

# Self-Helper

Winter 2008/2009

Volume 100

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## Our 100th Issue!! – A Look Back

It's time to celebrate!! Not only is it time for the holidays, but NCALL is commemorating it's 100th edition of the Self-Helper with a look back at all of the events and milestones that have brought us to where we are today.

NCALL published its very first Self-Helper newsletter in December 1983, 25 years ago. At that time we had a 16-state region, comprised of the northeastern region of the country. FmHA loans were at 11<sup>7/8</sup>% interest and the Mutual Self-Help Housing program was governed by the 1933-I regulation with a 700 hour labor requirement. During this time there were 68 grantees nationwide building 1,000 homes per year with \$12 million in 523 funds.

In 1984, a mandate came down from Congress to serve 40% very low income for all 502 loans. At the time, NCALL thought this split might be "too optimistic" because Delaware was only using 15% of the 502 funds for VLI. Additionally, that year the 523 funding was cut to \$6 million due to under usage. The 502 Direct Loan allocation was over \$2 billion. For NCALL's region, the average 523 technical assistance grant was \$194,629 to build 34 homes. The average TA cost was only \$5,590 and the average sweat equity was \$4,397. NCALL's region had seven operating grants.

In February 1985, we added more states to our region (bringing the total served to 21) after acquiring the mid-western states. May 24, 1984 was designated as National Self-Help Housing Day. Around this same time, Sherry DeZwarte was hired by NCALL as a new Self-Help Housing Specialist. NCALL had seven total staffers.

In the summer of 1991, NCALL was overseeing 9 self-help grants totaling \$2,496,241, and proposing to build a total of 313 homes. The region was finally serving over the 40% VLI mandate with a total of 54% VLI. The average income served was \$17,875.

*(Continued on Page 2)*

*First in Housing Services, Because We Care*

## A Look Back (Continued from Page 1)

In 1992 the average developed lot cost was \$24,281, and the TA cost per house had risen to \$11,286.

In 1994 the new self-help regulation, 1944-I, was published. The 523 funds were increased to \$12.75 million and the 502 direct was at \$1.75 billion.

During 1996, the 502 program saw the end of interest credit and the beginning of the new payment assistance program. Around this time, the square footage requirements were replaced by caps on the 502 mortgage amounts. The 3550 handbook was published a bit later in the 90's.

In June 1997 the first National Homeownership Week was celebrated. Later that year, the national self-help housing video, funded by USDA, was released.

1998 saw an increase in the 523 allocation to \$26 million and HUD raised the 503(b) limit from \$86,317 to \$109,032. This year also saw the first SHARES pilot program; by Spring of 1999 everyone was online. This is the same time that NCALL published its website.

In 2000, the Self-Helper celebrated 50 years of Title V of the Housing Act of 1949 which established the overall goal to provide "a decent home and suitable living environment for every American family." We also reported that there was a delay in the new self-help housing regulations and that we would keep everyone posted. (We are still reporting on that one!!) ☺

By 2001 there was \$34 million in 523 grants, but 502 direct funding had slipped to \$1.1 billion.

In the Fall of 2002, NCALL moved into our own office building. During this year there were 100 502 loans closed in our region; the average being \$95,634 +\$9,927 in leveraged funds. The average appraisal was \$117,491 and the average sweat equity was \$15,626.

My how times have changed! So much has happened in the last 25 years and 100 editions of NCALL's Self-Helper. We are thrilled that NCALL could be a part of this wild journey in providing assistance to self-help grantees in our region. NCALL is hopeful that we will be celebrating our 200th edition with you. ☺

(For a look at current statistics, see the article entitled "Region III FY 2008 Stats.")

## Recruiting Hot Tip



Community Concepts, Inc., in South Paris, Maine recently shared a great tip with NCALL.

They placed their Self-Help Housing Application Interview Sheet on their website. They then advertised that if anyone is interested in self-help housing, but are not able to get into CCI's Office, they can visit CCI's website and download the Self-Help Housing Pre-app Interview Sheet. Then the potential participant can fill it out and either email it, send it or fax it to CCI. CCI will then run some preliminary loan calculations, and contact them.

Within the first 1-2 weeks they received 40 contacts.

This recruiting "best practice" is being duplicated by other self-help organizations in Region III, and can be a valuable tool if the office is a long distance from the self-help construction sites.



Sonia Duran staples tar paper onto a garage in Delavan, WI. She is a participant of Southeastern Wisconsin of Racine County's Self-Help Program.

## Region III FY 2008 Stats

NCALL has been busy gathering FY 2008 statistics. The following statistics are for NCALL's Region III Mutual Self-Help Housing grantees during FY 2008, which ended September 30, 2008:

Number of Loans Closed:	132
Percentage of VLI:	46%
Total Sweat Equity:	\$3.7 million
Average Sweat Equity:	\$28,253
Total 502 Dollars:	\$16.5 million
Average 502 Loan:	\$125,052
Total Leveraged Funding:	\$927,872
Average Appraisal Amount:	\$146,700

To give everyone an idea of how the economy is affecting the self-help program, we decided to also give a recap of some of these same figures from last year:

Number of Loans Closed:	100
Percentage of VLI:	64%
Average Sweat Equity:	\$37,579
Total 502 Dollars:	\$10.5 million
Total Leveraged Funding:	\$1,163,571
Average Appraisal Amount:	\$154,441

Comparing these statistics reflects the current state of the housing crisis and the economy in general. While the number of 502 loans in Region III went up this past year, the average appraisal, sweat equity, leveraged funding and VLI served went down.

In order to get a national perspective, NCALL contacted the USDA, Rural Development National Office for FY '08 statistics.

Number of 502 Loans Closed:	1190
Average Loan Amount:	\$126,705
Total 523 Grants:	91
Average Grant:	\$362,768

## The National Rural Self-Help Housing Association Meets

Prior to the start of HAC's National Rural Housing Conference, the National Rural Self-Help Housing Association (NRSHHA) met in Washington, DC on December 2, 2008. During the meeting, the organization elected new officers to the steering committee. Those now serving include: Russell Huxtable, MHDC, Delaware; Patty Griffiths, Community Action Commission of Fayette County, Ohio; Lewis Kellom, Homes in Partnership, Inc., Florida; Earl Pfeiffer, Florida Home Partnership, Inc., Florida; Bill Tucker, Universal Housing Development Corporation, Arkansas; Ernie Renfrow, Latimer County Housing Authority, Inc., Oklahoma; Peter Carey, Self-Help Enterprises, California and Alan Trunnell, Community Frameworks, Washington.

The NRSHHA is an organization governed by self-help housing organizations for their benefit. There

is an annual membership fee to belong to this vital organization. The amount of annual dues a grantee pays is on a sliding scale based on the amount of the organization's 523 grant. The scale is listed below.

Representatives of the NRSHHA also met with the Obama transition team member responsible for USDA Rural Development programs. They reported that their discussion was positive.

### NRSHHA Dues Scale

523 Grant	Amount of Dues
0-\$200,000	\$200
\$200,001-\$500,000	\$300
\$500,001-\$1,000,000	\$400
More than \$1,000,000	\$500
Associate Members	\$200

*Wishing everyone a very wonderful holiday and a happy New Year!!*



*From your friends at NCALL*

## The New IRS Form 990



Effective for tax year 2008, non profit organizations will have to file the “New” IRS Form 990. IRS is seek-

ing to have organizations provide information that will more accurately reflect their inner workings in order to provide a more realistic image to the public. The new IRS Form 990 has many potential uses that include: providing potential and actual donors with information they may consider when deciding on making a contribution, and providing information for public inspection of the organization.

Some new questions regarding policies are included in the “New” Form 990. The specific policy questions included are: conflict of interest; whistleblower; document retention and destruction policy; policy for determining compensation; and investment policies (related to safeguarding nonprofit status). When developing policies, it is always advised to consult with legal counsel regarding governance policies to assure compliance with state nonprofit corporation laws, with the organizations’ charters and bylaws and with other regulatory items such as for employment and

document retention.

There is, of course, much more to the “New” IRS Form 990 and NCALL encourages all organizations to become familiar with the form. Regardless of who completes the 990, it is up to the organization to have the proper documentation and policies in place.

## Doing More with Less



In the current economic climate, many companies are facing the fact that they have to do more with less.

This is as true in the nonprofit world as it is in the for profit and government sectors. Companies are cutting back, government funding is being cut and foundations have less to give. So how is a nonprofit to survive?

One potential solution, discussed at the HAC conference, is to find a way to bring in additional revenue. Has your organization ever considered starting a for-profit business. Habitat for Humanity has done so through their ReStore stores. Habitat ReStores are retail outlets where quality, used and surplus building materials are sold at a fraction of normal prices. Proceeds from ReStores help local affiliates fund the construction of Habitat houses within the community.

Many Habitat affiliates across the United States and Canada operate successful ReStores—some of which raise enough funds to build an additional 10 or more houses per year. Materials sold by Habitat ReStores are usually donated from building supply stores, contractors, demolition crews or from individuals who wish to show their support for Habitat. Habitat is also proud of the fact that the stores, in addition to generating revenue, help the environment by rechanneling good, usable materials into use.

This model, of non profits owning for profit businesses to assist in carrying out their mission, is on the rise. Could a similar idea work for your agency? What other businesses could help generate additional resources? As for any for opening any new business, the decision is not to be taken lightly. Remember, plan properly and follow your mission.

## 10 Tips for a Successful Development

1. Hold a Pre-Construction Meeting
2. Pay an engineer to do construction monitoring and inspection
3. Do NOT let your site contractor get upside down on pay requests (paid more than work in place)
4. Visit the site often
5. Make good friends with county inspectors
6. Monitor contractor’s time closely
7. Pay contractors promptly
8. Know the contract well—get what you pay for
9. Be “fair” with change orders
10. Be very, very thorough on final acceptance walk

These tips were provided with permission by Earl Pfeiffer from Florida Home Partnership, Inc. during a session on land development at the National Rural Housing Conference. Thanks Mr. Pfeiffer!

## It's Not Easy Being "Green"

As 2008 comes to a close we reflected on the hot topics of the year. Without a doubt, most of the buzz revolved around Green building. NCALL proudly reports that every agency in our region took additional steps to incorporate something Green into their homes. It makes good sense for affordable housing to be sustainable. But going Green does have its challenges, the biggest of which is cost.

There are a lot of new and exciting products that do amazing things; unfortunately, if you installed them into an affordable home it would no longer be an affordable home. But

don't be discouraged! For every high cost solution, there is a low or no cost alternative that would offer a similar result. The most cost effective results can be achieved early on with proper planning. For example, with modern framing practices some simple modifications can save material and allow for more effective insulating. Air sealing is huge; simply caulking the top plates and sills while in the framing stage will have a dramatic effect. Vapor barriers and insulation if and when they are installed correctly are very effective. Sealing and insulating ductwork and plumbing by applying mastic to the joints in your duct

work and pipe insulation will greatly reduce air and heat loss, making the systems in the home more efficient. These items are more labor intensive and time consuming, but this early investment of sweat equity will pay the participants back during the life of their loan with lower utility bills.

There are thousands of options out there and you don't need to incorporate them all. Simply pick one or two that make sense for your program and you will have made an impact. Just remember the most effective Green building techniques are the ones that are used.

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## A Look Back on the Bright Side



Back in the mid 1990's, amidst budget cuts and program rescissions, NCALL printed an article entitled "A Look on the Bright Side." We felt, at the time, that organizations were so stressed and strapped we would include an article that reminded us all of why we are involved in this program. The article contained quotes from various newspaper articles on self-help that had been collected over time. It seems that we are in a similar boat right now, so we thought at least a partial reprint was in order.

*"It means everything to them. I hear it time and time again. They never dreamed of owning a home."* Arturo Gonzales, Self-Help Director

*"Some self-help benefits are not easily measured. Families who build their homes usually remain in them, maintaining them well and keeping up*

*their yards. Some families even claim that their children do better now in school. Just about any development you'd care to visit, you'd hear testimony from somebody about how it has changed their lives."* Jim Rathbone, California Rural Housing Chief

*"It is some serious commitment. On the other hand, there are some serious rewards."* Edward Ober, former Self-Help Project Director

*"This program is a miracle for me. For me, the opportunity to get on my feet financially, even start my own business, own an environmentally safe home, and learn new skills has been incredibly empowering."* Johanna Bailey, Program Participant

*"We have been united, all of us. We have a lot of good things between us, even with our language differences."* Maria Saavedra, Homeowner, speaking about the group of fami-

lies that worked together. *"We know our neighbors in the most unique way. We have seen each other through some hard times this winter and share this dream which is becoming more real every day. We didn't know what we were getting into, but we are so happy that we called (the agency) to find out."* Carol Guilbault, Program Participant

*"Many have asked me, 'Jim was it worth it?' You see because it wasn't easy, it was probably the hardest year of my adult life. Because the rest of my life didn't stop so I could build our house. I still had to work my job, I still had family commitments and community commitments that I had to fulfill. When I come home early in the morning and I look in on my children sleeping in their own bed, in their own room, with peace on their little faces, I say, YES it was worth every extra hour, every missed meal, every drop of sweat, yes it was worth it!!!"* James Barr, Homeowner



NCALL is an affiliate of the United Way of Delaware



## WARNING: Vista & SHARES Incompatible



Be aware of compatibility issues when upgrading or purchasing new computers. As of June 2008, Microsoft only sells PCs with their Vista Operating System. It has recently come to NCALL's attention that Vista is incompatible with the version of Oracle Forms that is used by SHARES. Currently, SHARES' version of Oracle Forms requires users to download the JInitiator 1.3.1.22 plug-in to execute the program. Newer versions of Microsoft's Internet Explorer, such as 7.0, are also incompatible with JInitiator 1.3.1.22. The minimum system requirements for the Oracle JInitiator are 166+ MHz Pentium processor, 70 MB free hard disk space prior to installing, and 32-48 of system RAM. The matrix below shows which Operating Systems and Browsers are supported.

The Oracle JInitiator 1.3.1.22 supports the following Operating Systems and Browsers:

Platform ↓	Browser →	Internet Explorer 5.0	Internet Explorer 6.0	Internet Explorer 7.0	Netscape Navigator 7.0	Firefox 1.0
Windows NT		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Windows 2000		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Windows XP			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Windows Vista						

According to Oracle's website, JInitiator is known to not work with Vista and it's creator, Sun Microsystems, is not planning to support 1.3 on Vista. Oracle, therefore, has no plans to certify JInitiator with Vista. Vista users should consider Sun's plug-in 1.5 once it is certified for Vista. On a forum posted on Oracle's website, Mozilla Firefox 2.0+ with JInitiator 1.3.1.22 installed on Vista, without J2SE JRE installed (Java 2 Platform-Second Edition, Runtime Environment), works properly together.

The SHARES technical department is aware of this conflict and will let us know when it is resolved. We will keep you posted!

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