) Areas served (c) Number of houses proposed (d) Housing conditions of low-income families (e) Need for self-help housing (f) Evidence of Community Support (g) List of low-income person(s) waiting to build self-help housing	1944.410(a)(4)		
(9) Outreach Plan for very-low Income	1944.410(a)(5)		
(10) Budget Information (Non-Construction Programs)	Form SF-424A & Budget Narrative 1944.410(a)(6)		
(11) Determination of TA Grant Amount	1944.407		
(12) Preliminary Land Survey	1944.410(a)(7)		
(13) Other Applicant Activities, if multi-funded: (a) List of other activities (b) Statement of other funding (c) Existing cost allocation plan or existing indirect cost rate	1944.410(a)(8)		
(14) Predevelopment assistance request	1944.410(a)(9)		
(15) HUD Fair Housing Marketing Plan	HUD Form 935.2B 1944.410(a)(10)		
(16) Civil Rights Impact Analysis Certification	Form RD 2006-38 RD Inst. 2006-P, § 2006.754(b)		
(17) Compliance Review (Pre-award)	Form RD 400-8 RD Inst. 1901-E, § 1901.204(a) and § 1901.204(c)(3)		
(18) Self-Help Technical Assistance Grant Predevelopment Agreement	1944.410(d) Exhibit D		
(19) Authorizing resolution	1944.411(d)		

Description of Documents	Form/Instruction Number	Tab Position	Date Received/Comments
(20) Rural Development Manager Or Area Manager Recommendation	See further instructions below		
<p><b>The applicant submits the pre-application containing the above items to the office designated to receive the pre-application in an original and at least one (1) copy. Within 30 days of receipt of the pre-application, the designated official will review for completeness, accuracy, and conformance to program policy and regulations. The designated official will then make a recommendation and forward a copy of the pre-application to the Technical and Management Assistance (T&amp;MA) Contractor for their review. The T&amp;MA Contractor will complete a review within 15 calendar days and submit findings along with the pre-application to the State Director with a copy of the findings to the designated office. The State Director will then complete the review and submit his/her recommendations and necessary documents to the National Office for funding, if a pre-development grant is requested.</b></p>			
(21) T&MA Contractor's Review and Recommendation	Required Under National Office Contract with T&MA Contractor		
(22) OGC Review (if necessary)	1944.410(b)(2)		
(23) Review Action and Letter Of Conditions	1944.410(c)		
(24) Request for Obligation of Funds (predevelopment assistance)	Form RD 1940-1 1944.413(a)(1)		

**APPLICATION PROCESSING THROUGH GRANT CLOSING CHECKLIST**

<b>Description of Documents</b>	<b>Form/Instruction Number</b>	<b>Tab Position</b>	<b>Date Received/Comments</b>
(1) Application for Federal Assistance Non-Construction Programs Including Intergovernmental Review Response	Form SF-424 1944.410(e)		
(2) Waiting List of Participants	1944.410(e)(1)		
(3) Proof that the participants in the first group have qualified for assistance	1944.410(e)(2)		
(4) Lot options for first group	1944.410(e)(3)		
(5) Evidence of lot availability for remaining groups	1944.410(e)(3)		
(6) House plans, specifications and detailed cost estimates	1944.410(e)(4)		
(7) Staffing needs and hiring schedule	1944.410(e)(5)		
(8) Authorized representative of applicant	1944.410(e)(6)		
(9) Budget Information – Non-Construction Programs	Form SF-424A & Budget Narrative 1944.410(e)(7)		
(10) Indirect or direct cost policy and proposed indirect cost rate	1944.410(e)(8)		
(11) Monthly activities schedule	1944.410(e)(10)		
(12) Personnel practices and procedures	1944.410(e)(9)		
(13) Authorizing resolution	1944.411(d)		
(14) Assurance Agreement	Form RD 400-4 1944.411(d)		

Description of Documents	Form/Instruction Number	Tab Position	Date Received/Comments
(15) Fidelity Bond Coverage	1944.411(e)		
(16) Evidence of interest bearing checking account and a statement of interest repayment	1944.411(g)		
(17) Group Agreement including Exhibit B-2 of 1944-I	1944.411(h)		
(18) Request for Obligation of Funds	Form RD 1940-I 1944.412		
(19) Self-Help Technical Assistance Grant Agreement	Exhibit A of 1944-I 1944.412		
(20) Certification Regarding Drug-Free Workplace	Form AD-1049 RD Inst. 1940-M, § 1940.606(b)(2)		
(21) Certification Regarding Debarments, Suspension, and other Responsibility Matters	Form AD-1047 RD Inst. 1940-M, § 1940.606(b)(1)		
(22) Certification Regarding Lobbying	Exhibit A-1 of RD Inst. 1940-Q and §1940.810		
(23) Statement of Compliance with 7 CFR Part 3015 & 3019 if a non-profit or, Part 3015 & 3016, if a State of Local government.	1944.411(c)		
(24) Assurances – Non Construction Programs	Form SF-424B 1944.411(f)		
(25) Rural Development Manager's Recommendation	1944.410(b)		
(26) T&MA Contractor's Review and Recommendation	Required Under National Office Contract with T&MA Contractor		
(27) National Office Review (if over \$300,000 or if amount of new grant plus unexpended funds from previous grant total \$400,000)	1944.415(a)		
<b>In addition to the above information, existing grantees submitting an application for a new grant should also provide the following information as part of a complete application. Since this information was already provided in the pre-application of a new grantee, they will not be required to duplicate this information:</b>			

Description of Documents	Form/Instruction Number	Tab Position	Date Received/Comments
(28) Narrative Statement (h) Amount of request (i) Areas served (j) Number of houses proposed (k) Housing conditions of low-income families (l) Need for self-help housing (m) Evidence of Community Support	1944.410(a)(4)		
(29) Current Financial Statements for Applicant and any Sponsor	1944.410(a)(3)		
(30) Outreach Plan for very low-income	1944.410(a)(5)		
(31) HUD Fair Housing Marketing Plan	HUD Form 935.2B 1944.410(a)(10)		
(32) Determination of TA Grant Amount	1944.407		
(33) Intergovernmental Review Submittal	1944.409		
(34) Civil Rights Impact Analysis Certification	Form RD 2006-38 2006-P, §2006.754(b)		
(35) OGC Review (if necessary)	1944.410(b)(2)		
<p><b>Applicants and existing Self-Help grantees applying for a new grant should submit their applications in an original and one copy containing the above applicable items to the Rural Development office designated to receive the grant application as determined by the State. Within thirty (30) days of receipt of the application, the designated official will review the application for completeness, accuracy and conformance to program policy and regulations. The designated official should then make a recommendation and forward along with a copy of the grantee's package to the Technical and Management Assistance (T&amp;MA) Contractor for review. The T&amp;MA contractor will make a recommendation and return the package to the State Office within 15 calendar days. The State Office will issue a Letter of Conditions to the Grantee subject to: (1) review of the application package by the National Office, if applicable and (2) subject to submission of any additional items not included with the application.</b></p>			

## LETTER OF CONDITIONS

{GRANTEE NAME AND ADDRESS}

Date: \_\_\_\_\_

RE: Self-Help Technical Assistance Grant {AMOUNT}

Dear {CONTACT PERSON}:

A review has been completed of your pre-application package for a Section 523 Mutual Self-Help Grant. Based upon this review, your organization has been determined eligible to proceed with submitting your final grant application.

This letter establishes your basic eligibility for grant assistance. The amount of the proposed grant is based upon the proposed construction of {PROPOSED NUMBER OF HOUSES TO BE BUILT} houses.

Please develop your final application in accordance with all of the items listed in 7 CFR 1944.410(e). Once you have developed your application and submitted all of the items listed, Rural Development will review these items for completeness. Please provide the following:

1. Names, addresses, number in household, and total annual household income of person(s) who have been contacted by your organization and are interested in participating in a self-help housing project. Community organizations including minority organizations may be used as a source of names of people interested in self-help housing.
2. Proof that the first group of prospective participating self-help person(s) have qualified for financial assistance, (a Section 502 housing loan or other loan using income guidelines like those of the Department of Housing and Urban Development).
3. Evidence that lots are optioned by the prospective participating first self-help group. Evidence that lots are available for the remaining groups.
4. Detailed cost estimates of houses to be built by the mutual self-help method. Plans and specifications should be submitted with the cost estimates.
5. Proposed staffing need, including qualifications, experience, proposed hiring schedule, and availability of any prospective employees.

6. Name, address, and official position of the applicant's representative or representatives authorized to act for the applicant and work with Rural Development, if applicable.
7. Budget information including a detailed budget for the grant period based upon the needs outlined in the proposal. SF-424A will be completed to furnish the budget information.
8. Indirect or direct cost policy and proposed indirect cost rate developed in accordance with 7 CFR Parts 3015 and 3016.
9. Personnel procedures and practices that will be established or are in existence. Forms to be used should be submitted with the application.
10. A proposed monthly activities schedule showing the proposed dates for starting and completing the recruitment, loan processing and construction phases for each group of participants in the self-help project.
11. [Add any additional requirements]

[Note: For applicant organizations also applying for a pre-development grant, insert the following language:

In addition to this action, your pre-development grant request in the amount of \$ \_\_\_\_\_ has been approved. The approval of your pre-development grant is subject to the following conditions:

1. These funds are to be used to develop your final application in accordance with 7 CFR 1944.410(d) and (e). The grant is limited to six months to complete the final application.
2. Must provide a statement of compliance with 7 CFR Part 3015, if a nonprofit organization or, Part 3016, if a State of Local government.
3. Prior to disbursement of any grant funds, Exhibit D to 7 CFR Part 1944, Subpart I, "Self-Help Technical Assistance Grant Predevelopment Agreement", must be fully executed.
4. On a monthly basis, Form SF-270, "Request for Advance or Reimbursement", is to be submitted to Rural Development (Insert appropriate office and address). The request should indicate the amount of funds used during the previous month, amount of unspent funds, projected amount needed for the next 30 days and written justification

if the request exceeds the projected need for the next 30 days. This request should be submitted approximately 15 days prior to the beginning of the month. The request for funds are to be based on the Pre-development Budget submitted in the pre-application.

5. Maintain an interest bearing checking account on which two or more bonded employees will sign checks. Any interest earned in excess of \$250 annually must be submitted to Rural Development quarterly. The use of minority depository institutions is encouraged.
6. Fidelity Bond coverage is required and must be maintained for the duration of the grant. Please submit a complete list of names and the title of each person to be covered by this Bond.]

If you have any questions concerning these conditions, please contact Rural Development for assistance at {SERVICING OFFICE TELEPHONE NUMBER}.

Sincerely,

Rural Development Authorized Official

Attachments

cc: Appropriate T&MA Contractor  
Appropriate Rural Development Offices

## LETTER OF CONDITIONS – APPLICATION REVIEW

Grantee Name and Address

Re: Self-Help Technical Assistance Grant {AMOUNT}

Dear {CONTACT PERSON}:

A review has been made of the items submitted in connection with your application for a Section 523 Mutual Self-Help grant to your organization. Based on your submittal of items required listed under 7 CFR 1944.410(e)(1) through (10), your application package is determined complete and grant approval can be considered.

This letter establishes conditions which must be understood and agreed to before your grant is approved. The amount of this grant is based upon the construction of {PROPOSED NUMBER OF HOUSES TO BE BUILT} houses. Please provide the following information to Rural Development within 30 days so that your grant can be approved. The items are as follows:

1. A signed statement from the Board of Directors stating the applicant has or can hire, or contract directly or indirectly with qualified people to carry out its responsibilities in administering the grant.
2. Provide a copy of the resolution adopted by (The Board of Directors or other Governing Body if public body ) authorizing the appropriate official to execute Exhibit A, “Self-Help Technical Assistance Grant Agreement” of 7 CFR Part 1944, subpart I and Form RD 400-4, “Assurance Agreement”.
3. Provide a completed SF-424B, “Assurances Non-Construction Programs,” agreeing to establish a recordkeeping system that a certified public accountant will certify as meeting the requirements of the Grant Agreement.
4. By grant closing, you must establish an interest bearing checking account on which two or more bonded employees will sign checks. Any interest earned in excess of \$250 annually must be submitted to Rural Development quarterly. (The use of minority depository institutions is encouraged.)
5. Provide a copy of the agreement which will be signed by you and the self-help participants setting forth exactly what is expected of each and incorporates Exhibit B-2 of 7 CFR Part 1944, subpart I, clearly showing what labor tasks are required by the participating families.
6. Certify by signing Form AD-1049, “Certification Regarding Drug-Free Workplace” and Form AD-1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions” that you will comply with

the provisions of 7 CFR Part 3017. Provide a copy of the statement given all employees in accordance with Appendix C of that part. All persons/entities doing business with you must sign AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions".

7. Certify on Exhibit A of 7 CFR Part 3018 (certification regarding lobbying) that you comply with the provisions therein.
8. You are encouraged to utilize the Technical and Management Assistance Regional Contractor ({INSERT NAME AND ADDRESS}) for any needed technical assistance in complying with these requirements.
9. {ADD ANY ADDITIONAL REQUIREMENTS}

If you have any questions concerning these conditions, please contact Rural Development for assistance at {SERVICING OFFICE TELEPHONE NUMBER}.

Sincerely,

Rural Development Authorized Official

Attachments

cc: Appropriate T&M Contractor  
Appropriate Rural Development Offices

**BEST PRACTICE -**  
**(Use this to ensure you have a complete Pre-Application)**

**NCALL's PRE- APPLICATION REVIEW CHECKLIST**

Organization/Agency Name: \_\_\_\_\_

Name of Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

State of Applicant: \_\_\_\_\_

**Draft or Official:**    Date Received: \_\_\_\_\_    15 Day Review Due  
Date: \_\_\_\_\_

**(1) a. Application for Federal Assistance (for Non-Construction)**

Instruction 1944.410(a) Standard Form 424 Version 02

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No      Is the legal name entered on the application the same as it appears on the  
Articles of Incorporation? If no, then enter legal name \_\_\_\_\_  
\_\_\_\_\_

Yes / No      Do the totals on the SF-424 agree with the totals on the SF-424A, Budget  
Information – Non-Construction Program?

Yes / No      Is the DUNS Number indicated?

**b. USDA Survey on Ensuring Equal Opportunity for Applicants**

Unnumbered Letter, Dated June 1, 2005

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Analysis/Findings: \_\_\_\_\_  
\_\_\_\_\_

**(2) Intergovernmental Review Submittal**

Instruction 1944.409

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No      Is there evidence that the applicant has submitted their "Statement of  
Activities" to the State Agency's single point of contact?

Analysis/Findings: \_\_\_\_\_

**(3) Previous Experience**

Instruction 1944.410(a)(1)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

1. Experience of organization's staff.

\_\_\_\_\_ Clearly Demonstrated                      \_\_\_\_\_ Unclear

2. Experience of organization's board of directors (if needed for TA grant):

\_\_\_\_\_ Clearly Demonstrated                      \_\_\_\_\_ Unclear                      \_\_\_\_\_ N/A

3. Objectives of Organization:

\_\_\_\_\_ Consistent w/ self-help                      \_\_\_\_\_ Inconsistent w/ self-help

4. Other housing/social services the organization is involved with:

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included                      \_\_\_\_\_ N/A

5. Sponsorship letter or agreement (if appropriate):

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included                      \_\_\_\_\_ N/A

6. How long has the organization been in existence? \_\_\_\_\_

7. How long has the organization been in housing? \_\_\_\_\_

Analysis/Findings: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**(4) Organizational Papers**

Instruction 1944.410 (a)(2) & 1944.404(d)(1-4)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Copy of an accurate reference to the specific provisions of state law which the organization was organized.

Yes / No                      Articles of Incorporation and Bylaws (signed by authorized agency representative, dated and sealed by corporate seal if available)

Yes / No                      Certificate/Stamp of Incorporation

Yes / No                      Tax exemption certificate of 501(c)(3) status  
1944-I, section 1944.404(d)(2)

Yes / No Evidence of Good Standing from the State, if in existence for more than one year

Yes / No Names and Addresses of Directors, Officers, Members (5 minimum)

Yes / No Are there more than 5 members of the Board?  
1944-I, section 1944.404(d)(4)

Yes / No Are there 10 Board meetings (recommended)?

Yes / No Does the mission statement include “production of affordable housing”?

Yes / No / N/A Name, Address, Principle Business of Member Organizations (if applicable)

Yes / No / N/A If about to organize, copies of proposed organizational documents attached. Demonstrate compliance with 1944-I, section 1944.404(d)

Analysis/Findings: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(5) Authorized Representative of Applicant**

Instruction 1944.410 (e)(6)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No Is there an authorized representative of the applicant?

Yes / No Is this the same person as listed on the SF 424?

\_\_\_\_\_ Name of representative

\_\_\_\_\_ Address

\_\_\_\_\_ Official Position

Analysis/Findings: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(6) Information About Sponsor** (if applicable)  
Instruction 1944.404(b)(2)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete                      \_\_\_\_\_ Not Applicable

Yes / No / N/A Is applicant sponsored by another organization? If so is there a written agreement between the organization and the sponsoring agency.

Yes / No / N/A If so, do they have background, experiences and the financial ability to carry out the proposed project and responsibilities?

Analysis/Findings: \_\_\_\_\_

**(7) Current Financial Statements for Applicant and any Sponsor**  
Instruction 1944.410(a)(3)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No Date of the financial statement \_\_\_\_\_  
(Not more than 12 months) Audits preferred or a Balance Sheet showing specific nature of Assets and Liabilities, with information on the repayment schedule and status of any debt owed by the applicant, plus an Income Statement.

Yes / No Are there any audit findings?

Yes / No Has there been an increase/decrease in assets?

Yes / No Liabilities appropriate/minimal?

Yes / No Dated and Signed by authorized representative of organization

Analysis/Findings: \_\_\_\_\_

\_\_\_\_\_

**(8) Narrative Statement**  
Instruction 1944.410(a)(4)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No Include dollar amount of grant request.

Yes / No Include area to be served.

- Yes / No      Include number of self-help units to be built.
- Yes / No      Include housing conditions of low-income families in the area and reasons why families need self- help assistance. Census data of county(s) that will be targeted.
- Yes / No      Indicate a need in the area for housing of the type and cost to be provided by the self-help program. Estimated cost of self-help housing monthly payments (PITI).
- Yes / No      Include evidence of Community Support (specific letters of community support if land has been targeted); officials; individuals and community organizations.
- Yes / No      Include evidence that there are low-income families willing to contribute labor. (List of families interested in self-help including names, addresses, number in household and annual income) - 2:1 ratio recommended. A statement indicating that the self-help programs has been explained to interested families and that they are interested in participating in the program.

Analysis/Findings: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**(9) Outreach Plan for Very-Low Income**

Instruction 1944.410(a)(5)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No      Does the plan provide for regular consistent efforts using a wide variety of methods to reach very low-income families?

Analysis/Findings: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**(10) Budget Information (Non-Construction Programs)**

Instruction 1944.410(a)(6) SF-424A & Budget Narrative

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No      Does the budget information comply with article 7 CFR 3015 & 3016?

Yes / No      Are the instructions included?

Yes / No Does it include a completed SF-424A?

Yes/No Budget narrative and budget feasibility?

Yes / No Are line item expenses within normal ranges?

Fringe Benefits	_____ %	(25% - 30% of Total Salary)
Travel Expense	_____ %	(5% - 10% of Total Salary)
Equipment	_____ %	(2% - 5% of Total Salary)
Supplies	_____ %	(1% - 3% of Total Salary)
Contractual	_____ %	(3% - 5% of Total Salary)
Other Misc. Expenses	_____ %	15% - 20% of Total Salary)

Yes / No Are the narrative and budget amounts and timelines the same?

Yes / No Are the narrative and budget calculations correct?

Analysis/Findings: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(11) Determination of TA Grant Amount**

Instruction 1944.407

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No Include a letter by Rural Development providing the “equivalent value of modest housing”. Instruction 1944-I, section 1944.403(g).

Clear/Unclear which method was used to determine the TA cost.

\$ \_\_\_\_\_ TA Cost Per house

\$ \_\_\_\_\_ “Equivalent Value of Modest Housing” for Area

Analysis/Findings: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(12) Preliminary Land Survey**

Instruction 1944.410(a)(7)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No Include the availability of lots (minimum of total number of proposed houses to be built during grant period)

- Yes / No      Include the projected cost of sites (indicates water/sewer information)
- Yes / No      Include maps of the proposed area.
- Yes/No        Cost of land versus house package cost estimate
- Yes/No        Summarize the finding of the preliminary land search in a narrative statement. Include whether lots have to be developed or if there is already developed lots available.

Analysis/Findings: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**(13) Other Applicant Activities (if multi-funded)**

Instruction 1944.410(a)(8)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

- Yes / No / N/A    List of other activities the applicant is engaged in and expects to continue
- Yes / No / N/A    Statement about other sources of funding and whether funding is sufficient to assure continuation of other activities throughout grant period
- Yes / No / N/A    Direct Cost Allocation Plan, or Indirect Cost Rate (if multi-funded), or evidence that a proposal has been submitted to the Cognizant Agency for approval
- Yes / No / N/A    Is the organization engaged in/ or has the potential to have an adverse impact on this pre-application request?

Analysis/Findings: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**(14) Predevelopment Grant Assistance Request**

Instruction 1944.410(a)(9)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

- Yes / No        State why funds are needed.
- Yes / No        Specify amount of funds needed.
- Yes / No        State what funds will be used for.

Yes / No Specify projected time period for using funds (maximum 6 months)

Yes / No Does the applicant's state RD office require a SF-424A for the Pre-Development Grant?

Yes / No Are the narrative and budget amounts and timelines the same?

Yes / No Are the narrative and budget calculations correct?

Analysis/Findings: \_\_\_\_\_

\_\_\_\_\_

**(15) HUD Fair Housing Marketing Plan - HUD Form 935.2B (8/2006)**  
Instruction 1944.410(a)(10)

\_\_\_\_\_ Plan complete          \_\_\_\_\_ Plan Incomplete

Yes / No Five or more lots / units planned

Yes / No Is there a written training plan for experienced staff (box 6)?

Yes / No Types of advertisements explained clearly; fully completed.

Yes / No Photo's included

Yes / No Do the flyers include the "equal housing opportunity" logotype?

Yes / No Is the Fair Housing Marketing Plan designed to reach the targeted market that is least likely to apply?

Analysis/Findings: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**(16) Civil Rights Impact Analysis Certification, Form RD 2006-38,**  
Instruction 2006-P, Section 2006.754(b)

\_\_\_\_\_ Included          \_\_\_\_\_ Not Included

\_\_\_\_\_ Complete          \_\_\_\_\_ Not Complete

Analysis/Findings: \_\_\_\_\_

**(17) Compliance Review (Pre-award) Form RD 400-8**  
Instruction 1901-E, Section 1901.204(a) and 1901.204(c)(3)

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(18) Self-Help Technical Assistance Grant Predevelopment Agreement, Exhibit D**  
Instruction 1944.410(d)

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(19) Authorizing Resolution**  
Instruction 1944.411(d)

<u>Yes / No</u>	Includes a copy of the resolution adopted by (the Board of Directors or other Governing Body if public body) authorizing Appropriate the appropriate official to execute the Self-Help Technical Assistance Grant Agreement and Form RD 400-4 Assurance Agreement?
-----------------	--

**(20) Rural Development Manager or Area Manager Recommendation**

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(21) T&MA Contactor's Review and Recommendation**  
Required Under National Office Contract with T&MA Contractor

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(22) OGC Review (if necessary)**  
Instruction 1944.410(b)(2)

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(23) Review Action and Letter of Conditions**

Instruction 1944.410(c)

\_\_\_\_\_ Included                      \_\_\_\_\_ Not Included

Analysis/Findings: \_\_\_\_\_

**(24) Request for Obligation of Funds** (Predevelopment assistance) Form 1940-1

Instruction 1944.413(a)(1)

**Other Comments / Recommendations:**

Yes / No        Is the file tabbed/segments marked?

Yes / No        Does it contain a table of contents?

Yes / No / N/A    Is there a transmittal letter from RD? (Official copy only)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Name of Reviewer:** \_\_\_\_\_

**Date:** \_\_\_\_\_

(Revised 2 / 2009)

**1.a.**  
**Standard Form**  
**424, "Application**  
**for Federal**  
**Assistance"**

**1944.410(a)**

## SF 424 Version 02 “Application for Federal Assistance”

This form is the first thing that anyone reviewing the application will see. It should provide Rural Development with all of the pertinent information about a project. Such information includes:

- how many homes to be built,
- during what period of time,
- in what areas, and
- with what funds.

These blank forms can be obtained from the State or Area Rural Development Office, NCALL Research, Inc., or on the web at <http://www.whitehouse.gov/omb/grants/sf424.pdf>.

**BEST PRACTICE** - A fillable form can also be obtained on [www.hudclips.org](http://www.hudclips.org). If the fillable form is being used, the applicant must have the complete version of Adobe Acrobat. A sample form follows.

**Application for Federal Assistance SF-424**

Version 02

\* 1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

\* 2. Type of Application:

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s):

\* Other (Specify)

\* 3. Date Received:

Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

\* 5b. Federal Award Identifier:

**State Use Only:**

6. Date Received by State:

7. State Application Identifier:

**8. APPLICANT INFORMATION:**

\* a. Legal Name:

\* b. Employer/Taxpayer Identification Number (EIN/TIN):

\* c. Organizational DUNS:

**d. Address:**

\* Street1:

Street2:

\* City:

County:

\* State:

Province:

\* Country:

\* Zip / Postal Code:

**e. Organizational Unit:**

Department Name:

Division Name:

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix:

\* First Name:

Middle Name:

\* Last Name:

Suffix:

Title:

Organizational Affiliation:

\* Telephone Number:

Fax Number:

\* Email:

**Application for Federal Assistance SF-424**

Version 02

**9. Type of Applicant 1: Select Applicant Type:**

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

NGMS Agency

**11. Catalog of Federal Domestic Assistance Number:**

CFDA Title:

**\* 12. Funding Opportunity Number:**

MBL-SF424FAMILY-ALLFORMS

\* Title:

MBL-SF424Family-AllForms

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):****\* 15. Descriptive Title of Applicant's Project:**

Attach supporting documents as specified in agency instructions.

**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

\* a. Federal

\* b. Applicant

\* c. State

\* d. Local

\* e. Other

\* f. Program Income

\* g. TOTAL

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on .

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes

No

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

**\*\* I AGREE**

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:

\* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:

\* Date Signed:

**Application for Federal Assistance SF-424**

Version 02

**\* Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

**Application for Federal Assistance SF-424**

Version 02

**\* Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

**1.b.**

**Survey on  
Ensuring Equal  
Opportunity for  
Applicants**

## Survey on Ensuring Equal Opportunity for Applicants

This form is a fairly new requirement. It helps to ensure that the government is fairly distributing grant funds, and identifies faith-based organizations. Please complete this required form and include it in your application.

# SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

OMB No. 1890-0014 Exp. 02/28/09

**Purpose:** The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

**Instructions for Submitting the Survey:** If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

**Applicant's (Organization) Name:** \_\_\_\_\_

**Applicant's DUNS Number:** \_\_\_\_\_

**Federal Program:** \_\_\_\_\_ **CFDA Number:** \_\_\_\_\_

1. Has the applicant ever received a grant or contract from the Federal government?

Yes       No

2. Is the applicant a faith-based organization?

Yes       No

3. Is the applicant a secular organization?

Yes       No

4. Does the applicant have 501(c)(3) status?

Yes       No

5. Is the applicant a local affiliate of a national organization?

Yes       No

6. How many full-time equivalent employees does the applicant have? (*Check only one box.*)

3 or Fewer       15-50  
 4-5       51-100  
 6-14       over 100

7. What is the size of the applicant's annual budget?

(*Check only one box.*)

Less Than \$150,000  
 \$150,000 - \$299,999  
 \$300,000 - \$499,999  
 \$500,000 - \$999,999  
 \$1,000,000 - \$4,999,999  
 \$5,000,000 or more

## Survey Instructions on Ensuring Equal Opportunity for Applicants

**Provide the applicant's (organization) name and DUNS number and the grant name and CFDA number.**

1. Self-explanatory.
2. Self-identify.
3. Self-identify.
4. 501(c)(3) status is a legal designation provided on application to the Internal Revenue Service by eligible organizations. Some grant programs may require nonprofit applicants to have 501(c)(3) status. Other grant programs do not.
5. Self-explanatory.
6. For example, two part-time employees who each work half-time equal one full-time equivalent employee. If the applicant is a local affiliate of a national organization, the responses to survey questions 2 and 3 should reflect the staff and budget size of the local affiliate.
7. Annual budget means the amount of money your organization spends each year on all of its activities.

### **Paperwork Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1890-0014. The time required to complete this information collection is estimated to average five (5) minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** The Agency Contact listed in this grant application package.

**2.**

**Intergovernmental  
Review Submittal**

**1944.409**

## **Intergovernmental Review, State Point of Contact (SPOC) List**

It is estimated that in 2008 the Federal Government provided \$449 billion in grants to State and local governments. Executive Order 12372, "Intergovernmental Review of Federal Programs," was issued with the desire to foster the intergovernmental partnership and strengthen federalism by relying on State and local processes for the coordination and review of proposed Federal financial assistance and direct Federal development. The Order allows each State to designate an entity to perform this function. Below is the official list of those entities. For those States that have a home page for their designated entity, a direct link has been provided below by clicking on the State Name.

**States that are not listed on this page (and that are located in NCALL's Region) have chosen not to participate in the intergovernmental review process, and therefore do not have a SPOC. If you are located within a State that does not have a SPOC, you may send application materials directly to a Federal awarding agency**

### **Intergovernmental Review (SPOC List)**

#### **DELAWARE**

Jennifer L. Carlson  
Associate Fiscal and Policy Analyst  
Office of Management and Budget  
Budget Development, Planning &  
Administration  
Haslet Armory, Third Floor  
122 William Penn Street  
Dover, Delaware 19901  
Telephone: (302) 739-4206  
Fax: (302) 739-5661  
[jennifer.carlson@state.de.us](mailto:jennifer.carlson@state.de.us)

#### **IOWA**

Kathy Mabie  
Iowa Department of Management  
State Capitol Building Room G12  
1007 E Grand Avenue  
Des Moines, Iowa 50319  
Telephone: (515) 281-8834  
Fax: (515) 242-5897  
[Kathy.Mabie@iowa.gov](mailto:Kathy.Mabie@iowa.gov)

## **KENTUCKY**

Lee Nalley  
The Governor's Office for  
Local Development  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
Telephone: (502) 573-2382 Ext. 274  
Fax: (502) 573-1519  
[Lee.Nalley@ky.gov](mailto:Lee.Nalley@ky.gov)

## **MAINE**

Joyce Benson  
State Planning Office  
184 State Street  
38 State House Station  
Augusta, Maine 04333  
Telephone: (207) 287-3261  
(Direct) (207) 287-1461  
Fax: (207) 287-6489  
[Joyce.benson@maine.gov](mailto:Joyce.benson@maine.gov)

## **MARYLAND**

Linda C. Janey, J.D.  
Director, Maryland State Clearinghouse  
For Intergovernmental Assistance  
301 West Preston Street, Room 1104  
Baltimore, Maryland 21201-2305  
Telephone: (410) 767-4490  
Fax: (410) 767-4480  
[ljaney@mdp.state.md.us](mailto:ljaney@mdp.state.md.us)

## **MICHIGAN**

William Parkus  
Southeast Michigan Council of  
Governments  
535 Griswold, Suite 300  
Detroit, Michigan 48226  
Telephone: (313) 961-4266  
Fax: (313) 961-4869  
[mailto:parkus@semcog.org](mailto:mailto:parkus@semcog.org)

## **NEW HAMPSHIRE**

Amy Ignatius, Acting Director  
New Hampshire Office of  
Energy and Planning  
Attn: Intergovernmental Review  
Process  
Mark Toussiant  
57 Regional Drive  
Concord, New Hampshire 03301  
Telephone: (603) 271-2155  
Fax: (603) 271-2615  
[amy.ignatius@nh.gov](mailto:amy.ignatius@nh.gov)

## **NEW YORK**

Office of Public Security

Homeland Security Grants  
Coordination  
633 3rd Avenue  
New York, New York 10017  
Telephone: (212)-867-1289  
Fax: (212) 867-1725

**RHODE ISLAND**

Joyce Karger  
Department of Administration  
One Capitol Hill  
Providence, Rhode Island 02908  
Telephone: (401) 222-6181  
Fax: (401) 222-2083  
[jkarger@doa.state.ri.us](mailto:jkarger@doa.state.ri.us)

**WEST VIRGINIA**

Bobby Lewis  
Director, Community Development  
Division  
West Virginia Development Office  
Building #6, Room 553  
Charleston, West Virginia 25305  
Telephone: (304) 558-4010  
Fax: (304) 558-3248  
[rlewis@wvdo.org](mailto:rlewis@wvdo.org)

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**WISCONSIN**

Division of Intergovernmental Relations  
Wisconsin Department of Administration  
101 East Wilson Street, 10th Floor  
P.O. Box 8944  
Madison, Wisconsin 53708  
Telephone: (608) 261-7533  
Fax: (608) 267-6917  
[SPOC@wisconsin.gov](mailto:SPOC@wisconsin.gov)

**NOTE:** This list is only compiled of states that are located within NCALL's Self-Help Housing Region as of November 2007. For an updated list, or to check on additional states, please visit <http://www.whitehouse.gov/omb/grants/spoc.pdf>

# **3. Previous Experience**

**1944.410(a)(1)**

## Previous Experience

Before giving an organization any funds to operate a mutual self-help housing program, Rural Development requires that organizations have the financial, legal, and administrative capacity to carry out the responsibilities of the Grant Agreement.

**BEST PRACTICE** - A narrative\* statement about the organization's previous experience and capacity to carry out the Grant Agreement is required. It may include such things as:

- Summaries of previous and current programs funded by Rural Development. Include dates, budget totals, and results if applicable.
- Summaries of previous and current non-Rural Development programs. Include dates, budget totals, and indicate results if appropriate. Also, state the nature of the funding source if it is not well known.
- Description of current capabilities: Management and administration, staff, any licenses or certifications.
- Experience or capability of relevant staff and/or board of directors.
- Objectives of the organization, one must be the "production of affordable housing".

(\*A narrative statement is simply an extended written description in your own words, typed single-spaced on standard letter-sized paper.)

**4.**  
**Organizational  
Papers**

**1944.410(a)(2)**

## Evidence of Organization

If an organization is already a private nonprofit corporation or a public entity, include (as appropriate):

- A copy of the provisions of the state law under which it was organized, or an accurate reference to the provision(s) organized under.
- A certified copy (signed and with the corporate seal) of your Articles of Incorporation (or other documentary evidence of corporate existence). One of the purposes of the organization has to be “the production of affordable housing”.
- A certified copy (signed and with the corporate seal) of the By-Laws is required.
- The names and addresses of officers, Directors, and members with their titles. (The Board of Directors must have no fewer than five persons.)
- Certificate of Incorporation.
- Copy of 501(c)(3) Certificate.
- Evidence of good standing (if in existence for more than one year) that can be obtained from the Secretary of State.
- If another organization is a member of your organization, its name, address, and principal business.
- If not formally organized, submit copies of organizational documents.

**5.**  
**Authorized  
Representative  
of Applicant**

**1944.410(e)(6)**

## Authorized Representative

Provide the name, address and official position of the applicant's representative that is authorized to act for the applicant and work with Rural Development.

**6.**  
**Information**  
**About Sponsor**

**1944.404(b)(2)**

## **Sponsor – if applicable**

A sponsor is an organization that must have the background, experience and financial ability to help your organization, with or without charge, in applying for the 523 Grant and in carrying out the responsibilities of the Grant Agreement (1944-I, 1944.403(m)). If an organization decides to work with a sponsor, a written agreement is needed to show Rural Development. In this agreement, the sponsor must agree to help carry out the responsibilities of the Grant Agreement.

If using a sponsor, a narrative of the sponsor's experience and capabilities covering the same information as in Tab 3 is required.

**If the organization will not have a sponsor, indicate “Not Applicable” in this section.**

**7.**  
**Current**  
**Financial**  
**Statement**

**1944.410(a)(3)**

## **Financial Statement**

A financial statement is required and should be prepared by an accountant (or by the sponsor's accountant), and must be no more than 12 months old. It must be dated and signed by the Executive Director or Board President and it needs to show the specific nature of assets and liabilities. An audit can be used for this, but one is not required.

If using a sponsor, the same type of financial statement is required of them also.

**8.**  
**Narrative**  
**Statement**

**1944.410(a)(4)**

## **Narrative Statement**

The narrative should start with a paragraph that summarizes how many homes are being planned, in what area they will be built, how much grant funds are being requested and what time period is planned. (Most grants are two years, but one year grants may be requested.)

Then a description of the area to be served is needed. Such a description should include information such as: “Is this an eligible area under Rural Development’s regulations?” “What is the area like?”

**BEST PRACTICE** – In this section it is essential to include maps, population and housing statistics. Collect current data and include only what supports the need. Some useful information can be obtained from the U.S. Census, State Housing Finance Authority assessments, a local government housing plan, area housing authorities, and area Board of Realtors.

**BEST PRACTICE** - Then draw some conclusions about what these statistics show. Is this an economic and population growth area? Are there high incidences of substandard housing? Do incomes appear to show possible eligibility under Rural Development’s guidelines. Is average age and family size geared toward the need of affordable 1, 2 and 3 bedroom homeownership? Add any additional appropriate information that shows the organization’s knowledge and familiarity with the area and people. You must determine that a need exists for mutual self-help housing in the planned service area. The question “Why families need self-help housing?” must be answered.

A need occurs when very low and low income families want their own homes, but there are not enough adequate and affordable homes available for them. Determination of need can be based on several different factors. Some of these are listed below.

- Housing conditions of low-income families in the area (Do families live in substandard, over crowded or over priced housing?)
- Cost of new houses (Are they too expensive?)
- Reasons why families need self-help assistance (Is Rural Development’s self-help housing program the only thing that can provide ownership opportunities?)
- Vacancy rate in the community
- Income level of target population
- Property conditions (plumbing and safe wiring)
- Family size and ownership patterns
- Cost of rental units
- Public housing and housing assistance in the area.
- Do families want to own housing?
- Are there enough qualified families for a self-help program?

**BEST PRACTICE** - Also it is important to prove affordability. Estimate the cost of the self-help homes to the participants, then give examples of how much their monthly PITI payments are going to be, including the PITI and Total Debt Ratios. This is the most effective way to prove that this program will be appropriate and affordable for the planned location.

## **Participants**

Information on eligible applicants that have been personally contacted and are interested in participating in the self-help housing program is required in the pre-application. Their names, as well as addresses, number of persons in their household, and their total annual income are required. It is also helpful if a contact date is included.

Please remember to include a statement on the list indicating that these families have been explained the program and are interested in participating and providing their own labor.

**BEST PRACTICE** - Given that it is difficult to qualify participants for the program even if they are interested, NCALL recommends including at least twice as many potential participants as would be needed to complete the grant.

A sample form follows.



## Community Support Benefits and Sources

Evidence of community support is also required to be included in this section. Include letters of support from local officials, individuals and community organizations.

Having a community's support can have many **benefits**. It may assist you in getting money for incorporation and start up. It may provide needed political support from the town and county government that will assist you throughout the program. Another benefit that obtaining support can have is to help create a positive self-help housing image.

There are many potential **sources** of community support. The most obvious would be the people who need improved housing. There is also the town and county governments, church and religious groups, civic organizations, social service agencies and other nonprofit organizations. The general public is likely to support. Also support from industry and the business sector is another possibility, keeping their employees stable is important to their success. The media can be a helpful means of community support, too.

**BEST PRACTICE** - In order to **obtain** community support it is helpful to develop and distribute a brochure or fact sheet. Then this can be used also when you talk formally and informally with community leaders. In doing this, know the benefits and drawbacks of self-help housing. Develop a relationship with the local media, be well prepared for meetings, and hold a community meeting.

# Sample Program Presentation

## What is self-help?

- Present the self-help program as a unique service, not duplicating an existing program
- Servicing people who would not otherwise be able to buy a home because of their low income or little or no credit

## How does it work?

- Be certain that the town receives the correct impression that the agency desires the town's input and wishes to work with them

## Who will benefit from the program?

- New homeowners
- The town through taxes
- Businesses through building materials, insurance, subcontractors, etc. (Economic Development)
- Ask for referrals of potential homeowners -- people that work for the city or people they know from their community contacts

## What is the goal?

- Sometimes people have a negative preconception of government financed housing -- if the town understands the concept of Mutual Self-Help Housing they are more likely to support it
- Include that the homeowners are counseled on how to keep their home loan through proper budgeting and maintenance (indoor and outdoor)
- Stress the fact that people build their own homes -- dispels the idea that this program is just another giveaway

**9.**  
**Outreach Plan  
for Very Low  
Income**

**1944.410(a)(5)**

## **Outreach Plan for Very-Low Income**

A plan is required of how you propose to reach the very low income families (in narrative form). It is important to reach families that are living in housing that is deteriorated, dilapidated, over crowded or lacking in plumbing. Very low income families (50% of area median and below) must receive a priority for recruitment; a minimum of 40% is required. Develop a marketing strategy that is going to reach and recruit the families that you serve and detail that in paragraph form.

(Rural Development has the income levels for your area)

More information on recruitment ideas and strategies is located at the end of this manual.



# **10. Budget Information – Non Construction**

- SF-424A**
- Budget Narrative**
- Method of TA Cost**

**1944.410(a)(6)**

## Proposed Budget

The proposed budget must be on form **SF-424A**, “**Budget Information (Non-Construction Programs)**”. Complete it using the example that follows. A copy of this form can be obtained at [www.hudclips.org](http://www.hudclips.org).

**BEST PRACTICE** - Include a more detailed budget and a budget narrative; this can be helpful in explaining what the categories contain. A Budget Worksheet is provided in this section to help you develop that detailed budget, along with a sample budget narrative.

**Only authorized expenses are allowed (1944.405).** The allowed expenses include:

- Personnel salaries
- Employment benefit costs -- including but not limited to workers comp, employer’s share social security, health benefits, reasonable tax deferred pension plan, unemployment
- Reasonable office expenses -- Office rental, office utilities, office equipment rental - purchase allowed when more economical than renting, phone – including cell phone usage
- Office supplies (Paper, pens, pencils, trade magazines)
- Purchase or lease and maintenance of power or specialty tools The following list will provide an adequate, although basic, inventory of tools most appropriate for start-up and small volume self-help agencies: Skill-saw (7 1/4” with carbide, crosscut & rip blades), a set of high speed drill bits, cloth nail bags, finish and framing hammers, speed squares, a 3/8” cordless drill, a set of spade drill bits, cats-paw, builder’s framing square and drywall hammers, generators, work area lamps and saw horses. Families must provide their own hand tools such as hammers and handsaws.
- Travel expenses to the site, and suppliers
- Liability insurance/Volunteers insurance
- Reasonable fees for training grantee personnel including board members to attend training authorized by the board of directors and when necessary for employee to do current job. Payment of services rendered by a sponsor or other organization when the cost of those services provides an overall reduction in the cost of assistance.
- Payment of certain consulting and legal costs required in the administration of the grant if the service is not available without a fee. Does not include legal expenses for claims against the government. A legal expense incurred for benefit of participating families may be authorized with prior approval of the State Director.
- Payment of accountant to set up accounting system and perform audits.
- Reasonable expenses of board members for attending regular or special board meetings.
- **Prohibited uses of grant funds:**
  - Hiring personnel specifically for performing the construction work for participating families
  - Buying real estate, building materials or other property of any kind for participating families
  - Paying for training of employee as authorized in attachment B of OMB Circular A-122
  - Paying for costs other than approved indirect that are not directly related to helping very low income families obtain housing consistent with the objectives of the self-help program.

**BUDGET INFORMATION - Non-Construction Programs**

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$	\$	\$	\$	\$
2.						
3.						
4.						
5. Totals		\$	\$	\$	\$	\$

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					\$
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$	\$	\$	\$	\$
7. Program Income	\$	\$	\$	\$	\$

**SECTION C - NON-FEDERAL RESOURCES**

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	\$	\$	\$	\$
9.				
10.				
11.				
<b>12. TOTAL (sum of lines 8-11)</b>	\$	\$	\$	\$

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>13. Federal</b>	\$	\$	\$	\$	\$
<b>14. Non-Federal</b>	\$				
<b>15. TOTAL (sum of lines 13 and 14)</b>	\$	\$	\$	\$	\$

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	\$	\$	\$	\$
17.				
18.				
19.				
<b>20. TOTAL (sum of lines 16 - 19)</b>	\$	\$	\$	\$

**SECTION F - OTHER BUDGET INFORMATION**

<b>21. Direct Charges:</b>	▲ ▼	<b>22. Indirect Charges:</b>	▲ ▼
<b>23. Remarks:</b>			▲ ▼

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## Instructions for the SF-424A

Public Reporting Burden for this collection of information is estimated to average 3.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Please do not return your completed form to the Office of Management and Budget; send it to the address provided by the sponsoring agency .

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### General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the later case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a **single** Federal grant program (Federal Domestic Assistance Catalog number) and **not requiring** a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a **single** program **requiring** budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in **Column** (a) and the respective catalog number on each line in Column (b).

For applications pertaining to **multiple** programs where one or more programs **require** a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

### Lines 1-4, Columns (c) through (g)

**For new applications**, leave Columns (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

**For continuing grant program applications**, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

**For supplemental grants and changes** to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

**Line 5**—Show the totals for all columns used.

### Section B. Budget Categories

In the column headings (a) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

**Lines 6a-i**—Show the totals of Lines 6a to 6h in each column.

**Line 6j**—Show the amount of indirect cost.

**Line 6k**—Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

**Line 7**—Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal grantor agency in determining the total amount of the grant.

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### Section C. Non-Federal Resources

**Lines 8-11**—Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column (a)**—Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)**—Enter the contribution to be made by the applicant.

**Column (c)**—Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

**Column (d)**—Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column (e)**—Enter totals of Columns (b), (c), and (d).

**Line 12**—Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f) Section A.

### Section D. Forecasted Cash Needs

**Line 13**—Enter the amount of cash needed by quarter from the grantor agency during the first year.

**Line 14**—Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15**—Enter the totals of amounts on Lines 13 and 14.

### Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

**Lines 16-19**—Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20**—Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

### Section F. Other Budget Information

**Line 21**—Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

**Line 22**—Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23**—Provide any other explanations or comments deemed necessary.

## **Preliminary Budget Preparation**

The following guides are estimates and averages for preliminary parameters. If actual or estimates are already known for the area, they should be used. Many budget items will vary greatly for different parts of the country and also because some grantees will be able to obtain some non-federal funding and/or in-kind contributions for their self-help program.

The pre-application budget and final application budget, while following the same format, will require a more detailed analysis and therefore may require different amounts.

### **Preliminary Budget Guide:**

#### **Step 1**

Estimate the number of employees (full and part time) needed to operate your program. Establish an estimated salary for each position for the proposed period of your grant. This can be done based on salaries from organizations in your area that pay their employees for similar positions.

#### **Step 2**

Other budget items can be estimated as follows:

Fringe benefits	25%-30% of the Total Salary
Travel expenses	5%-10% of the Total Salary
Equipment	2%- 5% of the Total Salary
Supplies	1%- 3% of the Total Salary
Contractual	3%- 5% of the Total Salary
Other Misc. Expenses	15%-20% of the Total Salary

## BEST PRACTICE - Budget Worksheet

	1st Year	2nd Year
A. Personnel Salaries		
Executive / Project Director	_____	_____
Group Worker / Loan Packager	_____	_____
Secretary / Bookkeeper	_____	_____
Construction Supervisor	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____

**Note:** Consider a cost of living and / or merit increase for your employees.

<b>TOTAL Personnel per year</b>	\$_____	\$_____
---------------------------------	---------	---------

**TOTAL Personnel** \_\_\_\_\_

	1st Year	2nd Year
B. Fringe Benefits		
Worker's Compensation	_____	_____
FICA / Social Security	_____	_____
Health Insurance	_____	_____
Unemployment Insurance	_____	_____
Other: _____	_____	_____

<b>TOTAL Fringe Benefits per year</b>	\$_____	\$_____
---------------------------------------	---------	---------

**TOTAL Fringe Benefits** \_\_\_\_\_

C. Travel		
Local Travel Reimbursement	_____	_____
Out of Town Travel	_____	_____
Costs to attend Annual Self-Help Conference	_____	_____
Other	_____	_____

**Note:** Current government mileage rate is \$.445 per mile. (As of 1/06)

<b>TOTAL Travel per year</b>	\$_____	\$_____
------------------------------	---------	---------

**TOTAL Travel** \_\_\_\_\_

	1st Year	2nd Year
D. Equipment		
Office Equipment		
Desks	_____	_____
Chairs	_____	_____
File Cabinets (locking)	_____	_____
Bookcases	_____	_____
Computer / Printer	_____	_____
Facsimile Machine	_____	_____
Copy Machine	_____	_____
Other Office Machines	_____	_____

**Note:** Purchase of office equipment is permissible when the grantee determines it to be more economical than renting.

**Subtotal Office Equipment per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**SUBTOTAL Office Equipment**      \_\_\_\_\_

Power or Specialty Tools		
Power Saws	_____	_____
Electric Drills	_____	_____
Saber Saws	_____	_____
Ladders	_____	_____
Scaffolds	_____	_____
Others	_____	_____

**Note:** The participating families are expected to provide their own hand tools, such as hammers and hand saws.

**Subtotal Tools per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**SUBTOTAL Tools**      \_\_\_\_\_

**TOTAL Equipment per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Equipment**      \_\_\_\_\_

E. Supplies		
Letterhead and Envelopes	_____	_____
Pens and Pencils	_____	_____
Other Office Supplies	_____	_____

**TOTAL Supplies per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Supplies**      \_\_\_\_\_

1st Year      2nd Year

F. Contractual

Auditing and / or Accounting	_____	_____
Legal Services	_____	_____
Sponsor Services	_____	_____
Architectural / Engineering	_____	_____

**Note:** You can pay sponsors from grant funds only if the sponsor can provide services that will reduce the cost of assistance.

**TOTAL Contractual per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Contractual**      \_\_\_\_\_

G. Other Costs

Rent	_____	_____
Utilities		
Gas	_____	_____
Electric	_____	_____
Water	_____	_____
Other	_____	_____
Telephone		
Basic Service	_____	_____
Long Distance	_____	_____
Installation	_____	_____
Cell Phone Service	_____	_____
Maintenance		
Janitorial Service	_____	_____
Repair Fund (if necessary)	_____	_____
Postage		
Postage	_____	_____
Annual Fee for Bulk Mail Permit	_____	_____
Bulk Mail Postage Estimate	_____	_____
Publications and Subscriptions		
Annual Subscription Fees	_____	_____
Books, Pamphlets, etc.	_____	_____
Printing, Copying, and Advertising	_____	_____
National Self-Help Housing Association Annual Fee	_____	_____
Insurance		
Liability	_____	_____
Other	_____	_____
Staff / Board Training	_____	_____

**Note:** Traveling cost may include the cost of travel and per diem to attend in or out of state training. [1994-I, 1944.405(g)]

**TOTAL Other Costs per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Other Costs**      \_\_\_\_\_

H. Indirect Costs

	1st Year	2nd Year
<b>TOTAL Indirect Costs per year</b>	\$ _____	\$ _____
<b>TOTAL Indirect Costs</b>	_____	
<b>TOTALS (Per Year)</b>	\$ _____	\$ _____
<b>TOTAL (Both Years)</b>	\$ _____	

## **BEST PRACTICE - Sample Budget Narrative**

**Salaries:** Our salary scale is attached. Salary levels are comparable or less than similar positions in our area according to a wage survey recently published by Labor Market Information for our state (copy attached). All personnel are expected to start at Step 1. All employees will move up one step at the start of the second year. The bookkeeper will also serve as receptionist and provide clerical assistance. The group worker will work an average of 20 hours per week and will also perform other administrative duties. The budget includes funds for a COLA increase of 4% effective January 2006 and another effective January 2007.

**Fringe Benefits:** FICA amounts are based on a rate of 7.65% for each year. Worker's Compensation insurance was computed at 0.63% for clerical employees and at 14.08% for the Construction Supervisor. Unemployment Compensation is based on the present rate of 1.83% of salaries. Medical/Health Insurance for only the three full-time employees is expected to cost a total of \$15,164 for the first year. We have estimated that the costs will increase by 10% during the second year. Total fringe benefits are 28.3% of salary. We feel the full time employees should be provided with health care benefits since they will have very little long term job security and no retirement benefits except social security.

**Travel:** Our construction sites will be approximately 10 miles from the proposed office space and we expect the Executive Director to travel to the construction sites at least twice a week and to make many trips to family homes, Rural Development offices, suppliers, land sites, etc. to inspect progress, help recruit, handle problems, conduct training, attend meetings, locate building sites, etc. We expect he will travel 400 miles per month. The Construction Supervisor will travel at least 400 miles per month to visit the suppliers of building materials and contractors to discuss orders, deliveries, progress, and problems. We also expect the Bookkeeper and Group Worker to travel a combined total of 200 miles per month to the Rural Development office, family homes, banks, post office, etc.

**Air Travel/ Car Rental/ Per Diem/ Lodging:** This item will provide for our staff to attend some of the regional and national training conferences sponsored by NCALL and Rural Development. Amounts are just estimates as no knowledge is available of at this time regarding the number, length, or location of these conferences.

**Consumable Equipment and Tools:** This item will allow for the purchase of miscellaneous office equipment such as used desks, chairs, filing cabinets, etc. It will also allow for the purchase of power saws, electric drills, saber saw, step ladders, wheel barrows, staple guns, tape measures, etc. to be used by the participating families.

**Nonexpendable Equipment and Tools:** We have established a cost per item of \$500 or more for nonexpendable personal property. This item will allow for the purchase of two computers, one table saw, two extension ladders, scaffolding, one miter box saw and other items that may be needed.

**Equipment Rental and Repair:** Will allow the rental of a copying machine for use in the office and periodic rental of construction equipment such as a generator and heater. Also provides for repair of equipment, furniture, and tools.

**Supplies:** This item will allow for the purchase of miscellaneous office supplies such as paper, pens, pencils, ledger sheets, staplers, and calculators, etc.

**Contractual Expenses:** Our contractual expenses are made up of audit and accounting as well as architectural and engineering expenses. This will allow for a CPA's assessment of the accounting system at the beginning of the grant period and an annual detailed audit of grant accounting records and family loan records. This cost is based on discussions with two local accountants and other grantees in the state. The architectural fees will allow for the purchase of additional house plans and blueprint copies acceptable to Rural Development.

**Space Rental:** Rental estimate is based on rates advertised in the local newspapers and from discussions with local Realtors for the minimum amount of office space needed. A modest office of about 700 sq. ft. will be sought. We have estimated that rental costs will increase by 10% for the second year because of the expected shortage of rental space in this area as recommended by local Realtors.

**Utilities:** The charges here are based on previous experience on gas and electric fees, with the self-help program paying 33% based on the break down of square foot usage per program.

**Telephone:** Will allow for the installation of four telephone instruments on one line and for necessary monthly and toll charges. Calls to many suppliers in this area, the Rural Development District Office and NCALL are toll calls. The Construction Supervisor will have a cell phone for use on site, based on a charge of \$40 per month.

**Postage:** This estimate is based on costs incurred by another grantee in this state and the recent 14% increase in rates.

**Printing, Advertisement, Publications, and Memberships:** Miscellaneous printing is expected to cost \$150 per year and advertising for lots and self-help families \$450 per year. Miscellaneous publications and memberships such as the Rural Housing Coalition and several trade magazines will cost approximately \$100 per year.

**Insurance:** Will allow for limited general liability insurance and for coverage on construction and office equipment. Insurance rates continue to rise dramatically so we have allowed for a 10% increase the second year. Costs are based on discussions with local agents.

**Surety Bond:** Will provide bonding as required by Rural Development. Cost is based on discussions with local insurance agents and other grantees in the state.

**Educational Improvements:** Will provide for the cost of relevant seminars and educational materials for staff.

## Sample Maximum TA Amount Calculation

Equivalent Value of Modest Housing X 15% X # of Homes Proposed = Maximum TA Budget

$$\underline{\hspace{2cm}} \times .15 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

# National Self-Help Housing Directors Association

The National Self-Help Housing Directors Association is an organization made up of self-help housing grantees all across the nation that come together to unify their voice and their cause. There is an annual dues requirement to join the association. This cost is an allowable expense under the Section 523 Self-Help Housing Grant. These fees help to lobby Congress for increased funding and improve laws to assist the cause of rural housing. Don't forget to add this expense into your budget. The following is the current annual dues structure of the organization:

<b>523 Grant Amount</b>	<b>Dues</b>
0—\$200,000	\$200
\$200,001—\$500,000	\$300
\$500,001—\$1,000,000	\$400
Over \$1 million	\$500

**11.**  
**Determination**  
**of TA Grant**  
**Amount**

**1944.407**

## Determining the TA Grant Amount

**BEST PRACTICE** - It is a good idea to develop a realistic budget first, and then see if it falls within the guidelines determined by Rural Development. Also needed is a mathematical calculation to demonstrate how the grant amount was figured. A narrative here is very helpful also.

The pre-application needs to contain support for the amount of TA Grant being requested. This section is where the organization provides documentation justifying the TA amount. This section needs to include a letter from Rural Development indicating the **Equivalent Value of Modest Housing**. The Equivalent Value of a Modest Home is an amount established by Rural Development - it is the typical cost of recent (within the last 12 months) contractor built, 502 financed house in the area. If there has been no activity within the past 12 months, the value is established by Marshall Swift or similar handbook.

The amount of the TA Grant depends on the experience and capability of the applicant and must be justified based on the number of families to be assisted. As a guide, the maximum grant amount for any grant period will be limited to a certain TA cost per house. (TA cost can be calculated three different ways, these follow.)

- **TA Cost**

TA Cost is the technical assistance (TA) cost per house. This is a guide that Rural Development uses to estimate the reasonable cost of a self-help program.

TA cost = Total grant amount / number of houses the organization proposes to build.  
(\$228,000 / 12 homes = \$19,000 TA cost per house)

- **Maximum grant amount is limited to:**

- A) Maximum TA cost per house = 15% x Equivalent Value of Modest Housing (ask Rural Development if this figure includes lot cost, if it does subtract it out and add your actual or projected cost of site and site development).  
.15 x \$128,000 = \$19,200 Maximum TA cost per house  
(So if you decided to do 10 houses, you couldn't get more than \$192,000)
- B) Maximum TA cost per house = Equivalent Value - Average mortgage - \$1,000  
\$128,000 - \$105,000 - \$1,000 = \$22,000 Maximum TA cost per house  
(This can only be used by existing organizations or those who know what their mortgages are going to be.)
- C) **\*\*Amount established by the State Director to accomplish a particular goal. An example of such a goal might be serving only very low income families, serving remote areas or something else similar.**

## WORKSHEET

**Purpose:** Use this worksheet to calculate the maximum per unit TA amount, and the maximum TA allowable (this worksheet will be used by Rural Development as a measurement tool).

**Information obtained from the Rural Development Local Office:**

- 1. Equivalent Value of Modest Housing “A” \_\_\_\_\_  
 (Rural Development financed, contractor built within 12 months and includes lot)
- 2. Lot cost of house in #1 “B” \_\_\_\_\_

**Information developed from Grantee resources:**

- 3. Average cost of lots to be used for the first group of houses “C” \_\_\_\_\_

Using the “equivalent value of a modest home”, determine the maximum per unit Technical Assistance amount, and the Maximum TA Allowable, using the RD Instruction 1944-I, Section 1944.407 (a) and (b).

$$\frac{\text{A}}{\text{A}} - \frac{\text{B}}{\text{B}} + \frac{\text{C}}{\text{C}} = \frac{\text{D}}{\text{D}}$$

$$\frac{\$ \text{D}}{\text{D}} \times .15 \text{ (or 15\%)} \times \frac{\text{Proposed \# of homes}}{\text{Proposed \# of homes}} = \frac{\text{Maximum TA Allowable}}{\text{Maximum TA Allowable}}$$

# **12.**

# **Preliminary Land Survey**

## Preliminary Land Survey

Include in this section information about the availability of lots.

**BEST PRACTICE** - At a minimum, the pre-application should include at least the amount of lots that are needed to complete the program. This proof can be in the form of MLS listings or deeds if the land is already owned. Include a narrative that details the expected cost and any development that may be required. **Maps showing the local and regional area are also required.**

Eventually, during the final application stage, you will need to show Rural Development that you have control or access to suitable building sites as defined by Rural Development. So the more work you do now, the less you will have to do later on.

**BEST PRACTICE** - Land is a key ingredient to the program and the search for acquiring it should be approached in an organized and systematic manner. Many programs have failed or not gotten off the ground because adequate approvable land could not be obtained. **Work closely with your local Rural Development Office for possible lots. They are required to approve lots you will be using for the mutual self-help program.**

**BEST PRACTICE** – It is extremely risky on your part to develop a subdivision at the same time you are developing a mutual self-help program. If at all possible, find developed lots for your first grant.

Site acquisition and the site development process are a unique process by nature and locality. Person to person contacts should be made in this initial land survey to lay the ground work for the actual land search and acquisition.

More land information is located later in this manual.

**13.**  
**Other Applicant**  
**Activities**  
**&**  
**Indirect/Direct**  
**Cost**

**1944.410(a)(8)**

## **Other Activities**

List all of the other activities the organization is engaged in and expects to continue. Include a brief description of the program and the organization's role in it. State what the funding source is and if it is adequately provided for during the proposed self-help program. This statement provides Rural Development with the assurance that whatever activities the organization is engaged in, they are adequately funded during the self-help program, and that the 523 grant funds will not be used to support any other program.

## **Direct or Indirect Cost Policy**

For the 523 pre-application, an approved direct or indirect cost policy must be submitted. In addition, you must document the indirect cost rate or the lack thereof. (An indirect cost rate is a mechanism used by the federal government to reimburse indirect costs to organizations receiving federal funding.)

If an organization has never obtained an indirect cost rate, a grantee must submit the indirect or direct cost policy with the 523 pre-application. The negotiated indirect cost rate or some type of documentation from the Department of Interior indicating an indirect cost rate is not needed must be submitted with the 523 final application. Grant closing will probably be held up until this requirement is met.

If an organization is multi-funded and has already negotiated in indirect cost rate, submit this documentation with the 523 pre-application. This is all the documentation required.

## **Indirect Cost/ Direct Cost Allocation**

An Indirect Cost Plan or a Direct Cost Allocation Plan is required when an organization has more than one grant or one source of funding. It enables actual costing on each project and prohibits the mixing of funds. The regulations that require this are OMB Circular A-87 for local governments and OMB Circular A-122 for nonprofit organizations.

### **Indirect Cost Method**

Using the indirect cost method is recommended when shared costs become impractical to be charged directly to various funding sources. It provides a more equitable distribution of expenses, reduces record keeping and makes it easier to assure that funds are properly accounted for as required by OMB circulars. Shared costs generally consist of administrative salaries, consumable supplies, office rent, insurance, general telephone expenses, and audit fees.

Indirect cost rate is used to determine the amount each funding source is charged. It is a rate that is a ratio, expressed as a percentage, of the shared or common costs to a direct cost base

The direct cost base is usually either total direct costs or direct salaries and wages. You must determine which is a fair charge for your situation. The goal is to keep your indirect rate as low as possible and direct allocation base is as large as possible. The direct allocation base for each funding source is multiplied by the rate and the funds are transferred to the indirect cost pool to pay the indirect charges.

### **Direct Cost Allocation Plan**

An exception of an indirect cost plan may be granted if an organization is capable of directly charging administrative costs in a consistent manner. You must be able to document direct allocations in all cost categories and you must prepare a cost allocation plan and have it approved by your cognizant agency. (Your cognizant agency is your largest Federal funding source, in the case of Rural Development, they have contracted out to the Department of the Interior's National Business Center, so DOI will have to approve your cost plan.)

### **BEST PRACTICE - Selecting One Method Over Another**

In selecting one method over another consideration needs to be given to the time and money required to achieve the greater degree of accuracy. The point is to be able to avoid inconsistent costing.

### **Cognizant Agency**

The cognizant agency is usually the largest Federal funding source of an organization and acts on behalf of all other federal agencies in approving the organizations' indirect cost rate or direct cost allocation plan. In the case of Rural Development, they have contracted out to the Department of the Interior's National Business Center. So someone from DOI may help design and will have to approve the cost plan.

An organization will propose an indirect cost rate to the cognizant agency and then an agreement is reached. If your largest federal funding source is the USDA Rural Development 523 grant, the indirect cost rate proposal and/or cost allocation plan needs to be submitted to DOI's National Business Center at the following address:

Deborah Moberly, Deputy Coordinator  
Indirect Cost Services  
U.S. Department of the Interior  
National Business Center  
2180 Harvard Street, Suite 430  
Sacramento, CA 95815  
916-566-7111

**BEST PRACTICE** - In order to expedite the processing of an application, make sure to mention in a cover letter that your organization receives funds from USDA Rural Development. Also, send in the most recent audited financial statements. Visit their website at <http://www.nbc.gov/icsprep.html> for more information on what to include in an indirect cost rate proposals as well as to obtain sample forms, checklists and links to related websites.

**Guidelines for plans:**

If assistance is needed in developing a plan, NCALL, Rural Development, or the Department of the Interior's National Business Center will be able to help.

**Deadlines for Submitting Proposal**

The deadlines for submitting a proposal are as follows:

- Existing cost allocation plans or indirect cost rates should be submitted with the pre-application.
- Proposed direct cost plans or indirect cost plans that have been submitted to DOI should be submitted with the final application, but these need to be approved before the grant is closed. Proposals should be submitted to the Department of Interior's National Business Center no later than the time the final application is forwarded to Rural Development to enable this to be approved.

## Sample Allocation of Shared Costs Using a Direct Cost Allocation System

With a direct allocation plan the payment of administrative (indirect type) expenses are prorated to the different funding sources based on the percentage each funding source's base amount is to the total base amount.

In this example the total direct costs are used as a base.

Grant	Direct Costs	%Share	Share of Admin.	Total Costs
RD	\$ 182,143	42.4%	\$ 37,543	\$ 219,686
State CDBG	86,100	20.0%	17,709	103,809
Church Grant	105,359	24.5%	21,694	127,053
Foundation Grant	56,235	13.1%	11,600	67,835
Totals	429,837	100.0%	\$ 88,546	\$ 518,383

Total Admin Expenses 88,546

Total Costs \$ 518,383

## Sample Allocation of Shared Costs Using an Indirect Cost Rate System

The indirect cost rate is a ratio, expressed as a percentage, of an indirect cost pool and some direct cost base. The direct cost base is commonly either direct salaries and wages or total direct costs. With this system, only expenses that cannot be equitably directly charged to a funding source are usually considered as an indirect cost.

In this example the total direct costs are used as a base.

Grant	Direct Costs	Share of Indirect Costs	Total Costs
RD	\$ 182,143	\$ 37,521	\$ 219,664
State CDBG	86,100	17,737	103,837
Church Grant	105,359	21,704	127,063
Foundation Grant	56,235	11,584	67,819
Totals	429,837	\$ 88,546	\$ 518,383

Total Indirect Costs    88,546

Total Costs                \$ 518,383

Indirect Cost Rate        88,546        =20.6%  
    429,837

**14.**  
**Pre-Development  
Grant Assistance  
Request**

**1944.410(a)(9)**

## **Pre-Development Funds**

The purpose of predevelopment funds is to provide funds to develop a 523 final grant application. These funds are available once for a defined area (for existing or potential grantees), and the organization that is requesting them must lack the financial resources necessary to develop the final application.

- If you are not requesting pre-development funds, include a sentence to that effect in the preapplication.

OR

- **BEST PRACTICE** - If you are requesting pre-development grant funds, include a brief narrative identifying the need, the amount of funds needed, the projected time period and a budget. You may request up to \$10,000, for up to 6 months. If there is money available the RD State Director has the authority to approve this after the preapplication is reviewed and approved. The predevelopment grant is not figured in the TA cost per unit. Detailed accounting records of these funds must be maintained.

### **Authorized Uses of Pre-Development Grant Funds**

Expenses that are allowed for the predevelopment grant are pretty much the same as the final grant. These include salaries authorized in the budget, necessary employee fringe benefit costs, necessary and reasonable office expenses and supplies, reasonable travel costs, advertising costs in connection with recruiting self-help participants, and certain consulting and legal costs that are required if the service is not available without cost.

### **Prohibited Use of Pre-Development Grant Funds**

Expenses that are not authorized in the budget include buying real estate or building materials for families, paying debts, expenses or costs which is the responsibility of the family paying for the costs that are not directly related to the objectives of the self-help housing program and debts or expenses which were incurred prior to the execution of the predevelopment grant agreement.

## SAMPLE PRE-DEVELOPMENT GRANT BUDGET

	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTAL</b>
Salary	\$750	\$750	\$750	\$750	\$750	\$750	\$4,500
Fringe	\$75	\$75	\$75	\$75	\$75	\$75	\$450
Travel/Mileage	\$100	\$100	\$100	\$300	\$300	\$300	\$1,200
Supplies/Postage	\$100	\$100	\$100	\$100	\$100	\$100	\$600
Printing/Copying	\$500	\$500	\$200	\$100	\$100	\$50	\$1,450
Drafting Services	---	---	\$300	\$300	---	---	\$600
Advertisements	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
<b>TOTALS</b>	<b>\$1,725</b>	<b>\$1,725</b>	<b>\$1,725</b>	<b>\$1,825</b>	<b>\$1,525</b>	<b>\$1,475</b>	<b>\$10,000</b>

\*If it should be necessary to request additional time for completion of the final grant application we will advise you. We request the authority to make internal budget changes we deem necessary during the period of the predevelopment grant.

Note - Some Rural Development offices may request the pre-development budget to be on SF-424A.

**15.**  
**HUD Fair**  
**Housing**  
**Marketing Plan**  
**935.2B (8/2006)**  
**1944.410(a)(10)**

## HUD Affirmative Fair Housing Marketing Plan

Include a completed 935.2b in this section. Review the form for completeness before submission. This plan is to describe how your agency will try to reach those “least likely” to apply.



4c. **Marketing Program: Community Contacts.** To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below which are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted (or to be Contacted)
Address & Phone Number	Method of Contact	Indicate the specific function the Group/Organization will undertake in implementing the marketing program	

<p>5. <b>Reserved</b></p>	<p>6. <b>Experience and Staff Instructions</b> (See instructions)</p> <p>6a. Staff has affirmative marketing experience.  <input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.</p>
---------------------------	--

7. **Additional Considerations** Attach additional sheets as needed.

8. **Compliance with AFHM Plan Regulations:** By signing this form, the applicant agrees to ensure compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only
Approved ____ Disapproved ____ (Check One)	
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)
Name (type or print)	Name (type or print)
Title	Title

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

The Affirmative Fair Housing Marketing (AFHM) Plan is used to ensure that Federal Housing Administration (FHA)-insured single family housing developers are taking necessary steps to eliminate discriminatory practices and to overcome the effects of past discrimination involving Federally insured housing. No application for any housing development insured under the Department of Housing and Urban Development's (HUD) housing programs, can be funded without a HUD-approved AFHM Plan (See the "Applicability" section in the instructions below.) Single family housing developers complete the AFHM Plan only during the application process and the AFHM Plan is in effect until after initial occupancy. The responses are required to obtain or retain benefits under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

**Applicability:** Single family developers should answer the following two questions to determine if they need to complete an AFHM Plan or if they should complete block 11 on form HUD-92541, Builder's Certification of Plans, Specifications, & Site. [See HUD Mortgagee Letter 1995-18 dated April 28, 1995 and 2001-09 dated April 2, 2001]

Question 1. (Check if applicable)

- a. Did you sell five (5) or more houses in the last twelve (12) months with HUD mortgage insurance?
- b. Do you intend to sell five (5) or more houses within the next twelve (12) months with HUD mortgage insurance?

If you did **not** check 1a or 1b, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you checked 1a and/or 1b, you must go to Question 2.

Question 2. (Check if applicable)

- a. I am a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA).
- b. I have an AFHM Plan that HUD approved.
- c. I have contracted with a company that has an AFHM Plan or who is a signatory to a VAMA to market my houses.
- d. I certify that I will comply with the following: (a) Carry out of affirmative program to attract all minority and majority groups to the housing for initial sale. Such a program shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, disability, familial status or national origin, through the type of media customarily utilized by the applicants; (b) Maintain a nondiscriminatory hiring policy in recruiting from both minority and majority groups; (c) Instruct all employees and agents in writing and orally in the policy of nondiscrimination and fair housing; (d) Conspicuously display the Fair Housing Poster in all Sales Offices, include the Equal Housing Opportunity logo, slogan and statement in all printed material used in connection with sales, and post in a prominent position at the project site a sign that displays the Equal Opportunity logo, slogan or statement, as listed in 24 CFR 200.620 and appendix to subpart M to part 200. I understand that I am obliged to develop and maintain records on these activities, and make them available to HUD upon request.

If you checked "a, b, c, or d" in Question 2, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you did **not** check “a, b, c or d” in Question 2, 2 must complete an AFHM Plan.

Each applicant is required to carry out an affirmative program to attract prospective buyers of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability, familial status, or religious affiliation. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, families with children, or persons of different religious affiliations. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales period. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy.

## INSTRUCTIONS

**Send completed form to:** your local HUD Office  
**Attention:** Director, Office of Housing

### **Part 1-Applicant and Project Identification.**

Blocks 1a thru 1e-Self-Explanatory. Block 1f-the applicant should specify the approximate date for starting the marketing activities and the anticipated date of initial occupancy. Block 1g-the applicant should indicate the housing market area, in which the housing will be located. Block 1h - the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1i the applicant should complete only if a Sales Agent (the agent can not be the applicant) is implementing the AFHM Plan.

### **Part 2-Type of Affirmative Marketing Area:**

. The AFHM Plan should indicate the racial composition of the housing market area in which the housing will be located by checking one of the three choices. Single family scattered site builder should submit an AFHM Plan that reflects the racial composition of each the housing market area in which the housing will be located. For example, if a builder plans to construct units in both minority and non-minority housing market areas, a separate AFHM Plan shall be submitted for each housing market area.

**Part 3-Direction of Marketing Activity.** Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of

housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be located, disability, familial status, or religious affiliation of eligible population, public transportation routes, etc.

**Part 4-Marketing Program.** The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan as present in the housing marketing area and are least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, families with children, and religious affiliation) and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality, that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women’s organizations, grass roots faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD–Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

## **Part 5-Reserved**

### **Part 6-Experience and Staff Instructions.**

- 6a. The applicant should indicate whether he/she has had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to sales staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

**Part 7-Additional Considerations.** In this section describe other efforts not previously mentioned which are planned to attract persons least likely to apply for the housing.

### **Part 8-Compliance with AFHM Plan Regulation.**

By signing, the applicant assumes full responsibility for implementing the AFHM Plan. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

**Notice of Intent to Begin Marketing.** No later than 90 days prior to the initiation of sales marketing activities, the applicant with an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

**Civil Rights  
Impact Analysis  
Certification  
Form RD 2006-38**

**2006-P, 2006.754(b)**

USDA-RD  
Form RD 2006-38  
(12-94)

**Civil Rights Impact Analysis  
Certification**

(1) 1. Office and Division or Location.  
\_\_\_\_\_

(2) 2. Proposed Policy Action:  
\_\_\_\_\_  
\_\_\_\_\_

(3) 3. **I certify I have reviewed and analyzed appropriate documentation and determined that:**  
((Check one) and provide the required information)

a. \_\_\_\_\_ **No major civil rights impact is likely to result** if the proposed action is implemented.  
Summarize your reasons for this conclusion. Identify supporting information and statistical data.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. \_\_\_\_\_ A major civil rights impact, as described below, is likely to result if the proposed action is implemented.  
Identify the group which may be adversely affected. Summarize your reasons for this conclusion. Identify supporting information and statistical data.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To minimize the potential for an adverse impact, the following alternatives or supplemental action(s) are recommended.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(4) \_\_\_\_\_ Date  
Name and Title of Certifying Official

Form RD 2006-38 (12-94)

This form is required to certify that a Civil Rights Impact Analysis has been completed to determine whether a Major Civil Rights Impact is likely to result. The analysis is to be completed prior to approving and implementing a proposed policy action.

**(see reverse)**

**PROCEDURE FOR PREPARATION**

: RD Instruction 2006-P.

**PREPARED BY**

: Certifying Official.

**NUMBER OF COPIES**

: Original and two copies.

**SIGNATURES REQUIRED**

: Original signed by Certifying Official.

**DISTRIBUTION OF COPIES**

: Original filed with the original proposal or request for approval and a copy filed in an operational file at the originating office. For analyses and certifications completed at the State level, copy to State Civil Rights Coordinator/Manager. For analyses and certifications completed at the National Office level, copy to the Equal Opportunity Staff.

**INSTRUCTIONS FOR PREPARATION**

- (1) State the name of the office and division name or location.
- (2) Identify and describe the type of action being proposed.

- (3) **Check only one.**

**If (a) is checked,** provide a narrative of the reasons for determining no civil rights impact is likely to result. Attach additional pages, as necessary. Statistical documentation should be referenced within the narrative.

**If (b) is checked,** provide a narrative of the reasons for determining a civil rights impact is likely to result. Attach additional pages, as necessary. Statistical documentation should be referenced within the narrative. In addition, alternatives or supplemental actions should be described in the space provided for that purpose.

- (4) The official making the determination must sign and date the certification.

**Civil Rights Impact Analysis  
Certification**

1. Office and Division or Location.

\_\_\_\_\_

2. Proposed Policy Action:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. **I certify I have reviewed and analyzed appropriate documentation and determined that:**

((Check one) and provide the required information)

a. \_\_\_\_\_ **No major civil rights impact is likely to result** if the proposed action is implemented.  
Summarize your reasons for this conclusion. Identify supporting information and statistical data.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. \_\_\_\_\_ A major civil rights impact, as described below, is likely to result if the proposed action is implemented.

Identify the group which may be adversely affected. Summarize your reasons for this conclusion. Identify supporting information and statistical data.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To minimize the potential for an adverse impact, the following alternatives or supplemental action(s) are recommended.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name and Title of Certifying Official

\_\_\_\_\_  
Date

**17.**  
**Compliance  
Review  
(Pre-award)**

**Form RD 400-8  
1901-E, 1901.204(a) and  
1901.204(c)(3)**

Save a spot in the application for this to be included by Rural Development.

**18.**  
**Self-Help Technical  
Assistance Grant  
Predevelopment  
Agreement**

**1944-I, Exhibit D**

**1944.410(d)**

**SELF-HELP TECHNICAL ASSISTANCE GRANT PREDEVELOPMENT AGREEMENT**

THIS GRANT PREDEVELOPMENT AGREEMENT dated, \_\_\_\_\_  
20 \_\_\_\_\_, is between

\_\_\_\_\_ a  
nonprofit corporation ("Grantee"), organized and operating under

\_\_\_\_\_ a  
(authorizing State statute)

and the United States of America acting through the Rural Development, Department of Agriculture.

In consideration of financial assistance in the amount of \$ \_\_\_\_\_  
("Grant Funds") to be made available by Rural Development to Grantee under Section 523 (b)(1)(A) of  
the Housing Act of 1949 to be used in (specify area to be served)

\_\_\_\_\_ for the purpose of developing a program of technical  
and supervisory assistance which will aid low-income families in carrying out mutual self-help  
housing efforts, Grantee will provide such a program in accordance with the terms of this Agreement  
and Rural Development regulations.

Grant funds will be used for authorized purposes as contained in §1944.410(d) of 7 CFR Part 1944,  
Subpart I, as necessary, to develop a complete program for a self-help TA grant. This will include  
recruitment, screening, loan packaging and related activities for prospective self-help participants.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_  
20 \_\_\_\_\_.

\_\_\_\_\_  
(Name of Grantee)

UNITED STATES OF AMERICA

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)  
RURAL DEVELOPMENT

(11-15-90) SPECIAL PN

# **19.**

# **Authorizing Resolution**

**1944.411(d)**

## Authorizing Resolution

A resolution must be adopted by the board of directors to the effect that one or more specified persons are authorized to act on your organization's behalf. Specifically it must state that they are able to sign the Grant Agreement, 1944-I, Exhibit A, form RD 400-4 "Assurance Agreement," and to work with Rural Development on the self-help program. Provide name(s), address(s) and official position(s) of designated person(s).

# **20.**

## **Rural Development Managers or Area Managers Recommendation**

Save a spot in the application for this to be included by Rural Development.

**21.**  
**T&MA**  
**Contractor's**  
**Review and**  
**Recommendation**

**Required Under National**  
**Office Contract**

Save a spot in the application for this to be included by Rural Development.

**22.**  
**OGC Review**  
**(if necessary)**

**1944.410(b)(2)**

Save a spot in the application for this to be included by Rural Development.

**23.**  
**Review Action**  
**and Letter of**  
**Conditions**

**1944.410(c)**

Save a spot in the application for this to be included by Rural Development.

**24.**

**Request for  
Obligation of  
Funds**

**Form RD 1940-1  
1944.413(a)(1)**

## RD 1940-1 “Request for Obligation of Funds”

Complete this form and submit it with the pre-application. At item 45, on the back, have the authorized representative sign and date two copies of the form.



**CERTIFICATION APPROVAL**

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant’s legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check “NO”, the interest rate charged on my loan will be the rate specified in Item 28 of this form. \_\_\_\_\_ YES \_\_\_\_\_ NO

**WARNING:**            **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.**

Date \_\_\_\_\_, 20 \_\_\_\_\_ \_\_\_\_\_  
*(Signature of Applicant)*

Date \_\_\_\_\_, 20 \_\_\_\_\_ \_\_\_\_\_  
*(Signature of Co-Applicant)*

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

\_\_\_\_\_  
*(Signature of Approving Official)*

Date Approved: \_\_\_\_\_ Title: \_\_\_\_\_

38. TO THE APPLICANT: As of this date \_\_\_\_\_, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

**C.**  
**PUTTING THE**  
**PRE-**  
**APPLICATION**  
**TOGETHER**

## Putting the Pre-Application Together

### **Use the Rural Development Checklist for order and format**

**BEST PRACTICE** - Please use the order of the checklist at the beginning of this manual. Include a Table of Contents and tab the sections to make the information easier to locate.

### **Check every page for completeness, signatures and dates**

**BEST PRACTICE** - Rural Development will send it back if it is incomplete. NCALL recommends that organizations send us their pre-application first, considered a “Draft”. We will then perform a “Draft” review and provide comments to you. This will save everyone involved time during the official review stage. We recommend you incorporate our recommendations into an “Official” Pre-application.

### **Make Two Copies of the “Official” Pre-Application**

**BEST PRACTICE** - Applicants and existing self-help housing grantees applying for a new grant need to submit their pre-applications in an original and one copy to the Rural Development office designated to receive the grant application as determined by the State. Keep a copy for yourself. Upon receipt by RD, one copy will be sent to NCALL for review. The review must be completed within 15 calendar days, with the review letter going to the State Director.

### **Review Process**

The review process should only take 60 days or less. Rural Development will complete a review of the pre-application only if it is complete. Rural Development will verify that a need exists and that adequate resources will be available to carry out the program. This review must be completed within 30 days. Then the State Director has 30 days to determine eligibility, unless a legal opinion is needed. Legal questions regarding the organization will be forwarded to the Office of General Council (OGC). All obligation requests now go to the National Office.

### **Approval**

If the pre-application is complete, the State Director will request approval and obligation from the National Office. Once obligated, the State will issue Form AD-622 along with a Letter of Conditions – usually regarding items necessary to close the Predevelopment Grant, and the 1940-1, “Request for Obligation of Funds”. At the Predevelopment Grant closing, Rural Development will sign 1944-I, Exhibit D, “Predevelopment Grant Agreement”.

**BEST PRACTICE** - When the organization receives this notice of approval, please notify NCALL, and forward a copy of the Predevelopment Grant Agreement after signing. At this time we can arrange a trip to provide staff training. At this time we will schedule Final Application training with you.

**D.**  
**DEVELOPING**  
**A SELF-HELP**  
**HOUSING**  
**PROGRAM / KNOW**  
**THE PROGRAM**

## DEVELOPING A SELF-HELP HOUSING PROGRAM

### **BEST PRACTICE - Go into the self-help TA process with your eyes open**

Know that this is a lengthy process. Recognize the commitment of staff and board time that will be needed for a successful program. Be aware that housing is a political animal and requires community support. Don't expect overnight success and set realistic expectations.

### **BEST PRACTICE - Be serious about developing a self-help housing program**

Make housing a priority. Be accountable and strive to meet the time frames that were set out for the program. Recognize fiscal responsibilities and the advantages of self-help housing for your organization.

### **BEST PRACTICE - Other ingredients needed for developing a self-help housing program**

Obtain all applicable housing regulations. Subscribe to or request housing publications such as HAC News, NRHC Legislative Update, NCALL's Self-Helper, have access to federal and state registers and get on the mailing list of your state housing finance agency. Build a housing resource library. Join state housing coalitions, local and state chapters of NAHRO, CHRB, etc. Know your local housing market, including other housing programs offered in your community and who sponsors the programs

Provide proper orientation and training of the program for board and staff and if feasible, visit another self-help housing organization.

The limit on TA cost dramatically impacts the decision making process.

The methods that are used to make initial program decisions are not an exact science.

### **Program Decisions**

#### **BEST PRACTICE - Number of Homes**

You need to determine the number of homes to build. In doing this try to be realistic. Production goals are based on some very important factors which you may not know yet. Such factors include availability of suitable building sites, the need for housing in your selected area, and the number of persons eligible to participate.

#### **BEST PRACTICE - Methods used to reach very low income families**

You need to plan how to reach very low income families. One of the hardest things self help organizations face is recruiting eligible families. You need to know your target market. This will help you choose the method of outreach, thereby determining the time, manpower and cost needed.

#### **BEST PRACTICE - Determine staff needs and size**

The size staff needed for you program should come from the number of houses to be built. A traditional staff consists of 3/4 people: Executive Director/Project Director, Group Worker/Loan Packager, Secretary/Bookkeeper, and Construction Supervisor

## KNOW THE PROGRAM

**BEST PRACTICE** - There is no substitute for familiarity with the Rural Development instructions. They provide the policy, guide, and basis for the program operations. Use the Internet at <http://www.rurdev.usda.gov/regs/>

\*\*\*Know 1944-I.

**Other instructions needed to operate the self-help program:**

\*\*\*HB-1 3550 Direct Single Family Loans & Grants  
1924-A Planning and Performing Other Construction  
1924-C Planning and Performing Site Development Work  
444.8 Rural Housing Site Loan Policies  
1940-G Environmental Instructions  
1900-B Appeals Procedures  
When questions arise, refer to the instructions online.

**The Office of Management and Budget circulars pertain to fiscal oversight and management:**

OMB Circular A-122	Cost Principles for Nonprofit Organizations
OMB Circular A-87	Cost Principles for State and Local Government
OMB Circular A-110	Uniform Administrative Requirements for Nonprofit Organizations
OMB Circular A-102	Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments
OMB Circular A-133	Audits of Institutes of Higher Education and Other Nonprofit Institutions

**BEST PRACTICE** - NCALL will get you answers to your questions, as well as Rural Development. You can print out 1944-I and HB-1 3550 but these Instructions change often, so we strongly encourage the use of the Internet.

# PROJECT PLANNING AND MANAGEMENT

## Project

The self-help project has a beginning and an end. The project is carried out with the intent of meeting established program goals. There is a predetermined cost and time schedule as well as objectives.

## Project/Program vs. Organizational

The decisions made for the program should be approached differently than decisions for organizational management. This project focuses on a specific lifespan to produce specific results. Other departments and organizations expect to exist indefinitely. Projects need resources on a part-time basis while organizations try to utilize resources on a full-time basis. Because there is a specific lifespan to produce specific results it allows you to monitor and measure progress toward results and to be more flexible to make changes so that results are produced.

## BEST PRACTICE - Four Phases of Project Management

- **Conceiving and defining** the project occurs at the stage you are currently just beginning--- feasibility and pre-application.
- **Planning** the project occurs during the final application stage.
- **Implementing** the plan takes place during grant closing to grant close-out (1 or 2 years).
- **Completing and evaluating** the project happens both internally by management and board and externally by Rural Development with the Final Evaluation.

## Planning the Project

Planning the project is crucial in project management. A plan is not a to-do list or prioritizing tasks, it is transforming work from a series of steps or tasks into a bundle of responsibilities for results. A good program plan tells you where you are going, how you will get there and how you will know you have arrived.

## Planning Steps

- Establish project objectives. (i.e., how many houses by when)
- Choose a basic strategy for achieving the objective. This is defined by detailed project specifications - determined by you and Rural Development. The goal is to assure that results of the project are achieved. It establishes criteria of performance by which the project is measured when completed.
- Break the project into subunits or steps. Divide the project into subunits with two or three levels of detail. This identifies all elements necessary to complete project, reduces chances of overlooking an essential step or part
- Design the necessary staffing pattern. Who will have responsibility for completing each subunit or step. Make individuals responsible for subunits of activities, communication, and keeping their part of the project on track
- Design the cost for each subunit. The main function of a good budget is to monitor the cost while the project is in progress and to avoid overruns. You cannot estimate cost until you break down the budget into line-items.

- Example - Recruitment is not a budget category
- Advertising / Printing / Postage / Mileage / Staff are line-items
- Determine what training is needed for team members.
- Develop necessary policies and procedures.
- Develop a plan of action.

No organization will necessarily have all steps fall in order.

**E.**  
**RECRUITMENT &**  
**PROGRAM**  
**MARKETING**

# RECRUITMENT

## **BEST PRACTICE - Develop a Recruitment Plan**

### **Step One -- Know Your Target Market**

- Where is your target market located so you can reach them? Generally are they at work, church, home, clubs, PTA, etc. What radio stations do they listen to? What program, what time of day? What papers do they read? What are their favorite sections and days to read them? What stores do they go to and when? Laundromats, car shops, grocery stores, restaurants, etc...
- In order to get this information:
  - Ask people who respond to initial public meetings and surveys
  - Ask social service agencies -- maybe they will assist in surveying the market

### **Step Two -- Analyze The Information**

- Through this process you will be able to determine where the most families can be reached.

### **Step Three -- Investigate**

- Contact organizations, employers, churches, radio stations, newspapers...etc. Let them know about the program and find out how they can help get the word out. Look into the costs and determine what free methods are available.

### **Step Four -- Plan Decisions**

- **What will effect decisions -- Implementation effects**
  - Take into consideration staffing and other job responsibilities. Which staff member is assigned what responsibilities of carrying out the plan.
  - The time frames and dates for objectives are different for each agency, but they need to be decided upon and set.
  - Money
    - Free advertising may not always be the best way to get your message to families but the same is true for costly methods. It costs more to mail 200 flyers than to advertise in local paper...but you may directly reach more VLI than through the paper.
  - Allow enough time to accomplish each step.
- **Make decisions**
  - Where and when to advertise
  - How long and how often to advertise

**Step Five -- Develop a Message** - Is the recruitment message directed at what you are providing or what the families need or want?

- **Benefits of self-help housing**
  - What are the qualities and characteristics about the home that make it attractive to your potential families and what do they get out of it personally?
    - -Product
    - -Price
    - -Self
  - Make your list and prioritize it according to the most important to your potential families. *See benefits list for ideas.*

**Step Six -- Creating Interest** -- Message not intended to tell them everything about the program, only interest them enough to take action

- **Attention**
  - Attract the attention of a passerby or a newspaper reader by creating interest.
  - -“Self-help homeowners are happy homeowners”
  - -“You can say with pride ‘I did it myself’”
  - -“Ask me how to join the \$20,000 club!”
  - -“Learn a trade and gain a home at the same time”
- **Advantages**
  - The qualities and characteristics about the home that makes it attractive to them

**BEST PRACTICE - Prove what you say is true**

There are different ways that you can prove what you say is true. Testimonials are created using someone that has gone through the program in the past to speak of its benefits. Comparative quality could be used comparing the homes you will be building with homes another builder has put up. If your organization has a good name in the community, use its reputation to get interested applicants to believe in the program. Successful performance is another possibility that can be used after the first group has been completed. Then people can be shown how well this group turned out.

**Persuade**

Get potential families to grasp the idea that they too can enjoy the benefits and rewards of becoming a homeowner. This is a large task because many never thought that homeownership was a possibility for them. It is with Self-Help Housing!

**Ask for action**

Ask the people that see an ad, read a flyer, or hear about it on a TV segment to make a decision and act on it. Whatever you want them to do is appropriate: call today, come by the office, attend a community meeting, mail in a coupon...etc. Make it easy for them to do this, so there is no excuse not to if they are interested - have a pocket of flyers on poster, tear off number on poster, phone number on TV or date, time and location of an informational meeting.

## **Recruitment Methods**

There is no such thing as one method being superior to another at this point. What you need to find is a method that is best suited to getting your message to the families you want to recruit. What works in one area may or may not work in another -- you won't know until you have tried.

### **Newspapers**

Daily papers / weekly shoppers

Paid and free advertising

**BEST PRACTICE** - Feature articles (human interest stories) -- full coverage - no cost

Advertisements -- positioning is critical

Monday's sports section lower right hand -- great

Real estate section -- not a good place

VLI families don't believe they can be homeowners

Try the Rental Section -- that is where they look

Classified ads -- works great for some grantees

Activities announcement used to announce community meetings

Press releases

### **Radio**

Ask for a station's target audience and segmentation according to time

AM may have a larger target listening area

Paid and free advertising

Free talk shows, interview shows, classified ad shows

Community service announcements (PSA)

Spot radio ads

### **Television**

Feature on local news

Local community forum type programs

Public service announcement

### **Flyers, posters, handouts**

Rural Development offices, stores, laundromats, CAP agencies, social service agencies, community bulletin boards, post offices, utility offices

Simple, attractive, informative

### **Direct mailings**

Direct mailings can be expensive compared to other methods...but with the right list it can be more rewarding than a newspaper ad. Rural Development's waiting list, church mailing lists, or waiting lists for subsidized rental housing could all be used by your organization.

A less expensive method of direct mail could be stuffing your flyers into mailings from social service agencies, AFDC agency, paychecks from local employers and the like, with their permission of course.

**BEST PRACTICE - Community meetings**

Holding a community meeting brings a number of people together to explain the self-help program. Slide shows and videos can be used to help the potential families visualize what will be required of them.

**Trade shows, human service fairs, and mall exhibits**

While these may be good, consider the time and effort taken compared to reaching your target market. Are the potential families going to be at the location where you are setting up?

**Organizations, colleges, trade schools, head-start, and migrant education centers**

These ideas are all good for getting you directly to the families ...or for referrals. Pass out newsletters, flyers, or accept speaking engagements to explain the program.

**Churches**

Announcements in church bulletins, newsletters, or bulletin boards, talking to congregations, challenging churches to sponsor needy families within the congregation are all possibilities of partnering with local churches.

**Local governments**

Can provide leads and referrals of needy families within their towns.

**BEST PRACTICE - Local employers**

Find employers that have a pay structure which supports SH income guidelines, and ask for their support of the program.

After plan is finished ask... “Am I getting my message to the most potential families in the most economical way?”

## **BENEFITS OF SELF-HELP HOUSING**

Self-help housing is different things to different people. Decide which aspects are important to those you are recruiting and incorporate these aspects into your message. To incorporate too many benefits confuses people and reduces the impact of your message. Concentrate on your strongest appeal for each individual group.

### **Product -- Stress advantages**

Examples:

- Modern, convenient, well-built
- Energy-efficient
- Quality materials
- Maintenance free
- Designed to meet your needs
- Fully inspected and approved by Rural Development
- Modern appliances (Low-e windows, Owens-Corning insulation, FHA approved carpeting, energy saving appliances)
- Unique program
- The appeal of the houses themselves - feature photographs of finished subdivisions and floor plans

### **Price -- Stress value**

Stress affordability

Do not stress "very low income" or subsidized (negatively categorizes people)

Examples:

- House payments based on applicant's ability to pay
- No down-payment
- Save money by self-help
- The investment benefits of home ownership, along with the appeal of earning your "down-payment" equity
- Invest in your own home - invest in your future
- Cost savings of owning a modern, energy-efficient home
- Own a home without breaking the household budget
- Affordable financing enables home ownership now
- Best financing for new construction in the country
- Controlling your housing costs

### **BEST PRACTICE - Self -Improvement**

Examples:

- A sense of accomplishment
- Independence and self-reliance
- Making a good home
- Improving yourself
- Doing better for yourself
- Being happy and secure

- Being proud of yourself
- The appeal of working in a group and really “knowing your neighbors”
- Building neighborhoods and community support
- Providing a better, safer environment for your family
- Satisfaction of “doing it yourself”, along with developing construction skills, budgeting skills, teamwork skills and communication skills
- The homeowner’s dream come true: getting out of the “perpetual renter” trap

## OUTREACH STRATEGIES

- Meet with social service agency councils (inter-agency) to share the Rural Development program and explain the process.
- Write to all social service agencies concerning the availability of funds and income guidelines. Invite their clients to apply.
- Meet with local ministerial association as the church is one of the best ways to disseminate information in the community and rural areas.
- **BEST PRACTICE** - Meet the press: Do a press release to get TV and radio air time for the Rural Development public service message. Local radio stations may have talk shows where you and/or Rural Development personnel could be the guest.
- Contact members of low-income apartment complexes and arrange to pass out literature and host a tenant's meeting to see if anyone is ready and willing to move on to homeownership.
- See if letters can be sent to persons on the waiting list for subsidized rental housing.
- Develop simple, easy to read, attractive flyers for public distribution.
- Contact community action agencies. They often have the best handle on how to reach the population you hope to serve. Other contacts: Local community development block grant programs, housing authority etc.
- **BEST PRACTICE** - See if the paper will do a public interest story on potential builders, actual builders or previous builders to help give the program positive press. (How owning a home has or will change their life.)
- Have a booth at the local human services fair and other events.
- **BEST PRACTICE** - Word of mouth by sending letters to current borrowers, letting them know you are seeking more clients and ask them to spread the word.
- Meet monthly with a core group of social service representatives and brainstorm on how to reach the people who need the housing you have to offer.
- **BEST PRACTICE** - Educate employers whose employees would benefit and ask their assistance in reaching their workers. Promotion material on bulletin board, in paycheck envelope, through special meetings.

## MARKET RESEARCH

1. What radio stations do you listen to regularly?

During what hours?

2. What local TV news programs do you watch?

3. What papers / shoppers do you read regularly?

What days?

What sections?

4. What grocery stores, laundry facilities and stores do you frequent?

What locations?

On what days do you normally do your shopping?

5. Do you mail utility bills or pay at the office?

\_\_\_\_\_ Mail                      \_\_\_\_\_ Office

6. Do you ride public transportation?

7. What church do you attend?

8. Are you involved in any civic organizations? Which ones?

9. If you had the opportunity, would you want to be a homeowner? Why?

10. Do you have any ideas or suggestions on how a non-profit home ownership organization can reach your friends and neighbors to explain their program?

**BEST PRACTICE - RECRUITMENT SURVEY**

1. How did you hear about the program? (Specify)

Radio: \_\_\_\_\_  
TV: \_\_\_\_\_  
Newspaper: \_\_\_\_\_  
Shopper: \_\_\_\_\_  
Poster: \_\_\_\_\_  
Flyer: \_\_\_\_\_  
Mail: \_\_\_\_\_  
Word of mouth: \_\_\_\_\_  
Other: \_\_\_\_\_

2. Date and location of the ad: \_\_\_\_\_

3. Which ad did you see?

\_\_\_\_\_ "You can say it with pride, I did it myself."  
\_\_\_\_\_ "Learn a trade and gain home ownership at the same time."  
\_\_\_\_\_ "Ask me how to join the \$20,000 club."

## THE NEWS RELEASE

Although simple in structure and style, the new release serves your major vehicle for communicating with the media. A better understanding of its purpose, design, and uses can also improve your chances of getting published.

Assume you have an important message you feel needs to be told. If your intended audience includes those outside your immediate organization, you probably want to contact the local media.

But how? When seeking publicity for your organization, the following guidelines should be useful.

Decide on your message. You may have many things to tell, but the key is to figure out what your organization does that might be of interest to the public. Is it a new program, change in hours, special event?

Select the media. Your message and intended audience determines which publication you should mail to. The biggest is not always the best. A suburban weekly or a special interest publication may be more likely to run your information because of its direct local impact or strong interest by their particular readership.

Put it in writing. Prepare a properly written release. (See Content and Structure sections)

Mail to the right person. The City Editor is appropriate for general news items or if you are not sure of the title or department to which it should be addressed. It is very important to only one release to a publication. This avoids the possible duplication and a risk of misunderstanding, factors which can result in not getting your releases published in the future.

Mail by the deadline. For a daily newspaper, this is usually about a week before the event. Suburban weeklies, community calendars, and specialized publications will require a longer lead time. It may be two to three weeks or even longer.

A checkup phone call is not necessary. A daily newspaper receives hundreds of requests similar to yours and space and time considerations alone forbid running everything submitted.

Send a thank you note for any publicity your agency receives.

## CONTENT OF THE RELEASE

Familiarize yourself with those publications you wish to contact with news releases. Find out what they print and the kind of audience they reach.

Select information of interest to a large part of the publications readership. Age, income, geography, activities, etc. of the general public are some characteristics to consider.

Remember the “5 W’s” -- who, what, when, where, why, and sometimes how. (see Structure) Be sure they are all in the story.

Keep it brief. Include the important information nearest the top and only the details that are absolutely necessary.

Write in simple, factual style. Avoid creative, clever or overly wordy sentence structures.

Avoid opinions unless they are attributed to a person mentioned in the article. As in “ the effects would be devastating, according to Jane Doe, Executive Director.” As the writer, do not insert your own opinions.

Don’t assume what a person would think or say. Contact them directly for an answer.

Be accurate. Make certain of all of your facts, such as dates, times, locations, names or titles. Also be careful when you use figures or statistics.

Put a hook in your story. This is what makes the article of interest or newsworthy. Is this a new program? Is it the first of its kind? How is it unusual? Are you offering solutions to a problem in the community?

A word about names. The first time a man or woman’s name is mentioned use their first and last name. Thereafter, refer to them by their last name.

Unrequested photographs are seldom used. Newspapers will almost always use their own photographs for such opportunities. Don’t send a photo you wish to have returned. Submit prints no smaller than 5x7 inches.

## STRUCTURE OF A NEWS RELEASE

**BEST PRACTICE** - When it's all said and done there are just two simple rules for writing your own news stories:

Rule #1 -- Keep sentences and paragraphs short and clear.

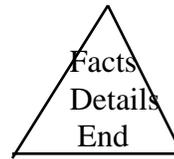
Rule #2 -- Place all of the facts at the beginning of the story with quotes, expendable details and other information in the middle and the end.

The first rule speaks for itself. Ideally, news story sentences should be 16-21 words long. Paragraphs rarely should consist of more than three sentences. Often one sentence constitutes an entire paragraph. Since you are limited in the number of words you can put into a sentence, make every word count. Choose action words that convey a message, describe a situation, or carry weight.

For example: "The Dover Habitat for Humanity will hold its annual Art Auction at Maple Dale Country Club on March 31 at 7 PM."

This lead paragraph succinctly tells you who (Dover Habitat for Humanity), what (Art Auction), when (March 31 at 7 PM), and where (Maple Dale Country Club). Subsequent paragraphs detail the mission and works of the Dover Habitat, officers and organizers names, the type of works that will be up for auction, and how the proceeds will be used.

The second rule, placing vital facts in the first paragraph, is called the "inverted pyramid" because news stories can be diagrammed to look like an upside-down triangle.



When you write your own news releases, start with a headline and incorporate the two rules.

If the release runs more than one page, be sure to type the word "-MORE-" at the bottom of each continuing page. When you reach the end of the story, sign off with the symbol "-30-" or "-End-". This tells the newspaper's typesetter that the story run is over.

## WHEN THE MEDIA CALLS

Most of the time, we seem to be trying to attract the media's attention. But what happens when a reporter contacts us? They may be calling in response to a news story which appeared on the national media, and is seeking the local angle. Or your agency may have been chosen as the focus for a featured social issue (the homeless, child abuse, the elderly, etc.).

Whatever the case, it is important to remember this is a wonderful opportunity for your agency. This can easily be forgotten when suddenly facing the challenge of being an articulate agency spokesperson.

Requests from the media do not often allow much time to prepare and interviews are usually very short. Because of this, saying it right the first time is quite important. Live interviews on tape or film allow no mistakes. And once printed, mistakes can be more permanent since readers can study it, make copies, and distribute it to untold numbers.

You can avoid these pitfalls and be a relaxed and effective representative. Before you begin an interview:

- Be certain of the identity and affiliation of the reporter (name, title, station, publication).
- Determine the reason for the interview. Is it to explain the purpose of your agency? Discuss a basic issue or service? Present a positive image to a particular audience? Highlight an upcoming event?
- If you feel you are not the right person to talk with, refer the reporter to someone in the agency who is appropriate. Occasionally an outside source may be recommended. Notify the person you have given as a referral immediately to inform them that the reporter may be calling.
- If you don't know how to answer a particular question, simply say you don't know. Offer to get the information to the interviewer as quickly as possible, and avoid incorrect or rambling uncertainties. If you cannot answer at the time, but will later, explain why and when you expect to address the question.
- If you have time, develop a list of key points you wish to make during the interview. These can be statements, agency positions, facts or arguments that convey your intended messages.
- What if your schedule does not allow you to take the time for an interview when a reporter happens to call? If so, or you feel it is essential to take time to prepare, find out the publication's deadline and arrange a call-back.
- You may refuse to answer certain questions when they violate confidentiality rules, legal restrictions, or agency policy. Don't say "no comment" but explain your refusal clearly and politely.



## DURING THE INTERVIEW

Regardless of the medium - print, radio, or television - some general guidelines follow.

- Background information. Your interviewer might be a specialist on the topic or may welcome pertinent information or suggested questions and directions you may have to offer. This is possible directly before a taped phone interview or for a more in-depth interview scheduled for a later time.
- Work in a “quotable quote.” Say something the listeners or readers will remember and that makes an essential point. It can be the agency motto, a memorable phrase, or this year’s campaign theme. Try to get it in early, to increase the likelihood the quote will be used.
- Don’t hide the truth or attempt to hide problems that are being addressed. Present them as positively as possible. Talk about what is being done to correct shortcomings and stress the plans underway. Avoid “No Comment”. If you are not sure of the answer, say you don’t know and get back to them as soon as possible.
- Personalize you answers. Use anecdotes, illustrations, and personal accounts where you can. “When I was a teenager...” or “One of our clients said....” or “As a taxpayer myself...”.
- Avoid agency jargon. Don’t assume your listening and reading audience has the same familiarity with the subject as you do. Don’t refer to agencies or programs by their initials (RHS, WIC, MSSH, etc.) unless they are well known by the general public.
- Only state your agency’s position since everything you say will be considered just that. Use phrases like “Our agency believes...” and “We feel ...”, rather than “I think...”. Be sure what you say reflects official agency policy or guidelines.
- Rephrase any negative or objectionable questions the interviewer may ask. Always reply positively and use your own words, rather than repeating the words in question.

## ON THE RADIO

Radio, since it is a voice only, electronic medium, has some special considerations.

- Your voice projects your entire image. The listening audience therefore assumes a great deal from it. Your voice can lend credibility and interest - either attracting listeners to what you say or turning them away.
- Your appearance is still important, even though the audience won't see you. Your confidence is increased when you look your best.
- Good posture aids your voice as well as your appearance. On radio, sitting straight allows you to speak using your diaphragm, which in turn allows you to speak longer without your voice becoming hoarse, high, and thin.
- The microphone. This may intimidate you, but it is very similar to a telephone. It merely lets you speak with others who are far away. Radio is a personal medium, so speak into it as if you were talking with one person.
- Vocal problems like a hissing "S" or popping "P's" may be accented by talking directly into a directional table top mike. Speaking slightly above it or off to one side will reduce these problems.
- Live call-in programs are becoming more popular, particularly on radio. If you are invited to appear on one, inform your family, friends and co-workers so they can phone in relevant questions which point to your agency's desired message.

## THE TELEVISION APPEARANCE

- Your appearance is important since television is primarily a visual medium. It does not permit overly broad gestures or a loud speaking voice commonly associated with public speaking. Moderate gestures used for emphasis are best. Always remember to keep them within camera range.
- Your attire helps project the image you want. Your attire should be selected with regard to the audience and the host. You may consider wearing your most conservative business outfit. Going with an appearance that clearly says “professional” will usually work best.
- Avoid certain colors and color combinations, such as white and prints with small dots, thin white strips or busy patterns. Their bright images will prove distracting to the viewer.
- Color opposites such as red/green, blue/orange, or yellow/purple should be avoided.
- Check your appearance before your television interview, dress in the outfit you plan to wear, and sit before a full length mirror. See how it looks. Is it flattering, or does it ride up or bulge? If you are not happy with your choice, change it. Ask the opinion of others if you are not sure.
- In the studio the microphone is usually attached to your blouse or jacket (lapel mike), or suspended overhead by a boom or pipe (boom mike). Speak conversationally, without taking any special considerations.
- A guest editorial is where you appear alone to present an opinion. Speak directly to the camera as if you are talking to your audience. The camera is your viewing perspective and this gives you more involvement with them.
- A group appearance means your attention is toward the host and the other guests on the show. In this situation, direct your conversation to them rather than the camera.
- Filming on location which will usually mean at your agency, requires a quiet room with enough space for a camera crew as well as the interviewer and yourself. Also, sufficient electrical outlets and capacity is needed for the camera and lighting equipment.
- A videotape copy of the program may be possible from the station. They may request that you bring in a tape to copy on to.

# **F. LAND**

# LAND

## FINDING THE RIGHT SITE

### Undesirable Features:

- Site in flood plain
- Steep terrain
- Forested lands or prime farm lands
- Site adjacent to or near airports, railroads, major highways, factories, landfills, etc.
- Soil unsuitable for on-site septic systems
- Current industrial land use
- Existing easements through the site which would restrict, interfere, or be detrimental to the proposed project

### Desirable Features:

- Flat or mildly sloped land
- Shape and size of site lends itself to housing development
- Existing water and sewer (with capacity to accept new connections)
- Existing paved roads
- Correct zoning
- Accessible to services and public facilities (schools, shopping, hospitals etc.)
- Soil suitable for on site septic system if necessary
- Adequate ground water supply for wells

Uses of adjacent sites compatible to the proposed project

## LAND SURVEY CRITERIA

What is acceptable to Rural Development?  
(They only approve individual lots -- no subdivisions!)

### Rural Area

The most important thing to Rural Development is that the land is in a rural area. This is defined as being in open county and communities up to a population of 10,000, or cities between 10,000 and 20,000 populations outside MSAs that lack mortgage credit for low and moderate income families. Or it can be an area classified as rural prior to 1990 within an MSA with a population of less than 25,000. Random development of sites in open country is not an acceptable alternative to orderly growth within an established community

**Lot Size**

**BEST PRACTICE** - The site must be of a size that cannot be subdivided into 2 or more adequate sites. A lot frontage of 70' is preferable and the lot must be of adequate size for health department and local zoning requirements.

**Roads**

The property must be contiguous to and have direct access from a street, road, or driveway and it must also meet the requirements of being dedicated to and maintained by a public body or a neighborhood association that has demonstrated its ability to maintain the street. This street must be paved or all weather.

**Water**

If there is a central water system it must be owned by a public body or by an association acceptable to Rural Development and regulated by the Public Service Commission. If there is no central system available, the site must meet health department regulations for an individual well (minimum of 1/2 acre). **BEST PRACTICE** - It is preferable to build on sites that will have access to public water.

**Sewer**

If there is a central sewer system it has the same requirements as water, it must be owned by a public body or association acceptable to Rural Development and be regulated by the Public Service Commission. If there is no central system available, the site must meet health department regulations for an individual septic. In that case it must pass a perk test. **BEST PRACTICE** – It is preferable to build on sites that will have access to public sewer.

**Site Approval**

The State Director is responsible for delegating site review and approval authority to appropriate employees.

**BEST PRACTICE** - Due to the lengthy process involved in subdivision development and financing, NCALL recommends that scattered sites or sites in a completed / approved development be the priority for the first group, and even the first year.

## LAND SURVEY RESOURCES

Becoming familiar with the following regulations or contacting these organizations is actually the first step in the land research process:

- **7 CFR Part 3550 & HB-1 3550** -- Defines adequate building sites 3550.56
- **RD 1924-A** -- Planning and performing construction and other development 1924-A.5(f)(1)&(2) requirements regarding land and development practices
- **BEST PRACTICE - Rural Development Staff** -- Knows unsuitable land because of location in flood plains, high cost, soil type and other conditions that make it unsuitable for construction
- **Health Department** -- Local standards for on site waste disposal and drinking water systems; any recorded unsound environmental past use
- **County and/or Local City Planner, Community Building Officials, City Engineer** -- For local housing assistance plan, land use plan, building codes, zoning ordinances, subdivision ordinances, street standards
- **Natural Resource and Conservation Service soils books and maps** -- To determine local soil characteristics and suitability for development in areas being considered
- **County Court House, Tax Office or Recorder of Deeds** -- To determine who owns the property, whether the title is clear, whether there are any deed restrictions, and patterns of adjacent land ownership
- **Utility Companies** (Water, Sewer, Electric, Gas, Telephone) -- To determine what services are available, to what areas; if new connections can be made, at what cost

## LAND SURVEY PROCESS

Define the boundaries of the area to be searched and obtain a map of the area.

### Preparing a Site Search Map

1. First---identify the land that is completely ineligible through a preliminary survey and block out these areas on the site map. This would include land that:
  - Does not meet Rural Development's building site requirements.
  - Current use would require radical zoning changes (i.e., industrial to residential).
  - Soil unsuitable for building - must be bearing soil - strong enough to support the house throughout its life.
2. Second---identify, then plot on the map locations with features that are desirable:
  - Existing water and sewer (with capacity to accept new connections)
  - Existing paved roads
  - Correct zoning
  - Flat or mildly sloped land
  - Proximity to services and public facilities (schools, shopping, hospitals etc.)
  - Soil suitable for on site septic system if necessary
  - Adequate ground water supply
  - Shape and size of site lends itself to housing development
  - Adjacent sites compatible to proposed project
3. Third, plot drawbacks - features that limit appeal or ability to develop:
  - Flood plain
  - Steep terrain
  - Soil unsuitable for on site septic system
  - Soil marginal for building - may require soil boring by engineer
  - Environmental hazards, site adjacent to major highways, airports, railroads, factories, landfills etc.
  - Wetlands, forested lands, prime farm lands
  - Current use requires zoning changes
  - Existing easements through site would restrict, interfere or be detrimental to project

Plotting advantages and disadvantages will indicate what, if any land is left that is suitable for purchase or development

It is not practical to eliminate all locations which have drawbacks. Develop a cut off point for each undesirable factor when the drawback exceeds its development potential.

When the site search map is completed, you will know what land is left and at what location.

## Windshield Survey

A windshield survey is an actual physical inspection of the sites. Conducting a windshield survey once you have narrowed down your land search will help you rule out some sites due to unfavorable conditions. Walk each site and take notes, reviewing for:

- **BEST PRACTICE** - Topography - reflects the surface of the land, rolling, flat or rough. Affects the location of the house on the lot and water run off. Topography is expressed as a grade. A grade is the rate of increase or decrease in the elevation of a surface. Optimum grade is 2-8%. Less than 2% requires increasing the grade for run off. A grade of 8-15% is still feasible but grading costs would go up. A grade of 15% or more is not feasible.
- Flood Plains
- Drainage problems - soil must be porous enough to allow rain water to seep through without ponding, but not so porous that it won't retain water for vegetation.
- Potential off site drainage problems
- Erosion
- Access (distance) to public roads
- Vegetation
- Existing structures
- Evidence of old roadbeds or driveways
- Unique features (natural or man-made) - presence or absence of rock, surface or subsurface water
- Other (based on local conditions)

A comprehensive land analysis based on these findings will take place during the final application stage.

## Land Analysis Form

**BEST PRACTICE** - Begin completing a land analysis form for each acceptable piece of property with the information you have already collected. Investigate the ownership status of identified parcels or sites by checking into the tax records. Assume that every parcel is for sale if the price is right, rather than eliminating parcels that are not on the market.

Ownership - Try to answer the following questions:

- Do you have any way to encourage the owner to sell at a reasonable price?
- Is the owner a local resident or absentee owner?
- Is the property owned by one or several individuals?
- Is the property owned by a corporation or a partnership?
- Is the property owned by a public body?

Tax Status:

- Are the property taxes paid to date?
- What is the assessed valuation of the land?
- What is the fair market value?
- What is the assessment rate?

**BEST PRACTICE - LAND ANALYSIS FORM**

Legal description of the land: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Location of parcel: (Indicate dimensions on all streets) (MAP)

Owner's Name: \_\_\_\_\_

Address: \_\_\_\_\_

How is title held? \_\_\_\_\_

How large is the parcel? \_\_\_\_\_

Asking price: \$ \_\_\_\_\_

**ZONING:**

Does the parcel need to be split from an adjoining parcel?       Yes       No

Can the parcel be split?       Yes       No

Who decides? \_\_\_\_\_

What fee will be required? \_\_\_\_\_ County: \$ \_\_\_\_\_

Engineering or surveying: \$ \_\_\_\_\_ How long will it take? \_\_\_\_\_

How is the property zoned? \_\_\_\_\_

What is the maximum density allowed in the parcel? \_\_\_\_\_

If the current zoning is not appropriate, can it be rezoned?       Yes       No

What fees will be required to rezone? \_\_\_\_\_

Who will pay the fees? \_\_\_\_\_

Will the current owner apply for rezoning?       Yes       No

**PROPERTY TAXES**

Annual Tax rate: \$ \_\_\_\_\_ Per \_\_\_\_\_

Assessed value of parcel: \$ \_\_\_\_\_

Current taxes: \$ \_\_\_\_\_ Are taxes current? ( ) Yes ( ) No

Back taxes: \$ \_\_\_\_\_ Tax liens other than property: \$ \_\_\_\_\_

**OTHER SERVICES**

Will the County or City require that you provide any off-site improvements? ( ) Yes ( ) No

Will you have to widen any streets? ( ) Yes ( ) No

If yes, which streets? \_\_\_\_\_

Number of square feet \_\_\_\_\_ at \$ \_\_\_\_\_ per square foot.

Will you have to install a curb? ( ) Yes ( ) No

Gutter ( ) Yes ( ) No

Sidewalk ( ) Yes ( ) No

Curb \_\_\_\_\_ linear feet at \$ \_\_\_\_\_ per foot.

Gutter \_\_\_\_\_ linear feet at \$ \_\_\_\_\_ per foot.

Sidewalk \_\_\_\_\_ linear feet at \$ \_\_\_\_\_ per foot.

Total cost of off-site improvements: \$ \_\_\_\_\_

Will you be required to fence the development? ( ) Yes ( ) No

What kind of fence? \_\_\_\_\_

Cost of fencing required around the project: \$ \_\_\_\_\_

**DRAINAGE**

Does the property exist within a flood plain? ( ) Yes ( ) No

Does the property have adequate drainage? ( ) Yes ( ) No

What drainage requirements will be imposed?

( ) Fill to raise the elevation

( ) Pipeline to put water into storm sewer

( ) Drainage pump(s)

**SERVICES**

How far, in linear feet, is it to:

- Sewer lines: \_\_\_\_\_
- Water lines: \_\_\_\_\_
- Natural gas: \_\_\_\_\_
- Electricity: \_\_\_\_\_

How far, in miles, is it to:

- Schools:
  - Elementary: \_\_\_\_\_
  - Secondary: \_\_\_\_\_
- Parks and recreation: \_\_\_\_\_
- Shopping: \_\_\_\_\_
- Churches: \_\_\_\_\_
- Other: \_\_\_\_\_

If services need to be brought to the property line, indicate which services: \_\_\_\_\_

What size transmission line? \_\_\_\_\_

Approximate cost per linear foot: \$ \_\_\_\_\_

Number of total linear feet: \_\_\_\_\_

Total cost from service to line: \$ \_\_\_\_\_

Check with the following to determine if they will approve the development and if they have a fee for

service:	Yes	No	
Schools	( )	( )	
Fire Districts	( )	( )	\$ _____
Parks	( )	( )	\$ _____
Police	( )	( )	\$ _____
Sewer	( )	( )	Tap Fee \$ _____ Monthly \$ _____
Water	( )	( )	Tap Fee \$ _____ Monthly \$ _____
Lighting	( )	( )	\$ _____ Maintenance \$ _____ per _____

Other\* ( ) ( )

\* The fees may include irrigation districts, abatement districts, etc. These fees may have to be paid even though your project will not use the services of the district. You will probably pay them on the taxes.

**SUMMARY**

Purchase Price	\$ _____
Escrow Fees	\$ _____
Sewer Tap Fees	\$ _____
Water Tap Fees	\$ _____
Fees for Special Districts	\$ _____
Fees for Change in Zoning	\$ _____
Cost to get Services to Parcel	\$ _____
Cost for Adequate Drainage	\$ _____
Any Delinquent Taxes for Service Fees	\$ _____
Street Improvements (off-site)	\$ _____
Curb, Gutter, Sidewalk (peripheral)	\$ _____
Other Costs	\$ _____

Total Cost for Land (excluding interior development)\$ \_\_\_\_\_

**G.**  
**MONTHLY**  
**ACTIVITIES**  
**SCHEDULE**

## **PRE-APPLICATION MONTH ONE**

### **BEST PRACTICE - ACTIVITIES**

#### **Organizational/Grant Development**

- Receive pre-application and 502 program training
- Develop pre-application time schedule
- Contact Rural Development for equivalent value of modest housing

#### **Families**

- Develop Fact sheet/handout/brochure
- Develop ad copy and flyers
- Develop initial pre-application recruitment plan
- Develop meeting format for public meetings
- Develop initial needs/prescreening plan  
(Where and how to advertise)

#### **Land**

- Research local and county land requirements
- Research Rural Development land requirements

#### **Community Support**

- List potential local government agencies and community organizations  
for potential contacts
- Develop format for meetings

## **PRE-APPLICATION MONTH TWO**

### **BEST PRACTICE - ACTIVITIES**

#### **Organizational/Grant Development**

- Decide staff positions
- Prepare initial job descriptions
- Prepare wage survey form and list of potential agencies and organizations
- Preliminary budget expenses investigation
- Contact cognizant agency if multi funded
- Review corporate documents and standing for possible revisions and updates

#### **Families**

- Publicize program for family recruitment

#### **Land**

- Research local and county land requirements and building codes
- Contact Realtors and Rural Development for potential land

#### **Community Support**

- Publicize program for community support

#### **House Design and Cost**

- Research Rural Development acceptable designs and features

## **PRE-APPLICATION MONTH THREE**

### **BEST PRACTICE - ACTIVITIES**

#### **Organizational/Grant Development**

- Conduct wage and benefit survey
- Preliminary budget expense investigation

#### **Families**

- Advertise program to families
- Conduct public meetings
- Initial screening of interested families (appointments and phone)
- Survey families for recruitment methods and target market info

#### **Land**

- Contact Rural Development Community Development Manager for input on suitable land and house design requirements

#### **Community Support**

- Meet with city officials
- Solicit support letters
- Meet with employers

#### **House Design**

- Gather possible house plans
- Ensure affordable design

## **PRE-APPLICATION MONTH FOUR**

### **BEST PRACTICE - ACTIVITIES**

#### **Organization/Grant Development**

- Analyze wage and benefit survey
- Establish salary scales and fringe benefits
- Minor changes to By-Laws and Articles of Incorporation

#### **Families**

- Advertise program to families
- Conduct public meetings
- Continue screening of interested families (appointments and phone)
- Survey families for recruitment methods and target market info

#### **Land**

- Start completing land analysis form for potential land
- Investigate ownership and tax status of potential land

#### **Community Support**

- Continue to meet with city officials and other potential supporters
- Continue to solicit support letters

#### **House Design and Cost**

- Determination of family work and subcontracted work
- Preliminary investigation of construction supplies and subcontracted work in area

## **PRE-APPLICATION MONTH FIVE**

### **BEST PRACTICE - ACTIVITIES**

#### **Organizational/Grant Development**

- Develop initial final application and grant time schedule
- Develop final grant budget
- Develop predevelopment grant budget

#### **Families**

- Advertise program to families
- Conduct public meetings
- Continue screening of interested families (appointments and phone)
- Survey families for marketing and target market info
- Start analyzing household characteristics of interested families
- Develop recruitment plan and plan to reach VLI for final application and grant period
- Analyze advertising efforts in pre-application stage
- Investigate recruitment methods and costs

#### **Land**

- Conduct windshield survey of potential lots
- Identify target areas

#### **House Design**

- Preliminary investigation of Builder's Risk/Homeowners Insurance
- Preliminary selection of house designs

**PRE-APPLICATION  
MONTH SIX**

**BEST PRACTICE - ACTIVITIES**

Prepare complete pre-application package

Submit “Draft” Pre-application to:

-NCALL Research, Inc. (Regional T&MA Contractor)

Revise Pre-application with NCALL’s recommendations

Submit “Official” Pre-application to:

-Rural Development (Original and 1 copy – Rural Development will forward the copy to NCALL for Official Review)

-State Clearinghouse (if applicable)

# H. PERSONNEL

## Salary Ranges and Fringe Benefits

Develop salary ranges and fringe benefits for each position -- must be justified as being reasonable in the proposed area (OMB Circular A-122, Attachment B, Paragraph 6(2)).

**BEST PRACTICE** - Achieving equity is difficult at best; but a good salary survey is a necessary step in the right direction.

### Salary Survey

#### **Purpose**

The purpose of a salary survey is to assure equitable wage levels, to support the budget you are requesting (the largest percentage of the program budget will go toward staff), and to provide reasonable ability for you to recruit staff.

#### **Procedure**

In order to conduct a salary survey, the job descriptions must be developed first. Then prepare a list of suitable agencies to survey, look for comparable job positions: (Group Coordinator, social workers, counselors, and loan processors). **BEST PRACTICE** - Elaborate surveys are not required and there is no minimum or maximum number required for a formal survey. Surveying one or two similar positions is better than numerous dissimilar positions.

Prepare and distribute job data to agencies and analyze the incoming data obtained from other agencies. After summarizing the findings an organization should be ready to establish starting salaries for all positions, confident that a fair wage is being offered that will attract applicants.

## Developing Job Descriptions

When you face the task of developing job descriptions focus on the goals and objectives of the program, then determine the tasks and activities required to achieve those goals. Determine the length of time needed to complete each task, and the skills required by each task. Then develop a list of staff positions and the tasks to be completed by each position. At that point it is easier to make the decision on whether that position needs to be full time, part time, etc. After conducting a salary survey (if one is needed) set salary ranges for each position. Then you can develop an organizational chart clarifying the decision making process. Additionally, all job descriptions should have the same format.

**BEST PRACTICE** – NCALL recommends that the mutual self-help staff hold “Skill Building” as a primary operating principle i.e. building skills in construction, teamwork/communication, budgeting, neighborhood development, and issue/dispute resolution.

**BEST PRACTICE** - The following is a list of **Major Self-Help Tasks**. This list can be used as a starting ground to help you decide who will be responsible for each task.

- A. Overall program oversight
- B. Supervision and coordination of personnel
- C. Management of day-to-day operations
- D. Locate land for the program
- E. Identify and secure funds for program operations
- F. Recruitment of families
- G. Assist with application and closing
- H. Coordinate and conduct preconstruction meetings
- I. Counsel families with budget or financial problems
- J. Recruitment presentations to the local community
- K. 502 loan accounting
- L. 523 grant accounting
- M. Approval and check authorization
- N. General office and clerical duties
- O. Preparation of quarterly, monthly and year end state and federal departments
- P. Maintain administrative records (leave, mileage, time, etc.)
- Q. Obtaining or preparation of construction plans and spec.
- R. Obtaining and selecting bids
- S. Preparation of cost estimates
- T. Coordination of construction supplies and contractors
- U. Train, supervise, and coordinate the families through construction
- V. Conducting construction meetings
- W. Order building inspections
- X. Liaison with Rural Development Local Office
- Y. Liaison with Rural Development Area Office

## **BEST PRACTICE - Sample Job Descriptions**

### **Executive Director / Project Director**

The Executive Director is directly responsible to the Board of Directors.

#### ***Duties and Responsibilities***

- Implements and carries out the program as approved by the Board of Directors.
- Coordinates the staff activities to ensure that all personnel are used in an efficient manner and to establish work and hiring patterns to guarantee the best use of funds.
- Arranges or provides the training necessary for the staff's effective performance.
- Evaluates the work of the staff as outlined by job descriptions and program goals.
- Locates suitable building sites and develops property when and where required in conjunction with the participant and other self-help housing staff members.
- In conjunction with the participants, determines where and how to purchase quality construction materials at the most economical prices.
- In conjunction with the construction staff, determines which areas of construction to subcontract and ensures that the work that is subcontracted is done at the lowest prices.
- Develops a general set of house plans and cost estimates to allow for the construction of an economical and high-quality home that will comply with local building codes and Rural Development minimum property standards.
- Keeps abreast of new developments in cost and timesaving techniques in the construction of self-help housing.
- Is thoroughly knowledgeable about Rural Development's programs and policies and coordinates the staff's activities with Rural Development.
- Keeps abreast of developments in federal, state, and local housing development programs.
- Prepares progress reports for funding sources and/or Board of Directors to assist them in planning or program expansion.

#### ***Qualifications***

- Familiarity with all phases of construction of houses, from land acquisition through construction.
- Familiarity with the principles and techniques of group organization and development.
- Administrative ability and experience.
- Ability to delegate authority and responsibility.
- Understanding of low-income people and their needs.
- Ability to share ideas and explore solutions to problems with other program participants, Board, staff, and members of the community.
- Ability to choose among alternative courses of action and assume responsibility for the operation of the program undertaken.
- Basic understanding of program or program financing.

## **Construction Supervisor**

The Construction Supervisor reports directly to and is supervised by the Executive Director.

### ***Duties and Responsibilities***

- Trains and supervises groups of participants in the construction of their homes using the mutual self-help construction method.
- Organizes work crews of participants for maximum efficiency of manpower and materials.
- Teaches tool-use safety, maintains safe working conditions, and obtains adequate tools for jobs to be performed.
- Prepares house plans, dwelling specifications, and cost estimates; secures subcontractors as required and monitors their work; orders and purchases construction materials.
- Maintains records as required.
- Keeps all aspects of construction in compliance with all applicable regulations, standards, and codes.
- Participates in all building inspections carried out by Rural Development and local building inspectors.

### ***Qualifications***

- Professional building skill or equivalent carpentry training.
- Ability to teach building skills to unskilled workers.
- Ability to work with people of varying socioeconomic levels.
- Willingness to work irregular hours as required.
- Housing construction experience in the program area.

Note: On larger grants it may be necessary to hire an Assistant Construction Supervisor, or to establish an in-house Construction Manager with on-site Construction Supervisors.

## **Group Coordinator/ Loan Packager**

The Group Coordinator / Loan Packager reports directly to and is supervised by the Executive Director.

### ***Duties and Responsibilities***

- Recruits participants for the Mutual Self-Help Housing Program.
- Helps applicants prepare 502 Rural Housing loan applications for submission to Rural Development, including loan closing procedures. Typical duties include verifying employment and income, and making preliminary determination of eligibility.
- Organizes associations of participants for the purpose of home construction.
- Holds preconstruction meetings of participants to provide them with the information about the self-help concept and program and their responsibilities as homeowners.
- Counsels applicants on barriers to eligibility for participation and suggests steps they can take to remedy their financial situation.
- Acts as the primary liaison between the self-help organization and Rural Development for matters pertaining to loan processing.
- Helps participants during the construction phase to (1) encourage maximum participation, (2) resolve individual and group related problems, and (3) provide information on labor-saving and record keeping devices.
- Maintains records as required.

### ***Qualifications***

- High school diploma or equivalent.
- Ability to plan and deliver training to the participants.
- Ability to organize the participants into working groups and encourage group participation / interaction.
- Ability to express ideas clearly and concisely; good writing and verbal skills.
- Ability to work with minimum supervision.
- Ability to work with low- and moderate-income households.
- Willing to work flexible hours.

## **Secretary / Bookkeeper**

The Secretary / Bookkeeper reports directly to and is supervised by the Executive Director.

### ***Duties and Responsibilities***

- Types correspondence, memoranda, forms, reports, and other materials as needed.
- Performs general receptionist duties such as answering the telephone and greeting visitors.
- Maintains adequate office supplies and property inventory (office and tool equipment).
- Maintains personnel records (e.g., time and attendance reports, annual leave, and sick leave records) and prepares staff payroll.
- Receives and pays accounts for (1) the self-help organization itself; and (2) the self-help participants. Duties include verifying invoices, classifying expenditures, preparing payment vouchers, posting checks to cash disbursements journal, and balancing bank statements.
- Prepares financial reports as needed for the self-help organization and Rural Development.

### ***Qualifications***

- High school diploma or equivalent with satisfactory completion of business courses.
- At least one, and preferably two, years of related clerical / bookkeeping experience.
- A minimum typing ability of 50 words per minute; some shorthand is desirable.
- Ability to operate various kinds of office equipment (e.g., mimeograph machine, Xerox machine, calculator).

## **MORE SAMPLES**

### **Executive Director**

Responsible for administering the entire self-help housing program including planning, organizing, staffing, and controlling the day-to-day and long-term operations. Other responsibilities include budgeting, program development, public relations, fiscal management, and supervision of staff. Responsible for setting priorities, and attaining goal accomplishment as well as review and evaluation.

### **Construction Supervisor**

Responsible for training participating families through demonstration and explanation, in each step through rough and finish carpentry associated with home construction. Assists families in selecting or developing house plans and in the acquisition of suitable building sites. Prepares cost estimates for loan accounts by cost category. Prepares construction specifications, advertises for materials and subcontractors. Prepares contracts for each family. Organizes and supervises on-site construction work of participating families, assigns job tasks, insures quality of work and timely completion of homes. Schedules delivery of materials, contract work and family labor. Organizes and conducts family group meetings prior to and during construction to provide training to and to outline construction schedules. Assumes complete responsibility for operations at the construction sites. Monitors costs and the time necessary for completion of homes.

### **Group Worker**

Responsible for outreach and recruiting low-income families who are interested in the self-help method of constructing each other's homes and assisting them in obtaining housing loans from Rural Development. Process involves advertisement, community meetings, interviewing, verifying debt loads and credit, developing family budgets, determining possible eligibility and assisting families in preparing Rural Development applications. Responsible for conducting meetings of families to explain the program and subjects related to home ownership such as budgets, loan payments, taxes, insurance, maintenance, and upkeep of the property. Assists families in selecting house plans and building lots. Works closely with the group of families during construction to encourage active participation and help in solving related problems.

### **Secretary / Bookkeeper**

Responsible for maintaining a complete double entry type accounting system. Participates in budgeting, fiscal planning, and cash flow management. Responsible for processing grant and family loan invoices for payment, preparing vouchers and fiscal reports, purchasing equipment and supplies, inventory maintenance, and payroll function. Provides financial supervision to individual families and administers the family construction loan funds during the construction phases. Types letters, memoranda, contracts, forms, minutes, and reports needed for the operation of a self-help program. Performs other miscellaneous duties such as filing and receptionist.

## **Job Description**

### **Job Title and Location**

Position:

Location:

Work Hours:

Immediate Supervisor:

Salary Scale:

### **Job Summary**

### **Duties and Responsibilities**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

### **Qualifications**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

## Sample Employee Compensation and Benefit Survey

Letterhead

Date

Name of and Address  
of Organization

Dear \_\_\_\_\_:

I am enclosing an Employee Compensation and Benefit Survey for your review and completion. This survey is being mailed to non profit corporations, units of state and local government, and for-profit corporations that have similarities in mission and focus as ours. \_\_\_\_\_ is involved with a Rural Development housing program entitled Mutual Self-Help Housing. This program utilizes groups of low-income would-be homeowners who pool labor resources under the guidance of our organization to build homes together. These families are all accepted individually in the Rural Development 502 Home Loan Program, then work together to buy materials and services, while providing much of the labor.

This survey will yield reliable information that will enable our Board of Directors to examine the salaries and benefits offered our employees to see if they are competitive with organizations such as yours.

Would you please take a few minutes to complete this survey and mail it back in the self-addressed, stamped envelope that is enclosed for your convenience it would be helpful for us to receive your response by \_\_\_\_\_. This survey has been designed to take a minimum amount of time to complete. As you complete the survey, should you have any questions, you may contact \_\_\_\_\_ at \_\_\_\_\_.

Thank you for your time in completing this survey. Your helpfulness is greatly appreciated.

Sincerely,

Enclosures

# Employee Compensation and Benefit Survey

In order for this survey to yield reliable information, it is important to ask a few questions about your organization. Questions have been phrased in terms of ranges not requiring exact budget information. Your specific response will be kept in the strictest confidence.

## I. ORGANIZATIONAL INFORMATION

a. Name of Organization:

\_\_\_\_\_

b. Address of Organization: \_\_\_\_\_

\_\_\_\_\_

c. Telephone Number: \_\_\_\_\_

d. Name of Provider of Information: \_\_\_\_\_

e. Brief description of Services Provided by Your Organization: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

f. Type of Organization and Structure (You may check more than one if appropriate):

- Private Nonprofit Housing Corporation..... \_\_\_\_\_
- Unit of Local Government (Public Body)..... \_\_\_\_\_
- Community Action Agency..... \_\_\_\_\_
- Housing Authority..... \_\_\_\_\_
- Self-Help Housing Grantee..... \_\_\_\_\_
- Regional TA Provider..... \_\_\_\_\_
- Department of Labor, Farmworker Housing Grantee..... \_\_\_\_\_
- Nonprofit Corporation (non-housing services)..... \_\_\_\_\_
- For-Profit Housing Related Corporation..... \_\_\_\_\_

g. Number of Persons Employed by the Organization

- 5 or Under..... \_\_\_\_\_
- 6 to 10..... \_\_\_\_\_
- 11 to 25..... \_\_\_\_\_
- More than 25..... \_\_\_\_\_

h. Annual Operating Budget of the Organization

\$200,000 or Under..... \_\_\_\_\_  
 \$200,000 to \$500,000..... \_\_\_\_\_  
 \$500,000 to \$1,000,000..... \_\_\_\_\_  
 More than \$1,000,000..... \_\_\_\_\_

i. Service Area of the Organization

One City, Town, or County..... \_\_\_\_\_  
 Multi-Town or Multi-County..... \_\_\_\_\_  
 State-wide..... \_\_\_\_\_  
 Multi-State or Regional..... \_\_\_\_\_

j. How Long has the Organization Been in Existence? \_\_\_\_\_ Years

II. COMPENSATION / WAGE SURVEY

Please look at the position titles and descriptions listed and determine if you have a similar position currently existing in your organization. If so, please indicate the salary range for the position. If no range exists, please indicate the current salary. Note that we have listed other commonly use titles at the end of each description. Your organization may use the same title that we use, one of the other common titles, or a completely different title. If your organization has a similar position but with what you feel are important differences in duties, please indicate those differences in the space below the description. This will help us to properly analyze the salary data.

POSITION TITLE AND DESCRIPTION	SALARY RANGE
--------------------------------	--------------

**Executive Director**

Responsible for administering the entire self-help housing program including planning, organizing, staffing, and controlling the day-to-day and long-term operations. Other responsibilities include budgeting, program development, public relations, fiscal management, and supervision of staff. Responsible for setting priorities, and attaining goal accomplishment as well as review and evaluation.

\$ \_\_\_\_\_

Other common titles are:

Director  
 Project Director

**Construction Supervisor**

Responsible for training participating families through demonstration and explanation, \$ \_\_\_\_\_  
in each step through rough and finish carpentry associated with home construction.

Assists families in selecting or developing house plans and in the acquisition of suitable building sites. Prepares cost estimates for loan accounts by cost category. Prepares construction specifications, advertises for materials and subcontractors. Prepares contracts for each family. Organizes and supervises on-site construction work of participating families, assigns job tasks, insures quality of work and timely completion of homes. Schedules delivery of materials, contract work and family labor. Organizes and conducts family group meetings prior to and during construction to provide training to and to outline construction schedules. Assumes complete responsibility for operations at the construction sites. Monitors costs and the time necessary for completion of homes.

Other common titles are:

Construction Manager

Trainer

**Group Worker**

Responsible for outreach and recruiting low-income families who are interested \$ \_\_\_\_\_  
in the self-help method of constructing each other’s homes and assisting them in obtaining housing loans from Rural Development. Process involves advertisement,

community meetings, interviewing, verifying debt loads and credit, developing family budgets, determining possible eligibility and assisting families in preparing Rural Development applications. Responsible for conducting meetings of families to explain the program and subjects related to home ownership such as budgets, loan payments, taxes, insurance, maintenance, and upkeep of the property. Assists families in selecting house plans and building lots. Works closely with the group of families during construction to encourage active participation and help in solving related problems.

Other common titles are:

Housing Specialist

Housing Counselor

Recruiter/Loan Packager

**Secretary / Bookkeeper**

Responsible for maintaining a complete double entry type accounting system. \$ \_\_\_\_\_

Participates in budgeting, fiscal planning, and cash flow management. Responsible for processing grant and family loan invoices for payment, preparing vouchers and fiscal reports, purchasing equipment and supplies, inventory maintenance, and payroll function.

Provides financial supervision to individual families and administers the family construction loan funds during the construction phases. Types letters, memoranda, contracts, forms, minutes, and reports needed for the operation of a self-help program. Performs other miscellaneous duties such as filing and receptionist.

Other common titles are:

Office Manager

III. FRINGE BENEFIT SURVEY

a. Please put an "X" next to the following fringe benefits provided by your organization, note the percentage paid by employer and employee, and provide the actual monthly cost of the benefit per employee.

	% Paid By Employer	% Paid by Employee
<input type="checkbox"/> Health Insurance <input type="checkbox"/> A fully comprehensive policy <input type="checkbox"/> A deductible type policy <input type="checkbox"/> A health maintenance organization (HMO) <input type="checkbox"/> Coverage for employee only <input type="checkbox"/> Coverage for employee and family Cost per month per employee: _____ Insurance company name (optional): _____ _____	_____	_____
<input type="checkbox"/> Dental Insurance <input type="checkbox"/> A fully comprehensive policy <input type="checkbox"/> A deductible type policy <input type="checkbox"/> Coverage for employee only <input type="checkbox"/> Coverage for employee and family Maximum cost per month per employee: _____ Insurance company name (optional): _____ _____	_____	_____
<input type="checkbox"/> Life Insurance How much coverage? _____ Cost per month per employee: _____ Insurance company name (optional): _____ _____	_____	_____
<input type="checkbox"/> Disability Insurance Cost per month per employee: _____ Insurance company name (optional): _____ _____	_____	_____
<input type="checkbox"/> Pension Plan	_____	_____

Cost per month per employee: \_\_\_\_\_  
Describe method of determining contribution: (e.g., %  
of wage earned by employee) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

( ) Tuition Reimbursement \_\_\_\_\_

Please include a brief narrative on the back of this page or attach benefits policy if the above categories are insufficient to explain the benefits offered by your organization.

b. Number of paid Holidays per year? \_\_\_\_\_

c. Number of Annual Leave days per year? \_\_\_\_\_

d. Number of Sick Leave days per year? \_\_\_\_\_

e. Is Emergency or Bereavement Leave offered? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, list maximum number of days: \_\_\_\_\_

f. Can Annual Leave or Sick Leave be carried over from year to year? Yes \_\_\_\_\_ No \_\_\_\_\_

g. Does the agency compensate for unused leave at the end of employment?

Annual Leave: Yes \_\_\_\_\_ No \_\_\_\_\_

Sick Leave Yes \_\_\_\_\_ No \_\_\_\_\_

h. Does the agency provide paid Maternity / Paternity Leave (in addition to AL and SL)?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes list maximum number of days: \_\_\_\_\_

Maximum amount of time off allowed: \_\_\_\_\_

i. Does the agency have a formal Compensatory Time (Comp-Time) policy, enabling employees to accrue leave for extra hours worked? Yes \_\_\_\_\_ No \_\_\_\_\_

On what basis is time calculated? \_\_\_\_\_

j. Does the agency offer an employee's Birthday off as paid leave? Yes \_\_\_\_\_ No \_\_\_\_\_

k. How many hours is the agency's work week? Yes \_\_\_\_\_ No \_\_\_\_\_

Is lunch hour: \_\_\_\_\_ Paid \_\_\_\_\_ Unpaid

l. Does the agency offer flexible starting times for employees? Yes \_\_\_\_\_ No \_\_\_\_\_

m. Agency's daily office hours: From \_\_\_\_\_ AM to \_\_\_\_\_ PM

n. What method is used to offer annual salary increases?

- ( ) Cost of living increase (COLA) 1996 % \_\_\_\_\_
- ( ) Merit increase 1996 % \_\_\_\_\_
- ( ) Combination 1996 % \_\_\_\_\_
- ( ) Other (please describe): \_\_\_\_\_

\_\_\_\_\_

o. Do you have salary ranges with step increases for positions? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please describe how often and how amount is determined: \_\_\_\_\_

\_\_\_\_\_

p. Current mileage reimbursement rate: \_\_\_\_\_ cents per mile.

q. Current per diem rate for overnight travel (excluding lodging): \$\_\_\_\_\_ per day.

I would like a copy of the summarized survey results:

Yes \_\_\_\_\_ No \_\_\_\_\_

## **Salary Range and Fringe Benefit Areas of Concern**

### **Job Descriptions**

In order to achieve a comparable reading of a salary survey, you must review the job description, not the individual or the title of a job. The person who is conducting this review should be competent and knowledgeable. In avoiding comparisons of titles, concentrate on duties and responsibilities that a job has. When comparing, recognize the important differences in the positions. For example a Director who supervises one grant with four employees probably has different skills and areas of expertise than does a Director of an organization that runs several grants and supervises 15 employees. The same could be said for a Bookkeeper of one set of double entry books being compared to a Bookkeeper with several sets of accounting records.

### **Suitable Agencies**

Where should you send the survey? Other nonprofit agencies, government agencies, commercial business, community action agencies, county housing authorities, and nonprofit community health organizations. Consider the size of organization to be important information, as well as the similarity of operation, and geographic and economic similarities.

### **BEST PRACTICE - Consider budgetary limitations**

It would be nice to think that no matter what the salary survey said, that is what you could pay an employee, but there are other factors to consider. The most important would be what the agency can afford, internal salary relationships, increases in the cost of living, recruiting problems and policy constraints, and fringe benefits. If you find that you can not afford to pay all of the staff at this point, you can decide whether or not to fill all or some of your staff positions on a part-time basis.

### **BEST PRACTICE - Mutual Benefit**

It is a good idea to have personal contact with someone in a prospective participating agency before dropping the survey questionnaire into mail. Not all organizations consider their salary structures to be open books. Offer to share the results of the survey with those who participate. This can encourage them to do so and it is common courtesy and the basic rule when conducting a survey.

**I.**  
**BUILDING**  
**STANDARDS**

## Building Standards

Dwellings financed must provide **modest**, decent, safe and sanitary housing. The appraisal of homes produced under the mutual self-help program cannot exceed Rural Development's Area Loan Limit. It has to be **affordable** to the family, and it cannot have a swimming pool or any income producing properties. Construction must meet the requirements and follow the specifications in 1924-A.

### House Plans

House plans are required for every model that will be built during the grant period.

**BEST PRACTICE** - A **complete** set consists of plans and blueprints which have been certified by an architect or engineer licensed in that state. The blueprints need to include the following views with mechanicals noted:

- a foundation plan,
- floor plan,
- cross section,
- front and rear elevations,
- and right and left side elevations.

The cost to obtain these plans will be approximately \$300-\$700 for each set (if you are lucky you might find some free of charge). Please include a statement that includes the square footage of livable space for each plan.

### Codes and standards

Local and state building codes set the minimum for acceptable material and construction standards for structural integrity, plumbing, heating, electrical installation, windows and ventilation, and safety issues; however local authorities have the right to require additional standards. For the self-help program the house plans must also be approved by Rural Development.

Building codes will need to be researched for each building location because each community may have unique house design regulations, building codes, and setback requirements. Three standards must be met: Rural Development, state government, and local government.

Each plan must conform to state and local building codes and follow Rural Developments standards. These standards require the adherence to their thermal performance standards (1924-A, Exhibit D) and the dwelling must be affordable to the applicant, not have a pool, and contain no income producing facilities.

## Obtaining house plans

There are several ways to obtain house plans.

- Local Building Supplier
- House Plan Book
- Rural Development --- **BEST PRACTICE** - Talk to RD 1<sup>st</sup>.
- NCALL
- Other Self-Help Providers
- Software – Cheep Architect

## Costs of obtaining plans

Another item to take into consideration is the costs of obtaining the house plans. All options should be carefully investigated to determine which is the most cost effective. Another way of obtaining the plans and probably the most cost effective way, would be someone on staff or someone who is interested in the project and is qualified enough to donate the necessary time and labor to develop blueprints. Usually, as stated earlier, \$300-\$700 will need to be spent per plan to obtain the necessary documents.

## Standardize plans

When obtaining house plans, self-help organizations should standardize the plans as much as possible. For example, the cabinet and kitchen arrangement in the houses can be standardized, as can the size and arrangement of the bathroom. The purpose of standardization is two fold: 1.) The cost estimate and use of materials in the houses will remain the same, and 2.) The construction supervisor and participants will become familiar with the plans during construction.

**BEST PRACTICE** - *It is not recommended that a grantee offer participants a large variety of plans to choose from.* It is better to limit the plans offered to a reasonable number. For example, it is recommended that self-help grantees provide a limited selection of three basic plans in order to simplify the management required to operate a successful program. These three basic plans should be of varying living areas and varying number of bedrooms, depending on the sizes that the grantee finds most in demand based on a survey of the target area.

Keep in mind that house plans should be prepared in advance of the formation of the first group of self-help participants. Only one set needs to be a certified original, the rest can be copies.

After a participant has chosen a particular house design, copies of the blueprints should be given to: Rural Development in the 502 application; the local building official when applying for a building permit; the construction supervisor (who will be in charge of the construction of the house); and the participant file in the grantee's office.

**J.**  
**FAIR**  
**HOUSING**

# Fair Housing Laws

## Introduction

Fair housing is an extremely important issue that needs to be discussed when working with a self-help program. It effects every staff position within the program. Training in this area is crucial in treating the participants fairly and helping the self-help organization stay in compliance and out of trouble. The following chapter will describe some of the laws that govern fair housing, give some guidance in following the laws, and list other resources that can be used to educate staff.

The right to equal housing opportunity is set by law. It is enforced through a formal complaint process, litigation, testing, and monitoring. These actions are necessary, but not sufficient to create a society in which all persons can be assured of their housing rights. Grantees and community members must know about the existence of fair housing laws in order to avoid violating them. Knowing about the laws and their penalties can serve as a deterrent for those who might violate them and also fair housing education protects housing providers from violating laws simply because of a lack of knowledge.

## The Fair Housing Act

The Fair Housing Act prohibits discrimination in housing because of:

- Race or color
- National origin
- Religion
- Sex
- Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18)
- Handicap (Disability)

The Fair Housing Act covers most housing. (In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use

of a broker, and housing operated by organizations and private clubs that limit occupancy to members. None of these exemptions apply to self-help housing.) The Act applies to:

- All housing financed by government loans, therefore, to all Rural Housing borrowers (1901.203(a)(1));
- To individual single-family houses so long as the ultimate sale of the house is through the services of any person in the business of selling or renting dwellings or any agent or employee of such person. (A person is deemed to be in the business of selling or renting if he or she has participated as an agent in two or more such transactions within the past year, other than her or his own dwelling, within the past year [7 CFR 1901.203(a)(2)]. This is a very important aspect of the Federal Fair Housing Act as it refers to employees of your organization. A grantees' self-help staff, full or part time, is considered an employee and must abide by all Federal Fair Housing Act laws.
- The owner of a dwelling intended for occupancy by five or more families.

In the sale and rental of housing no one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In mortgage lending no one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan

- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan.

In addition, it is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

There is also additional protection for persons with a disability. If the applicant or someone associated with them:

- Has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities
- Has a record of such a disability or
- Are regarded as having such a disability

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with a parent, a person who has legal custody of the child or children, or the designee of the parent or legal custodian, with the parent or custodian's written permission. Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18. Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if the HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program, or it is occupied solely by persons

who are 62 or older, or it houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older. A transition period permits residents on or before September 13, 1988, to continue living in the housing, regardless of their age, without interfering with the exemption.

Home seekers and housing providers must know their rights and responsibilities as well as the social and business advantages that accrue through honoring both the spirit and letter of fair housing laws. Home seekers and housing providers also need to learn how the law is implemented and how the laws work for them. Home seekers need to know when housing providers are discriminating against them and to distinguish discriminatory acts from other actions housing providers may take that are not discriminatory. Knowledge of fair housing laws provides an opportunity to learn about the benefits of diversity and diverse talents, doing business in a more open market, providing housing in a way that allows all residents in the community to grow in understanding, spirit, and community.

## **Other Applicable Laws**

The following civil rights laws and regulations apply to all grantees and families participating in the self-help housing program. The following laws and regulations can be accessed from either the HUD or USDA web sites.

HUD: <http://www.hud.gov/>

USDA: <http://www.rudev.usda.gov/>

- Federal Fair Housing Act
- Title VI of the Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act of 1973
- Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act of 1990
- Section 109 of the Housing and Community Development Act of 1974
- USDA Rural Development's regulation found at 7 CFR 1901 Subpart E also Incorporates Title VI & Title VIII (1901.201/2)
- Title VIII (additional protected classes: sex, religion, disability & familial status).

- Title VI nondiscrimination agreement (1901.202(d))
- Record keeping requirements: racial & ethnic data ((1901.202(g))
- HOME Grants, although not a civil rights law they are a major HUD source of Federal Financial Assistance in housing

An organization that is building five or more units and receives Federal Financial Assistance under one contracting authority, such as USDA, may be covered by several other nondiscrimination laws as well. Any related activities that are connected to this Federal Financial Assistance funding may also be covered under the Civil Rights Restoration Act. (Federal Financial Assistance includes the Rural Development 502 and 523 programs.) The Federal agency providing the assistance is responsible for compliance issues that may arise. For example, USDA, Rural Development is responsible for compliance issues regarding the 502 loans and the 523 grants.

Also, if your organization receives CDBG and HOME Grants, then HUD’s 109, Title VI and Section 504 nondiscrimination requirements may apply to you. Section 504 includes program accessibility requirements.

The Americans with Disabilities Act and related information, including requirements for accessibility can be accessed from the HUD web site <http://www.hud.gov/>. Only “public entities” are covered by Title II of the Americans With Disabilities Act and must comply with the program’s accessibility requirements. State and local governments, as well as agencies thereof, are “public entities.”

## **Fair Housing Marketing**

### **Affirmative Fair Housing Marketing Plan**

Under Rural Development regulations, self-help agencies must prepare an Affirmative Fair Housing Marketing Plan when five or more houses are involved. This is part of the TA Grant application process. Grantees should pay close attention and follow the instructions when filling out the Affirmative Fair Housing Marketing Plan.

**BEST PRACTICE** - There are several requirements for a good Plan. Accurate information must be used. The racial makeup of the community where the project is located must be included in the project plan. The purpose of this is to determine which racial groups are least likely to apply for

available housing. The marketing plan must then be designed to attract those “least likely” groups. The advertising is to cover the entire market area, but a special marketing effort must be directed to the racial group that is least likely to apply for housing. This special outreach effort must occur 90 days before the housing is available for sale or rent. Then a marketing program should be developed using media that will reach the entire market and media that will reach the designated “least likely” groups.

An authorized Rural Development official must sign the Plan “approved” or “disapproved.” The grantee would then modify the disapproved Plan and resubmit it for approval. Once approved the Plan must be made available and posted in a prominent place for public inspection. When the project is underway, Rural Development is required to monitor the Plan for compliance.

## **Fair Housing Advertising**

In order to comply with the Fair Housing Act, there are certain requirements that must be met. The following is a description of the requirements that pertain to advertising.

I. The following words, phrases, symbols, and forms typify those most often used in residential real estate advertising to convey either overt or tacit discriminatory preferences or limitations. In considering a complaint under the Fair Housing Act, the Department will normally consider the use of these and comparable words, phrases, symbols, and forms to indicate a possible violation of the act and to establish a need for further proceedings on the complaint, if it is apparent from the context of the usage that discrimination within the meaning of the act is likely to result.

- (a) Words descriptive of dwelling, landlord, and tenants. White private home, Colored home, Jewish home, Hispanic residence, and adult building.
- (b) Words indicative of race, color, religion, sex, handicap, familial status, or national origin --
  - (1) Race -- Negro, Black, Caucasian, Oriental, American Indian.
  - (2) Color -- White, Black, Colored.
  - (3) Religion -- Protestant, Christian, Catholic, Jew.
  - (4) National origin -- Mexican American, Puerto Rican, Philippine, Polish, Hungarian, Irish, Italian, Chicano, African, Hispanic, Chinese, Indian, Latino.
  - (5) Sex -- the exclusive use of words in advertisements, including those involving the rental of separate units in a single or multi-family dwelling, stating or tending to imply that the housing being advertised is available to persons of only one sex and not the

other, except where the sharing of living areas is involved. Nothing in this part restricts advertisements of dwellings used exclusively for dormitory facilities by educational institutions.

(6) Handicap -- crippled, blind, deaf, mentally ill, retarded, impaired, handicapped, physically fit. Nothing in this part restricts the inclusion of information about the availability of accessible housing in advertising of dwellings.

(7) Familial status -- adults, children, singles, mature persons. Nothing in this part restricts advertisements of dwellings which are intended and operated for occupancy by older persons and which constitute housing for older persons as defined in part 100 of this title.

(8) Catch words -- Words and phrases used in a discriminatory context should be avoided, e.g., restricted, exclusive, private, integrated, traditional, board approval or membership approval.

(c) Symbols or logotypes. Symbols or logotypes, which imply or suggest race, color, religion, sex, handicap, familial status, or national origin.

(d) Colloquialisms. Words or phrases used regionally or locally which imply or suggest race, color, religion, sex, handicap, familial status, or national origin.

(e) Directions to real estate for sale or rent (use of maps or written instructions). Directions can imply a discriminatory preference, limitation, or exclusion. For example, references to real estate location made in terms of racial or national origin significant landmarks, such as an existing black development (signal to blacks) or an existing development known for its exclusion of minorities (signal to whites). Specific directions which make reference to a racial or national origin significant area may indicate a preference. References to a synagogue, congregation or parish may also indicate a religious preference.

(f) Area (location) description. Names of facilities, which cater to a particular racial, national origin or religious group, such as country club or private school designations, or names of facilities, which are used exclusively by one sex, may indicate a preference.

II. The selective use of advertising media or content when particular combinations thereof are used exclusively with respect to various housing developments or sites can lead to discriminatory results and may indicate a violation of the Fair Housing Act. For example, the use of English language media alone or the exclusive use of media catering to the majority population in an area, when, in such

area, there are also available non-English language or other minority media, may have discriminatory impact. Similarly, the selective use of human models in advertisements may have discriminatory impact. The following are examples of the selective use of advertisements, which may be discriminatory:

(a) Selective geographic advertisements. Such selective use may involve the strategic placement of billboards; brochure advertisements distributed within a limited geographic area by hand or in the mail; advertising in particular geographic coverage editions of major metropolitan newspapers or in newspapers of limited circulation which are mainly advertising vehicles for reaching a particular segment of the community; or displays or announcements available only in selected sales offices.

(b) Selective use of equal opportunity slogan or logo. When placing advertisements, such selective use may involve placing the equal housing opportunity slogan or logo in advertising reaching some geographic areas, but not others, or with respect to some properties but not others.

(c) Selective use of human models when conducting an advertising campaign. Selective advertising may involve an advertising campaign using human models primarily in media that cater to one racial or national origin segment of the population without a complementary advertising campaign that is directed at other groups. Another example may involve use of racially mixed models by a developer to advertise one development and not others. Similar care must be exercised in advertising in publications or other media directed at one particular sex, or at persons without children. Such selective advertising may involve the use of human models of members of only one sex, or of adults only, in displays, photographs or drawings to indicate preferences for one sex or the other, or for adults to the exclusion of children.

III. Fair Housing Policies and Practices. When officials investigate complaints of housing discrimination, they will evaluate whether or not the following policies and practices of the Act have been carried out:

Use of equal housing opportunity logotype, statement, or slogan. All advertising of residential real estate for sale, rent, or financing should contain an equal housing opportunity logotype, statement, or slogan as a means of educating the home seeking public that the property is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. The choice of logotype, statement or slogan will depend on the type of media used (visual or auditory) and, in space

advertising, on the size of the advertisement. Table I indicates suggested use of the logotype, statement, or slogan and size of logotype. Table II contains copies of the suggested Equal Housing Opportunity logotype, statement and slogan.

Use of human models. Human models in photographs, drawings, or other graphic techniques may not be used to indicate exclusiveness because of race, color, religion, sex, handicap, familial status, or national origin. If models are used in display advertising campaigns, the models should be clearly definable as reasonably representing majority and minority groups in the metropolitan area, both sexes, and, when appropriate, families with children. Models, if used, should portray persons in an equal social setting and indicate to the general public that the housing is open to all without regard to race, color, religion, sex, handicap, familial status, or national origin, and is not for the exclusive use of one such group.

Coverage of local laws. Where the Equal Housing Opportunity statement is used, the advertisement may also include a statement regarding the coverage of any local fair housing or human rights ordinance prohibiting discrimination in the sale, rental or financing of dwellings.

Notification of fair housing policy -- Employees. All publishers of advertisements, advertising agencies, and firms engaged in the sale, rental or financing of real estate should provide a printed copy of their nondiscrimination policy to each employee and officer.

The following three tables may serve as a guide for the use of the Equal Housing Opportunity logotype, statement, slogan, and publisher's notice for advertising:

**Table I**

A simple formula can guide the real estate advertiser in using the Equal Housing Opportunity logotype, statement, or slogan. In all space advertising (advertising in regularly printed media such as newspapers or magazines) the following standards should be used:

Size of advertisement	Size of logotype in inches
½ page or larger	2x2
1/8 page up to 1/2 page	1x1
4 column inches to 1/8 page	1/2 x 1/2
Less than 4 column inches	Do not use

In any other advertisements, if other logotypes are used in the advertisement, then the Equal Housing Opportunity logo should be of a size at least equal to the largest of the other logotypes; if no other logotypes are used, then the type should be bold display face which is clearly visible. Alternatively, when no other logotypes are used, 3 to 5 percent of an advertisement may be devoted to a statement of the equal housing opportunity policy.

In space advertising, which is less than 4 column inches (one column 4 inches long or two columns 2 inches long) of a page in size, the Equal Housing Opportunity slogan should be used. Such advertisements may be grouped with other advertisements under a caption, which states that the housing is available to all without regard to race, color, religion, sex, handicap, familial status, or national origin.

**Table II**

Illustrations of Logotype, Statement, and Slogan.

Equal Housing Opportunity Logotype:



Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.

Equal Housing Opportunity Slogan: "Equal Housing Opportunity."

**Display of Fair Housing Posters**

Participants in Rural Development programs are required to display Equal Housing Opportunity Posters in English and Spanish, in areas with a significant Spanish-speaking population, in the following locations:

- All business offices, model homes, and construction sites of all new single family housing subdivisions until all dwellings are sold.
- Business office, model apartments, and at the construction sites of new multi-family housing projects. In addition, the poster must be placed at the business office of existing multi-family housing projects. If a project does not have an office, participants must provide a protective case for the poster to be placed near the resident manager's office.
- Business offices of real estate agents, brokers, auctioneers, and dealer contractors doing business with Rural Development under the rural housing programs.

### **Participant Selection and the Building Group Membership and Labor Agreement**

Grantees must follow all fair housing guidelines when screening participants for the self-help program. HUD and USDA can provide additional training materials for advertising and marketing. Included in these materials are the allowable questions a grantee can and cannot ask when interviewing potential self-help participants.

Two of the most important ways to ensure that you can prove that you are following all applicable fair housing laws are consistency and documentation. Is there written selection criteria and is this criteria consistently applied to all families?

It is also important to be mindful of the underserved population in your area. What about households with members having disabilities? The participants must complete 65% of construction labor tasks. A participating family may use a substitute to perform the labor with prior approval of the Grantee and the Rural Development State Director. A substitute is only permitted when the participating family is incapacitated. (1944.403 (k)) Is there ever a concern about a participant's ability to live independently? For households with disabled members, the fair housing regulation prohibits questions that go to the nature and extent of disability, except when determining program eligibility, provided it is asked of all participants. (Provisions can be made when a family cannot meet the terms of the membership agreement because a new disability may have occurred.)

Is there proper accessibility upon request? Upon request, accessibility modifications may be included at the request of the prospective homeowner and financed under the 502 program, up to the program mortgage limit. USDA 504 regulation (7CFR 15b.16) requires that assisted programs and

activities be program accessible. Title II of the Americans with Disabilities Act requires the same as the USDA 504 regulations.

Recipients of Federal Financial Assistance are required to provide requested modifications to the assisted housing they own. Under HUD's interpretation of its own regulations, this includes freestanding, single family units, so long as they are in packages of five or more under the same contracting authority. This obligation is limited by a showing that to do so would create a fundamental program change or undue financial and administrative burden.

**BEST PRACTICE** - Are the participants treated equally? In both reward and punishment the participants should be treated equally. The best way to follow this rule is to stick with the rules laid out in the membership agreement. Do not let one participant change their house in the middle of construction and then say no to another. That would constitute unfair treatment and could be considered discrimination. The same could be said about a participant that falls behind in their labor hours, follow the rules in the agreement. If the first participant that falls behind has to have a meeting to explain themselves and the next participant has work stopped on their house for the same level of being behind, the organization is being discriminatory. Treat all the participants equally.

## **Identifying and Solving Potential Fair Housing Problems**

**BEST PRACTICE** - Contact Rural Development or HUD immediately if you believe a potential fair housing problem exists. The sooner you receive technical assistance on the matter the better. Use mediation and all available resources, such as HUD's conciliation process, Rural Development, or other legal sources.

It is important to understand the complaint process. HUD investigates Title VIII complaints. For a complaint to receive attention, it must be filed within one year of the alleged incident. There is a Memorandum Of Understanding between HUD and USDA, which defines the roles of HUD and USDA/Rural Development in potential fair housing and civil rights complaints. Either HUD or USDA/Rural Development may investigate Title VI, 504, or Age complaints, depending on the funding source. Both may concurrently investigate such complaints if there is dual-funding. If you

have any questions or need information regarding a potential fair housing or civil rights issue, immediately contact the USDA or HUD office.

HUD is ready to help with any problem of housing discrimination. If someone thinks their rights have been violated, the Housing Discrimination Complaint Form is available for them to download (at [www.hud.gov/hdiscrim.html](http://www.hud.gov/hdiscrim.html)), complete and return, or complete online and submit; or they may write HUD a letter, or telephone the HUD Office nearest them. They have one year after an alleged violation to file a complaint with HUD, but the complaint should be filed as soon as possible.

When filing a complaint, the complainant needs to tell HUD their name and address, the name and address of the person the complaint is against (the respondent), the address or other identification to the housing involved, a short description to the alleged violation (the event that caused the complainant to believe their rights were violated), the date(s) to the alleged violation.

HUD also provides a toll-free TTY phone for the hearing impaired: 1-800-927-9275, interpreters, tapes and Braille materials, and assistance in reading and completing forms. HUD will notify the complainant when their complaint is received. Normally HUD will also notify the alleged violator of the complaint and permit that person to submit an answer, investigate the complaint and determine whether there is reasonable cause to believe the Fair Housing Act has been violated, and notify you if it cannot complete an investigation within 100 days of receiving the complaint.

HUD will try to reach an agreement with the person the complaint is against (the respondent). A conciliation agreement must protect both you and the public interest. If an agreement is signed, HUD will take no further action on the complaint. However, if HUD has reasonable cause to believe that a conciliation agreement is breached, HUD will recommend that the Attorney General file suit.

If HUD has determined that a State or local agency has the same fair housing powers as HUD, HUD will refer the complaint to that agency for investigation and notify the complainant of the referral. That agency must begin work on the complaint within 30 days or HUD may take it back.

If immediate help is needed to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to provide assistance as soon as a complaint is filed. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of a complaint, if:

- Irreparable harm is likely to occur without HUD's intervention

- There is substantial evidence that a violation of the Fair Housing Act occurred

Example: A builder agrees to sell a house but, after learning the buyer is black, fails to keep the agreement. The buyer files a complaint with HUD. HUD may authorize the Attorney General to go to court to prevent a sale to any other buyer until HUD investigates the complaint.

If, after investigating the complaint, HUD finds reasonable cause to believe that discrimination occurred, it will inform the complainant. The case will be heard in an administrative hearing within 120 days, unless the complainant or the respondent wants the case to be heard in Federal district court. Either way, there is no cost to either party.

If the case goes to an administrative hearing, HUD attorneys will litigate the case on the complainant's behalf. The complainant may intervene in the case and be represented by their own attorney if they wish. An Administrative Law Judge (ALA) will consider evidence from the complainant and the respondent. If the ALA decides that discrimination occurred, the respondent can be ordered:

- To compensate for actual damages, including humiliation, pain and suffering.
- To provide injunctive or other equitable relief, for example, to make the housing available to the complainant.
- To pay the Federal Government a civil penalty to vindicate the public interest. The maximum penalties are \$10,000 for a first violation and \$50,000 for a third violation within seven years.
- To pay reasonable attorney's fees and costs.

If the complainant or the respondent chooses to have the case decided in Federal District Court, the Attorney General will file a suit and litigate it on the complainant's behalf. Like the ALA, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.

In addition, a complainant may file suit, at their expense, in Federal District Court or State Court within two years of an alleged violation. If they cannot afford an attorney, the Court may appoint one for them. They may bring suit even after filing a complaint, if they have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and attorney's fees and costs.

If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.

The Attorney General may file a suit in a Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring.

The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD Office nearest you.

## **Additional Resources**

Those responsible for housing activities should be aware that various fair housing training materials already exist. For example, HUD's Fair Housing Information Clearinghouse can provide brochures, videos, audio public service announcements, and posters produced and marketed throughout the country by the National Fair Housing Alliance (NFHA). Use of these materials can increase the grantee staff and the public's awareness of subtle discriminatory acts and provides the resources for dealing with such acts. HUD's Fair Housing Information Clearinghouse also publishes a catalog of its sizeable collection of fair housing materials produced under the HUD Community Housing Resource Board (CHRB) Program, Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP) across the country.

USDA, Rural Development national, state, and local offices can provide training and materials for your organization.

## **Legal Practices the Group Coordinator Needs to Know About**

There are many laws that govern fair housing and lending practices. In addition to Fair Housing and other laws mentioned above, there are additional laws that a Group Coordinator should be familiar with:

**Home Mortgage Disclosure Act of 1975** – Requires some depository institutions to make reports showing dollar volumes and residential mortgage and home improvement loan locations available to the government and the general public.

**Community Reinvestment Act of 1977** – Imposes on federally regulated financial institutions an affirmative obligation to help meet the credit needs of the local community in which they are chartered.

**Truth in Lending** – Requires disclosure of items in consumer credit transactions, including residential mortgages.

**Equal Credit Opportunity Act** – Prohibits discrimination in credit transactions on the basis of race, color, national origin, sex, age, marital status, reliance on income from public assistance, or an applicant exercising their rights under the Consumer Protection laws.

**The Fair Credit Reporting Act** – In the event of a credit denial due to information received by an outside credit-reporting agency, the applicant must be informed of the name and address of the credit-reporting agency. The applicant may contact the credit-reporting agency for an explanation. However, the lender is not allowed to discuss any credit information with the applicant.

In order to abide by these and other laws, there are certain practices that the Group Coordinator should follow, and certain questions that should not be asked during the interview process.

Discrimination is not allowed. Do not discriminate for any reason. Leave any prejudices you may have at home. Rural Development Instruction 1901-E, “Civil Rights Compliance Requirements”, restates that any recipient of financial assistance (i.e., a self-help grantee) will not subject any person to discrimination with respect to their programs.

**BEST PRACTICE** - The Group Coordinator acts on behalf of the federal government as the person who takes the loan application. Because of this the Group Coordinator must be especially careful to abide by the laws while taking a loan application. The Equal Credit Opportunity Act, mentioned above, regulates this area. In order to comply with this law, there are some questions that should not be asked during an application interview. The following list should help with this task.

Motherhood – Do not ask, “Are you planning to have children?” It is okay to ask about the number and ages of dependents and about dependent related financial obligations.

Marital Status – Do not ask, “Are you divorced, single, or widowed?” It is only acceptable to ask if the applicant is married, unmarried, or separated.

Religion – No inquiry is allowed in this area.

Race, National Origin or Sex – Any question is prohibited for underwriting purposes. It is only okay to ask information for monitoring purposes, but the applicant must be advised that they are not required to give the information. These questions are asked on the application form. If the applicant chooses not to complete the Monitoring Section of the Loan Application Form, the person taking the application must note the applicant’s race

and or national origin from visual observation or surname, and note that the answers came from “visual observation”.

Income – Because this is a federally subsidized program, the law requires that applicants must disclose income from alimony, child support or separate maintenance.

**BEST PRACTICE** - The Group Coordinator should not tell an applicant whether or not they will qualify for a self-help housing loan. This is the responsibility of Rural Development. However, the Group Coordinator can counsel participants about if and when they should submit an application. This should be done after a careful review of a family’s income and credit status, and not before. The Group Coordinator can advise an applicant that “Based on the information that you have provided, it appears to us that you do not meet the minimum eligibility requirements. If you believe we are mistaken, you may contact the local Rural Development Office for a clarification. If they believe that you meet the preliminary processing standards, we will be happy to complete the preparation of a loan application for your family.” If a potential participant request that their application be submitted to Rural Development and they are denied, there will be a mandatory waiting period of 6 months before the application can be resubmitted.

An “Authorization to Release Information” form, Form Rural Development 3550-1, should be obtained from all clients to ensure that the client has given permission to the Group Coordinator to gather information about/for them. This is especially important when dealing with personal credit information. Releases must be obtained BEFORE a credit report is ordered by the self-help agency. We recommend that this form be obtained with the Pre-Application Interview Form.

According to HUD regulation 7610.1 REV-4, 4-8, “Nothing in the Fair Credit Reporting Act precludes a counseling agency from disclosing a credit report to a client.” If a grantee is also a counseling agency for HUD, the present contract does not preclude disclosure to the client. If a grantee/counseling agency contracts with a credit bureau for credit reports, whether or not disclosure can be made depends on the terms of the contract between the grantee/counseling agency and the credit reporting bureau. The prudent practice by the group coordinator/ counselor is NOT to have the counseling agency’s copy of the credit report on his or her desk or in the client’s open file during a counseling session. The group coordinator/counselor should use notes taken from the report prior to the client’s arrival for the counseling session.

It is also important to respect the privacy of the potential participants. To this end, all of their personal information should be kept confidential and meetings with them should be held in private, to

the extent that is possible. A group coordinator/counselor is liable for civil suit when a client's civil rights are violated by sharing confidential information which was related to the counselor under the assurances of confidentiality. Files, where the applicant information is kept, should not be widely accessible and should in a secure (locked) place in the office when it's not being used by designated staff. Every staff member should not have, and does not need to have, access to this information.

Group Coordinators are not lawyers; therefore they should not provide legal counsel or advice, just information and assistance. They should also make sure that the participants are making their own decisions. It is not the Group Coordinator's role to make decisions for the client, just to educate them so they can make their own informed decisions. In this regard, maintain basic ethical practices in regard to the clients. Be competent, respectful, professional, open, truthful, and without actual and potential conflicts of interest.

As mentioned earlier in this chapter, it is important to abide by fair housing laws when it comes to advertising. Follow the plan laid out in the Affirmative Fair Housing Marketing Plan and include the fair housing logo or symbol on all recruitment efforts.