



“RURAL” VOICES

*Rural Community Assistance Corporation
2016 Annual Report*

“
*Creating vibrant,
healthy and enduring
rural communities*
”

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Dear Friends,

During 2016, RCAC continued progress toward achieving the outcomes set forth in our strategic plan. We are motivated by a desire to see that disadvantaged rural communities have access to the same opportunities as other parts of society. We collaborate

with rural communities to help them achieve their vision for themselves, providing training, technical and financial resources and advocacy to help them succeed.

Why rural?

We have a profound sense of the cultural differences that co-exist in the rural West, and a deep respect for the common values. Many of us who work at RCAC either grew up or now live in rural areas and take joy in knowing our neighbors, a slower pace of life, and the values and resiliency in rural communities. Small communities provide the food and natural resources that sustain, restore and are the country's foundation. Ensuring that these communities continue to be places where future generations can have fulfilling lives is integral to our success.

In that vein, we're pleased to look back on our 2016 accomplishments.

Housing

We worked with 80 housing agencies to produce 400 single family homes and preserve nearly 150 homes and rental units. Our housing counseling network served 4,163 clients, and in the USDA Section 502 loan packaging intermediary program our partners secured financing for 59 families.

We also trained more than 400 housing staff in housing counseling, loan packaging and housing development. We launched the Utah Capacity Building Collaborative, a concentrated two-year initiative to increase four local partners' capacity to develop housing.

The agencies receive direct operating support coupled with technical assistance and training.

Environmental

We worked with 585 communities to help them maintain compliance with regulations, build capacity and access more than \$48 million in project funding. We completed rate studies for 23 communities, which helped them raise \$1.9 million in additional revenue. We completed 34 household income surveys to help communities establish eligibility for more advantageous financing. We worked with 110 households to ensure that their individual wells produce safe and reliable drinking water.

We installed an additional 158 water bottle filling stations, bringing the total to 190 during the course of the Agua4All program, and 127 point-of-use arsenic treatment filters in schools to give students better access to safe drinking water. In Arvin, California alone, students consumed more than 100,000 gallons of safe drinking water between June 2015 and November 2016.

We trained more than 4,800 participants from Tribal, small municipal and nonprofit water and wastewater systems to achieve compliance with the Safe Drinking Water and Clean Water acts. Our online and in-person training includes the whole range of technical, managerial and financial issues that affect rural systems.

Loan Fund

Our loan fund closed 69 loans that totaled more than \$25 million. Of those loans, 27 were to individual homeowners whose wells had failed as a result of California's drought. The balance of the loans supported housing development, environmental infrastructure, community facilities and small businesses, which retained or created 384 jobs.

Community and Economic Development

The Building Rural Economies Program added four new local partners this past year, bringing the total to 22 communities served. To date these partners have achieved exciting results: created 24 new businesses, expanded nine existing businesses, created 17 new jobs, accessed more than \$300,000 in grant funds, and generated \$2.5 million new revenue.

This report features three stories that reflect on the value of rural communities and the dedicated people who live and work there. They highlight community leaders who brought their skills and expertise to work in their hometowns, or towns they now call home, to help them to become vibrant, healthy and enduring places to live.

We're proud of our commitment to rural communities and grateful for our funders' continued and generous support.

Sincerely,
Stanley Keasling, CEO

A handwritten signature in black ink, appearing to read 'Stanley Keasling', is positioned below the typed name. The signature is fluid and cursive, with a large initial 'S' and a long, sweeping underline.

An aerial photograph of a town street in Lewistown, Montana, viewed from a high angle. The street is lined with multi-story brick buildings, some with historic architectural details. Several cars are parked along the sides of the street, and a few are driving. The entire image is covered with a semi-transparent blue filter. The text 'LEWISTOWN' and 'MONTANA' is overlaid in white, bold, sans-serif capital letters, separated by a short horizontal white line.

LEWISTOWN

MONTANA

Flament
OFFICE PRODUCTS

Jennifer Pfau

“This process has brought our community together and . . . is creating a stronger and more economically viable future for central Montana.”

This town of 6,000 in the heart of Montana is like much of rural America, according to resident Jennifer Pfau. For the past few decades, Lewistown has lost young people to bigger cities as they seek education and careers. And just a few years ago, a drive along the town's Main Street afforded unsettling images of boarded up shops and mostly empty sidewalks. Then, the community had few tangible prospects to reverse course.

“We needed to figure out how to get back on track,” Pfau said recently, as she and her husband readied to take over his family's business, which has been in operation for seven decades. “We were at a point of make-or-break.”

Fortunately, the Pfau family was not alone in believing that there's power in numbers, and in fall 2015, more than 70 Lewistown residents gathered to look at ways to better their economic outlook. This was not just any bull session, rather a structured meeting to learn about RCAC's Building Rural Economies (BRE) initiative, which helps rural communities network, plan and implement economic development initiatives. “What was really emphasized was that businesses and organizations here were all trying to move forward but that we could be so much more efficient and effective if we communicated better,” Pfau says.

That meeting marked a turning point for the community. Since then, four new businesses – a restaurant, a quilt shop, a construction company and a novelty store – have opened in Lewistown. At least one owner, says Pfau, credits BRE with giving local entrepreneurs the courage to buy property and open their doors.

A downtown revitalization group, of which Pfau is a member, also grew out of the BRE training. Last year, the group set its sights on the largest vacant building in downtown Lewistown. Members considered how to remodel and market it to tenants; eventually an investor bought the building and is now converting the space into retail and office units.

“We credit the BRE process with creating buzz about the project,” Pfau says. “There was excitement and interest; this idea of what could be possible. That's what we need here, and that's how BRE helped us. This process has brought our community together and taught us how to rethink 21st century economics, which in turn is creating a stronger and more economically viable future for central Montana. It is one of the best programs to ever be offered locally and we view it as a turning point for our rural community.”

A photograph of a large group of children, mostly of Hispanic and Latino descent, looking towards the left. Many of the children are holding clear plastic water bottles. The image has a warm, orange-toned overlay. The text "ARVIN" is centered in the upper half, followed by a horizontal line, and "CALIFORNIA" is centered below the line.

ARVIN — CALIFORNIA

Jerry Tinoco

“I want to help people in Arvin by giving them a sense of power. Things have improved since I was growing up there. I’ve seen it. And I want to be a part of that.”

Growing up in Arvin, California in the 1970s and 80s, Jerry Tinoco was groomed for hard work. Alongside relatives, he picked and packed grapes and cherries. And on occasion, he overheard talk of “pesticide drift” and “arsenic contamination,” terms that made greater sense to him as he got older.

“You hear today about Arvin having the worst air quality in the nation,” Jerry says.

Jerry left Arvin to attend the University of California at Berkeley, where he studied environmental science. He became adept at lab work and technical research. The Periodic Table and the intricacies of genetics and evolution opened up a world that might have led him to a career in research.

The relationship between what he was learning, however, and where he’d come from was clear. Soon, Jerry was back in Arvin, ready to use his academic training to make a difference. “I really wanted to go back. I like living in a small town,” he says. “And I wanted to help.”

At first, he couldn’t find a job. Eventually, he volunteered at the grassroots organization Committee for a Better Arvin, working on issues like how to get a community garden built and how to clean up the region’s water – arsenic contamination is prevalent.

A year later, he found himself working shoulder-to-shoulder with RCAC staff doing outreach to promote the Agua4All program, which increases access to and consumption of safe drinking water. Program staff installed more than 80 water bottle filling stations in South Kern, including Arvin. The Arvin stations include point-of-use filtration to remove arsenic from the water, providing safe drinking water to more than 5,600 students and community residents.

It was during the Agua4All project implementation that RCAC saw Jerry’s potential. In September 2016, he readily accepted a job offer from RCAC as a rural development specialist in training.

“I became their ‘boots on the ground,’” Jerry says with a good laugh. Since being hired, he’s signed on to take a water operator course, and he continues to look for ways to learn from his RCAC colleagues – skills that he can use to serve his and other rural California communities.

“I want to help people in Arvin by giving them a sense of power,” Jerry says. “Things have improved since I was growing up there. I’ve seen it. And I want to be a part of that.”



GREEN RIVER

UTAH

Jack Forinash

“I saw my work as dealing with real places, real people, solving problems, and today it’s still a love for community, the work and feeling challenged by it.”

New York, Chicago, Beijing – any young architect just out of college would be pleased to land a job in one of these bustling cosmopolitan cities.

Jack Forinash knew this in 2008 when he graduated from Auburn University in Alabama with a degree in architecture. Instead, he found himself headed for rural Utah. As an AmeriCorps VISTA volunteer, his marching orders were to help Green River’s estimated 950 residents build better, more affordable and sustainable housing, and to find ways to nurture and grow the economy.

Nearly a decade later he’s still, very happily, there.

“I started out working at a community center, connecting residents to housing sources and with after school programs for kids,” Jack says. “I quickly realized there was a lack of access to resources, whereas residents might know of programs, but they are far away. Things like getting food stamps, or even making copies. Things like these impede people. I saw my work as dealing with real places, real people, solving problems, and today it’s still a love for community, the work and feeling challenged by it.”

Green River, he points out, has no housing agency, no official chamber of commerce. So, with RCAC’s help, Jack – along with fellow architecture classmates Maria Sykes and Rand Pinzon – formed Epicenter, a nonprofit dedicated to Green River’s rural pride and pioneering spirit. The nonprofit offers housing counseling and home repair, business resources and community support.

In founding Epicenter, Jack says, “We’ve had a lot of influence and help from RCAC over the years.” He cites RCAC’s Building Rural Economies program with helping local business leaders and owners work together in a region that has seen its share of economic booms and busts. Current projects include developing a model for trailer replacement – half of the town lives in trailers, he says – and building a dozen multifamily housing units, a significant goal in a town that has only 12 apartments.

Epicenter was considered for a National Endowment for the Arts Our Town grant, a boon, says Jack, “To help folks see that we’re not just a stop on the way to somewhere else.”

Financial Information

The following is a summary of information contained in RCAC's annual financial statements for fiscal years 2016 and 2015. Complete financial statements with the associated independent auditor's report are available at www.rcac.org.

CONDENSED BALANCE SHEETS

as of September 30,	2016	2015
ASSETS		
cash and investments	\$ 23,017,019	\$ 20,750,176
loans receivable, net	5,025,947	59,248,686
grants, contracts and other receivables	63,931,530	3,154,963
fixed assets	2,561,887	2,847,654
other assets	3,680,365	4,226,760
total assets	\$ 98,216,748	\$ 90,228,239
LIABILITIES AND NET ASSETS		
accounts payable & accrued liabilities	\$ 2,870,072	\$ 2,205,056
notes and bonds payable	60,780,725	54,044,339
net assets	34,565,951	32,854,103
total liabilities and net assets	\$ 98,216,748	\$ 90,228,239

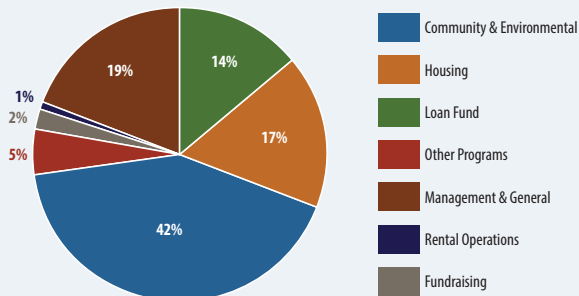
CONDENSED STATEMENTS OF ACTIVITY

for the Years Ending September 30,	2016	2015
REVENUE		
grants and contracts	\$ 12,745,767	\$ 13,262,779
loan fees and interest	3,730,324	3,494,374
investment income	202,502	110,167
other	104,410	44,899
total revenue	\$16,783,003	\$ 16,912,219
EXPENSES		
loan fund	\$ 2,292,750	\$ 2,031,986
housing	2,787,604	3,240,044
community & environmental	6,779,196	5,556,047
other programs	834,275	594,742
fundraising	258,761	268,006
rental operations	149,575	149,375
management and general	3,007,984	2,391,491
total expenses	\$16,110,145	\$ 14,231,691
increase in net assets	\$ 672,858	\$ 2,680,528

consisting of:

change in unrestricted net assets	\$ 4,620,432	\$ 2,717,391
change in temporarily restricted net assets	(3,947,574)	(36,863)
	\$ 672,858	\$ 2,680,528

EXPENSES BY PROGRAM



Supporters

Non-Public

- Ally Bank
- American Express Center for Community Development
- Anonymous donors
- Association of California Water Agencies
- Bank of America
- Bank of the West
- Bellagio Resort and Casino
- Blue Planet Network
- Burbank Housing Development Corp.
- Burbank Sanitary District
- Burney Water System
- California Bank & Trust
- California Coalition for Rural Housing
- California United Bank
- Capital One
- Catholic Health Initiatives
- Charles Schwab Bank
- CIT Bank
- Citi Business Services
- Collaborative Visions
- Comerica Bank
- Community & Shelter Assistance Corp. of Oregon
- Community Economics, Inc.
- Conejos Clean Water
- Dignity Health
- Dominican Sisters of Hope
- Easton Community Services District
- Elkey
- Erick & Hannah Sachs Foundation
- First Foundation
- Housing Assistance Council
- Housing California
- Jacumba Community Services District
- Jennifer Speers
- JP Morgan Chase Bank
- Mary Reynolds Babcock Foundation
- Meetings & Concierges Source, LLC
- Mercy Investment Services, Inc.
- Merrick Bank Corp.
- Morgan Stanley Bank
- Nalgene

- Napa Berryessa Resort Improvement District
- National Development Council
- NeighborWorks America
- Nevada Rural Housing Authority
- Olene Walker Housing Trust Fund
- Opportunity Finance Network
- Opportunity Link
- Pacific Western Bank
- PNC Bank
- Quincy Community Services District
- Rabobank
- Rasmuson Foundation
- Religious Communities Investment Fund
- Resources Legacy Fund
- Rural Community Assistance Partnership, Inc.
- Rural Community Innovations
- Rural Local Initiatives Support Corp.
- Salt Lake City Housing & Neighborhood Development
- San Joaquin Valley Health Fund
- San Luis Valley Ecosystem Council
- Sandy Acres Mobile Home Park
- Self-Help Enterprises
- Sierra Health Foundation
- Sisters of the Holy Cross
- Sisters of the Holy Names of Jesus & Mary
- SoCalGas Environmental Champions Grant Initiative
- St. Joseph Health System
- Tahoe Truckee Community Foundation
- The California Endowment
- The Community Foundation
- The Congregation of the Sisters of Charity of the Incarnate Word
- The Environmental Justice Coalition for Water
- The FB Heron Foundation
- The Ford Foundation
- The Sisters of St. Francis of Philadelphia
- Trinity Health Corp.
- Union Bank
- U.S. Bank
- Utah Housing Coalition
- Washington Mutual
- Weingart Foundation

- Wells Fargo Bank
- WSOS Community Action Commission, Inc.
- Zions Bank

Public

- Arizona Dept. of Environmental Quality
- California Dept. of Community Services and Development
- California Environmental Protection Agency
- California Housing Finance Agency
- California State Water Resources Control Board
- City of Blanding
- City of Calistoga
- City of Gold Beach
- City of Washtucna
- City of Williams
- County of San Mateo
- County of Sonoma
- Dept. of Hawaiian Home Lands
- Hawaii Dept. of Health
- Idaho Dept. of Environmental Quality
- Iipay Nation of Santa Ysabel
- La Posta Band of Mission Indians
- New Mexico Environment Dept.
- Pit River Tribe
- San Diego County Water Authority
- San Pasqual Band of Mission Indians
- Southern Indian Health Council
- Tachi Palace Hotel and Casino
- Town of Waterville
- Tubatulabal of Kern Valley
- Tulare County
- U.S. Dept. of Agriculture
- U.S. Dept. of Housing & Urban Development
- U.S. Dept. of Labor
- U.S. Dept. of State
- U.S. Dept. of the Treasury
- U.S. Dept. of Health & Human Services
- U.S. Environmental Protection Agency
- Washington State Dept. of Ecology
- Washington State Dept. of Health



Rural Community Assistance Corporation

3120 Freeboard Drive, Suite 201, West Sacramento, CA 95691

Office: (916) 447-2854 • Fax: (916) 447-2878

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