



Annual Report -- FY 2001 Rural Development

Utah



Helping To Develop Rural Utah -- Working With People
& Communities To Create Opportunities For Growth

Annual Report From Secretary Of Agriculture



Our country stands united as we report on a unique and challenging year for the Department of Agriculture. In the wake of the tragedies of September 11th, we have worked to ensure the protection of our food supply, employees, customers, facilities and programs. As President Bush has said, “We will not waver; we will not tire; we will not falter; and we will not fail. Peace and freedom will prevail.”

During this past year, we faced many challenges, but many opportunities as well. As our new Administration has taken hold, USDA’s Rural Development undertook many efforts to assist and strengthen our rural communities. These efforts included: 950 communities approved for \$1.4 billion in loan and grant funds to establish or improve drinking water or waste disposal systems for more than a million rural residents; 43,000 families received loans to purchase a home, allowing them to realize their dream of owning their own home and contributing to an all time high in our nation’s homeownership rate; and nearly \$15 million in grant funds were provided to distance learning projects encompassing over 590 educational institutions, and \$11.5 million for 41 telemedicine projects involving nearly 236 medical facilities, bringing greater access for rural residents to much needed educational and medical services.

Over the years, we have made great strides to better serve our customers. In September, we unveiled a new report, “Food and Agricultural Policy: Taking Stock for the New Century.” This study focuses on the changing role of agriculture and rural development and how we can work together to provide new opportunities and greater economic growth for this nation’s farmers, ranchers and rural communities. I encourage you to review this report from USDA’s website at www.usda.gov.

Residents in Utah and from all across this nation are what truly makes America great. We can continue to build on our successes in strengthening our rural communities. And, our Rural Development employees stand ready to assist in any way they can.

ANN M. VENEMAN
Secretary of Agriculture

Mission Statement By Acting Under Secretary

Rural communities face many challenges as they seek to strike a balance between preserving the attributes of “small town living” with the need to create an economic strategy to compete in our national and global economies.

We are living in a time of great change. One of the most striking changes is that many of today’s farmers and ranchers, or their spouses, must now seek outside employment just to supplement their farm income. No longer the primary anchor in many rural communities, agriculture has given way to manufacturing services or other non-farming activities. Recognizing this dramatic shift in our rural economy, Rural Development is working with local leaders to help stabilize and improve the overall economic conditions of rural Utah.

Our mission at Rural Development is to help community leaders, through financial and technical assistance, fulfill their vision and keep rural America strong and prosperous. Together, we will bring greater access to information technology, improve the economic base that drives local economies, and improve the quality of life for all citizens living in rural America.

MICHAEL E. NERUDA
Deputy Under Secretary

State Director's Message

Our mission is to help develop and sustain rural Utah's diversified, rapidly changing society by working in partnership with people and communities. We work to assist them in improving their quality of life through financial and technical assistance to individuals, families and communities. We accomplish this by helping with a wide range of projects that include affordable housing, business and industry loans, water and wastewater projects, and community facility needs.

We are dedicated to the "best use" of our Federal funds. The question for our staff is not just whether we used the money Congress appropriated. The question really is did we use those funds in a way that provided resources to rural Utah residents in areas of greatest need through activities of greatest potential. We have had a number of successes this year in strengthening rural Utah communities. Each portion of this report will show Rural Development employees in Utah assisting individual homeowners and communities by providing housing and improving the economic base of our local rural communities.

Utah Rural Development provided \$89,927,627 million in assistance to rural residents.

Rural Housing:

- ◆ \$48,376,247 in loans, grants and guarantees were provided to meet growing housing needs.

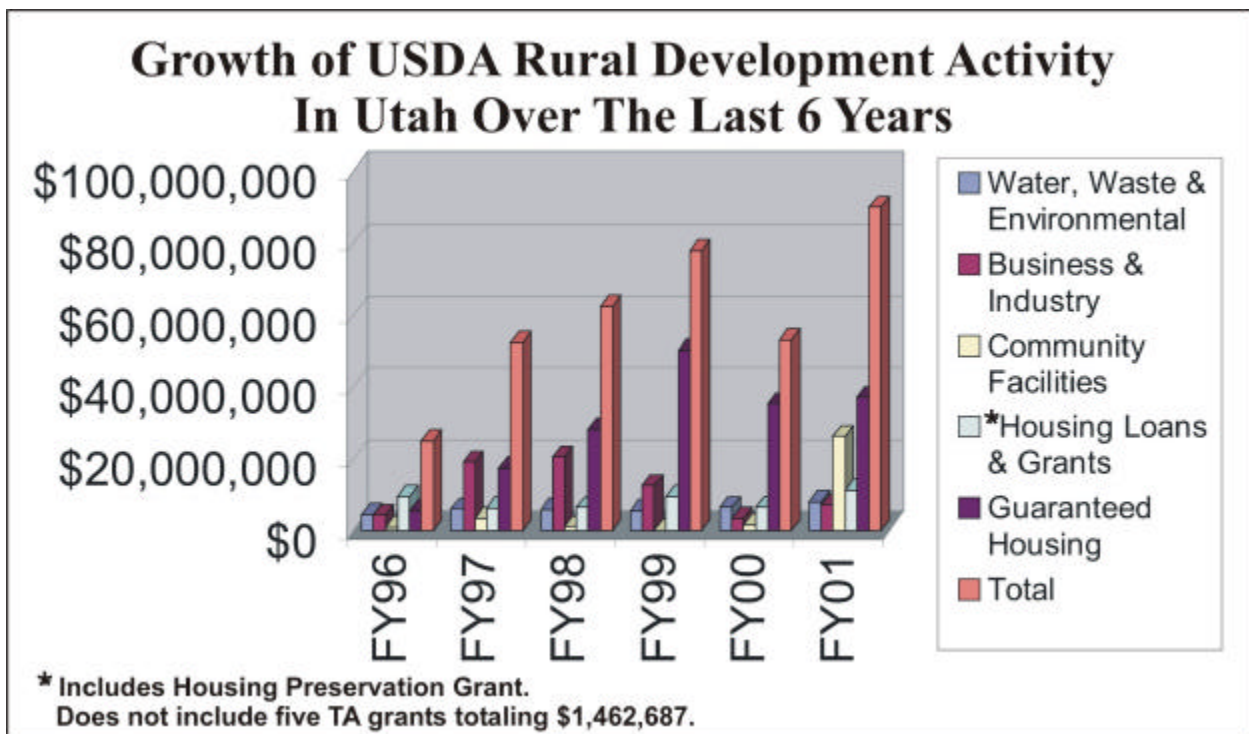
Community Programs:

- ◆ \$8,163,700 for Water and Environmental Projects.
- ◆ \$26,268,010 funded for Community Facility Projects in rural communities.

Business & Industry:

- ◆ \$7,119,670 in assistance to rural businesses in Utah.

JOHN R. COX
State Director



Rural Housing Service

Our USDA Housing Program provides opportunities for home ownership and home improvement loans for individuals in rural areas. Financing is provided at favorable rates and terms with little or no down payment. In many cases, payments can be reduced according to the client's ability to pay.

Fiscal Year 2001 was challenging for us in Utah because demand for affordable housing far exceeded the funds made available at the beginning of the year. We achieved tremendous success by unifying private, state, and federal resources to assist rural homeowners.

1. Rural Housing Guaranteed Loans (80% of Area Median Income represents low income and 115% of Area Median Income represents moderate income households):

The initial allocation for Rural Development Guaranteed Loans was \$8,516,000. However, the Approved Lenders in Utah were assertive and utilized effective outreach to close 355 loans for a total of \$37,129,433. *This represents a 436% increase in funds actually utilized for low and moderate-income households.*

2. Direct 502 Loans (50% of Area Median Income represent very low income and 80% of Area Median Income represent low income households):

The portion of the Direct 502 program that is targeted to very low-income households was allocated \$1,441,000 and the actual funds obligated were \$3,591,499. *This represents a 249% utilization factor.*



“Housing costs are so high we would have been renting forever without the Self Help Housing Program.”

The low-income category was allocated a total of \$1,712,000. Because of special initiatives such as Rural Housing Loan Partnerships and Self Help Housing, a total of \$5,302,851 was utilized.

In the Self Help Housing program individual families build 65% of their own homes under the supervision of a construction supervisor and a non-profit organization. Families not only work on their own home, they provide labor to build the homes of other members of their group. Families help build better communities and the program provides skills to the homeowners necessary to maintain the homes. A total of \$3,599,345 was used in the program initiative and this *exceeded the State*

allocations for Self Help Housing by 2,000%.

3. Direct 504 Loans And Grants:

Great human interest accomplishments are achieved under the 504 loans and grants. Very low income families and elderly were given loans at 1%. Those people 62 years old or more, or disabled, where removal of health and safety concerns are necessary, received grants up to a maximum of \$7,500. During FY 2001 a total of 32 households received 1% loans totaling \$197,814, and 36 elderly or disabled households received grants totaling \$129,986. *We exceeded the State allocation for 504 loans by 186.6% and for 504 grants by 129.9%.*

4. Housing Preservation Grants:

Through this program RD provided a grant to the State of Utah to assist in rehabilitation of single family housing in rural areas. The State then used these funds to rehabilitate 6 homes in rural areas. Rural Development provided one HPG grant for \$50,000 *which exceeded the State allocation by 176%.*

5. Multi-Family Housing Rental Programs:

Utah's MFH portfolio is made up of 93 housing developments that provide affordable rent to 2,113 households of which 1,345 are family units and 768 are occupied by elderly or disabled households. Rental assistance is available in 76 of the 93 units which enhances affordability.



“Two Sisters in Delta were in need of new roofs on both homes. One of the homes could not be insured until the roof was repaired. One sister heard a commercial on TV advertising a booklet listing Federal assistance programs for senior citizens. She ordered the book and then wrote a letter to the RD State Office address. Staff replied to her letter and helped both sisters fill out the applications. With the aid of two 504 Loans and a 504 Grant they were able to make needed repairs.”



Red Cliff MFH complex in Nephi.

In MFH Programs during 2001 we obligated \$1,680,170 in loans to provide housing for 81 families.

First year delinquency percentages on guaranteed loans were a respectable 4%, which is lower than the national average. Delinquency rates for the entire Single Family Housing Program were below the National Average and first year delinquency rates were 2.1%. In MFH Programs we had a zero percent delinquency rate.

**Dave Brown
Rural Housing Program Director**

Community And Business Programs

Fiscal Year 2001 was a landmark-funding year in the Community and Business program area with \$41,551,380 in guaranteed loans, direct loans and grants allocated to fund 46 new projects. *Overall, we exceeded our state allocation by nearly 300%.*

Our success was attributed to several factors, mainly to the special Disaster, Economic Impact and Native American Set-Aside funding. In addition, several guaranteed lenders discovered unique opportunities offered by the Guaranteed Community Facility Program. Funds generated by the Guaranteed CF program alone were \$21,336,000 to finance a new hospital, airport and a major hospital expansion. Other types of projects funded by a direct loan and/or grant were for fire/safety, domestic violence shelter, playgrounds, summer youth camp, city offices/facilities, a theatre restoration, and a medical transportation system. *Of the 21 CF projects assisted, 77% of the project costs were leveraged from other sources and state allocations were exceeded by 1,030%.*



Uintah Basin Medical Center, Inc. A new hospital expansion for a doctor's clinic, parking lot and front entrance. Direct/Guaranteed CF loan combination with RCAC participation.

Rural Utilities Service provided direct loans and grants to finance 7 culinary water projects, 3 wastewater projects, and 2 solid waste projects. *Overall, RUS program funding exceeded state allocations by 143% and leveraged funding was 185% of the RUS funds expended.* 41% of RUS funds either directly assisted Tribes or provided assistance in areas with high Native American Indian populations.



Midvalley Estates, Inc. Water Improvement Project for new well, tank and transmission lines. RUS Loan and Grant.

Rural Business and Cooperative Services program funding exceeded state allocations by 126% and assisted in the development of 13 projects. *Overall, leveraged funding for financed projects was 146% of the RB/CS funds expended.* One Direct and three Guaranteed Business and Industry loans were funded with 45 created/saved jobs, benefiting rural Utah communities. Technical assistance and

leadership/empowerment training workshops were provided to all Utah Tribes through a Rural Business Opportunity Grant (RBOG) in partnership with Utah Division of Indian Affairs. Technical assistance and 9.5% of funding was provided to 5 cooperatives. 59% of RBOG/RBEG

grant funds either directly assisted Tribes or provided assistance in areas with high Native American Indian populations. In addition, a \$500,000 Value Added Production Market Development Grant was awarded to the Rocky mountain Sugar Growers Cooperative.

Following our Mission Statement which declares “best use” of Federal Funds we provided one \$10,000 RBEG to assist the Southeastern Utah Association of Local Governments in their relending programs. This small grant was leveraged with other sources of funding and helped establish a reverse osmosis



Crystal clear water -- The end product after reverse osmosis treatment.

be one of the two rural successful applicants to be selected out of the pool of 55 applications received nationwide.

Our partnership and outreach efforts continue to grow with state/federal water and infrastructure funding agencies, lenders and nonprofit organizations to combine financial and technical assistance to rural communities and Tribes in Utah. Our target funding efforts have increased our ability to assist projects most needed in our rural communities.

Bonnie Carrig
Rural Utilities Program Director



Emerald Point – A 55-bed assisted care facility in Cedar City. Developed with assistance of a Guaranteed B&I loan.

water treatment facility. The water is used in conjunction with a coal bed methane operation which burns to run the power plant at Huntington. The water treatment facility removes the pollutants from the water generated through the power plant before it is discharged back into the environment at Cottonwood Creek. The funding helped purchase equipment for the facility which will create 5 to 10 jobs in this area.

The Round III Empowerment Zone (EZ/EC) application phase was conducted in 2001. Outreach efforts were targeted to the Uintah River Champion Community, Indian Tribes and high poverty areas. We are proud to announce that a Utah applicant may



Clean water discharged after power plant use into Cottonwood Creek.

**USDA Rural Development
Utah Local Office Contacts**

	Phone/Fax
Cedar City (serves Iron, Beaver and Garfield counties) 2390 West Highway 56, Suite 12, Cedar City, UT 84720-4133	(435) 586-7274 (435) 586-0649
Manti (serves Sanpete, Millard and Juab counties) City Building, 50 South Main Street, Suite 6, Manti, UT 84642-1349	(435) 835-4111 (435) 835-4113
Monticello (serves San Juan and eastern Grand counties) Young Building, 32 South 100 East, P.O. Box 639, Monticello, UT 84535-0010	(435) 587-2473 (435) 587-2104
Price (serves Carbon, Emery and western Grand counties) USDA Service Center, 350 North 400 East, Price, UT 84501-2571	(435) 637-4354 (435) 637-3146
Provo (serves Utah, Salt Lake, Wasatch, Summit and Tooele counties) BOR Building, 302 East 1860 South, Provo, UT 84606-7317	(801) 377-5580 (801) 356-1237
Richfield (serves Sevier, Wayne and Piute counties) USDA Service Center, 340 North 600 East, Richfield, UT 84701	(435) 896-8250 (435) 896-4819
St. George (serves Washington and Kane counties) Federal Building, 196 East Tabernacle, Room 34, St. George, UT 84770-3474	(435) 628-0461 (435) 673-0312
Tremonton (serves Box Elder, Cache, Rich, Weber, Davis and Morgan counties) USDA Service Center, 91 South 100 East, Tremonton, UT 84337-1605	(435) 257-5404 (435) 257-1930
Vernal (serves Uintah, Daggett and Duchesne counties) USDA Service Center, 80 North 500 West, Vernal, UT 84078-2022	(435) 789-2100 (435) 789-4160

**USDA Rural Development
Utah Contacts**

	Phone/Fax
State Office Wallace F. Bennett Federal Building 125 South State Street, Room 4311 P.O. Box 11350 Salt Lake City, UT 84147 John R. Cox, State Director Brenda J. Marcus, Administrative Officer David E. Brown, Rural Housing Program Director Bonnie S. Carrig, Rural Utilities Program Director Richard M. Carrig, Rural Business Program Director John A. Morgan, Rural Development Manager (Area I and Area II)	(801) 524-4320 (801) 524-4406 TDD (801) 524-3309
Area Office I - Ogden 2871 South Commerce Way, Ogden, UT 84401-3277	(801) 629-0575 (801) 629-0574
Area Office II - Richfield USDA Service Center, 340 North 600 East, Richfield, UT 84701	(435) 896-8250 (435) 896-4819

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