



**Serving Rural  
Communities  
for 40 Years**

RURAL COMMUNITY ASSISTANCE CORPORATION



**2018 ANNUAL REPORT**

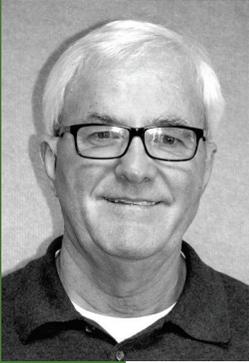
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# 40 YEARS

## 2018 BOARD OF DIRECTORS

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Dear friends,

It's hard to believe that we celebrated our 40th anniversary this past year—my 11th year as CEO. We are approaching the end of our five-year Strategic Plan, and continue to achieve significant progress in lending, affordable housing, environmental and economic development. This progress has led to growth, and we hired more than 20 new staff in the past year, including three new directors and a controller.

Here's a look at some key achievements from 2018:

RCAC's Loan Fund closed 41 loans totaling nearly \$50 million—a new high in both categories—in all 13 states in our service area. Staff made 34 household water well loans and grants. The Loan Fund also manages the 502 packaging program, which approved 93 loans and closed 38.

In our housing development department, we closed the Kunia project, an eight-year endeavor in Hawaii; started construction on Courtyard Apartments with CAP Northwest Montana; and secured Low-Income Housing Tax Credit financing for two additional projects in Montana and Utah. Our housing counseling staff members are training housing counselors all across the country, and our U.S. Department of Agriculture Rural Development Mutual Self-Help Housing groups in the western U.S. accounted for 70 percent of the new homes constructed under the program nationwide.

RCAC's community development and water, wastewater and solid waste services staff conducted 50 rate studies and 100 household income surveys in most of our region. We are starting a new Tribal Circuit Rider program through our Environmental Finance Center work in U.S. Environmental Protection Agency's Region 10, which builds on our Region 9 effort. We helped 25 small communities secure more than \$50 million in funding to upgrade or build

new water/wastewater systems. Our Building Rural Economies staff members are working with five Tribes to build an entrepreneurial culture on their Reservations and Pueblos.

The fund development team raised more than \$23 million to support the organization. The Events team managed more than 300 training events that provided 8,000 individuals with 50,000 training contact hours.

As we move forward, there is still much work to be done. Homelessness is at an all-time high, too many communities do not have safe drinking water, and many rural towns are struggling to survive. Creating opportunity and sustainable infrastructure in rural America is not easy, but with your help we are demonstrating that it can be done. We are bringing new resources to the communities who need them most and, more importantly, we are making sure that those resources have the desired outcome—vibrant, healthy and enduring rural communities throughout the West.

It is truly an honor to be the CEO of such a dynamic organization with a committed board and staff. The staff is passionate about their work, and the results they achieve show their commitment to making a difference. Thank you to our local and national partners for their collaboration and commitment to the people we serve, and as always, thank you to our funders who make our work possible.

Sincerely,  
Stanley Keasling, CEO

A handwritten signature in black ink, appearing to read 'Stanley Keasling'. The signature is fluid and cursive, with a large initial 'S' and 'K'.

*Self-help housing participants work together to build their homes as "sweat equity" in exchange for an affordable mortgage.*



# 1978

## Self-Help Enterprises spurs Rural Community Assistance Corporation's creation

*Self-Help Enterprises (SHE)* was formed in 1965, as an outgrowth of American Friends Service Committee in Visalia, California. The organization at the time was affiliated with the National Demonstration Water Project. The U.S. Department of Health and Human Services recognized the need to expand national efforts to the rural West, where communities increasingly needed assistance with their water, wastewater and solid waste infrastructure. To address these needs, the agency appointed SHE among six other organizations to expand its services in the West.

In response, SHE created Rural Community Assistance Corporation, which originated in California but gradually took on water projects in Arizona, Idaho, Oregon, Nevada and Washington.

In June 1979, RCAC received its first operational grant under the Rural Community Assistance Partnership, worth \$600,000 per year. In the fiscal year ending Sept. 30, 1980, 23 agencies shared \$242,000 in pass-through funds under RCAP. The largest subcontract was with SHE for \$29,790. ■

## First self-help contract

# 1980

*In its first two years* RCAC grew from one staff member to nearly 30. U.S. Department of Agriculture (USDA) Rural Development Mutual Self-Help Housing was a major program area for RCAC. USDA contracted with regional agencies to provide management and development services to its network of 523 funded self-help agencies. In 1980, RCAC won its first major competitively-awarded contract, which allowed it to provide training and technical assistance to all existing self-help grantees in the rural West. Today, RCAC works with more than 45 self-help housing agencies in 10 western states and the Pacific islands. ■

# 1987

## First RCAC satellite office

*In 1987* RCAC rented office space from the Housing Authority of Thurston County in Olympia, Washington. This was its first satellite office. The following year, RCAC moved the office to Lacey, Washington, in a building that housed other businesses but shared central copying and telephone services, was ADA accessible "...and had free parking!" notes Billie Heath, rural development specialist, housing, who still works from the location. ■

# 1988

## RCAC establishes Loan Fund

*In 1988* RCAC established the Loan Fund to support its housing clients' predevelopment activities. The initial investment came from a 10-year \$1 million loan from The Ford Foundation. Later, Bank of America provided an additional \$1 million two-year loan. Using these funds for leverage, RCAC received a 30-year \$2 million loan from the Farmers Home Administration's (now USDA) Intermediary Relending Program in 1991. In 1993, Bank of America provided a second infusion of loan fund capital—but this time, as a \$1 million grant. RCAC repaid the Bank of America loan in 1991. As of Sept. 30, 2018, RCAC closed 1,033 loans totaling more than \$500 million and leveraged more than \$2 billion for projects in rural communities. ■



# Tribal Circuit Rider program is initiated

**The Tribal Circuit Rider program** is the oldest and largest Tribal-specific program of its kind. The program provides ongoing, dedicated assistance to Arizona and California Tribes to help them provide safe water to comply with the Safe Drinking Water Act. RCAC hired its first Tribal Circuit Rider in 1992. The circuit rider visited Tribal water systems throughout California and provided training and technical assistance to water operators and system managers. Based on the circuit rider program's success, RCAC received a three-year grant from the Ford Foundation to increase Tribal capacity to manage environmental infrastructure. By 1998, the program grew to include a nine-member staff, working with more than 100 Tribes. As the program enters its 28th year, staff will begin providing services in Nevada. ■

# 1998

## RCAC creates the Agricultural Worker Health and Housing Program

*RCAC's third decade* commenced with a multi-million dollar program related investment from The California Endowment (TCE). The focus was on rural health care and supported RCAC to create the Agricultural Worker Health and Housing Program (AWHHP). With data increasingly showing the link between stable housing and long-term health, the idea and goal was to tie

long-term health improvement strategies and services with safe and affordable housing. The program supported 46 projects in communities throughout rural California and much more: 18 low-interest capital loans, 20 health improvement grants and more than 23 capacity and partnership building grants. ■



# 2004

## National conference in Portland, OR

*RCAC held a national conference* in Portland, Oregon this year. One of the conference's key outcomes was forming the OTTER (Outstanding Trainers Training Every RCACer) team, which engages adults in participant-centered learning. ■

# 2008 CEO changes

*In January*, RCAC's founding Chief Executive Officer Bill French retired after leading the organization for 30 years of stellar vision and steady leadership. Stan Keasling joined RCAC as just its second CEO to advance RCAC's mission and strategic objectives. ■



# 2008

*In 2008*, the national housing crisis and recession hit RCAC hard, and the effects reverberated for some years afterward. Following federal budget reductions in 2011, RCAC implemented numerous cost-saving measures to help it endure the financial uncertainty. RCAC's Loan Fund worked with loan recipients and rural communities to modify and expand loans, helping them ride out the storm. By May 2012, RCAC was weathering the recession and on its way back to financial sustainability.

During this period, RCAC staff participated in the National Foreclosure Mitigation Counseling and the Keep Your Home California programs and eventually RCAC became a HUD training partner. Since 2004, RCAC's housing counseling sub-grantees have helped more than 110,000 clients. ■

## Housing crisis and recession hits hard



# Regionalization projects take shape

**Regional collaboration**—or regionalization—helps small rural water and/or wastewater systems maintain compliance, improve aging infrastructure and become financially sustainable over time.

In 2010, RCAC completed its first regionalization project in southern New Mexico, where five water systems would eventually regionalize to form the Lower Rio Grande Public Water Works Authority. Six more water systems eventually joined. RCAC staff had a critical role in passing legislation that made

the regionalization project possible. Today, the Authority serves residents in 14 colonia communities.

In California, RCAC advocated for Gov. Jerry Brown's water system consolidation budget trailer bill. It was signed into law in June 2015 and gives the state tools to help hundreds of California communities to access safe drinking water. In total, RCAC has facilitated more than 70 regionalization projects in New Mexico, California and other western states. ■

After participating in the BRE program, Tammy Eckhardt started a successful quilt shop in Lewistown, MT.



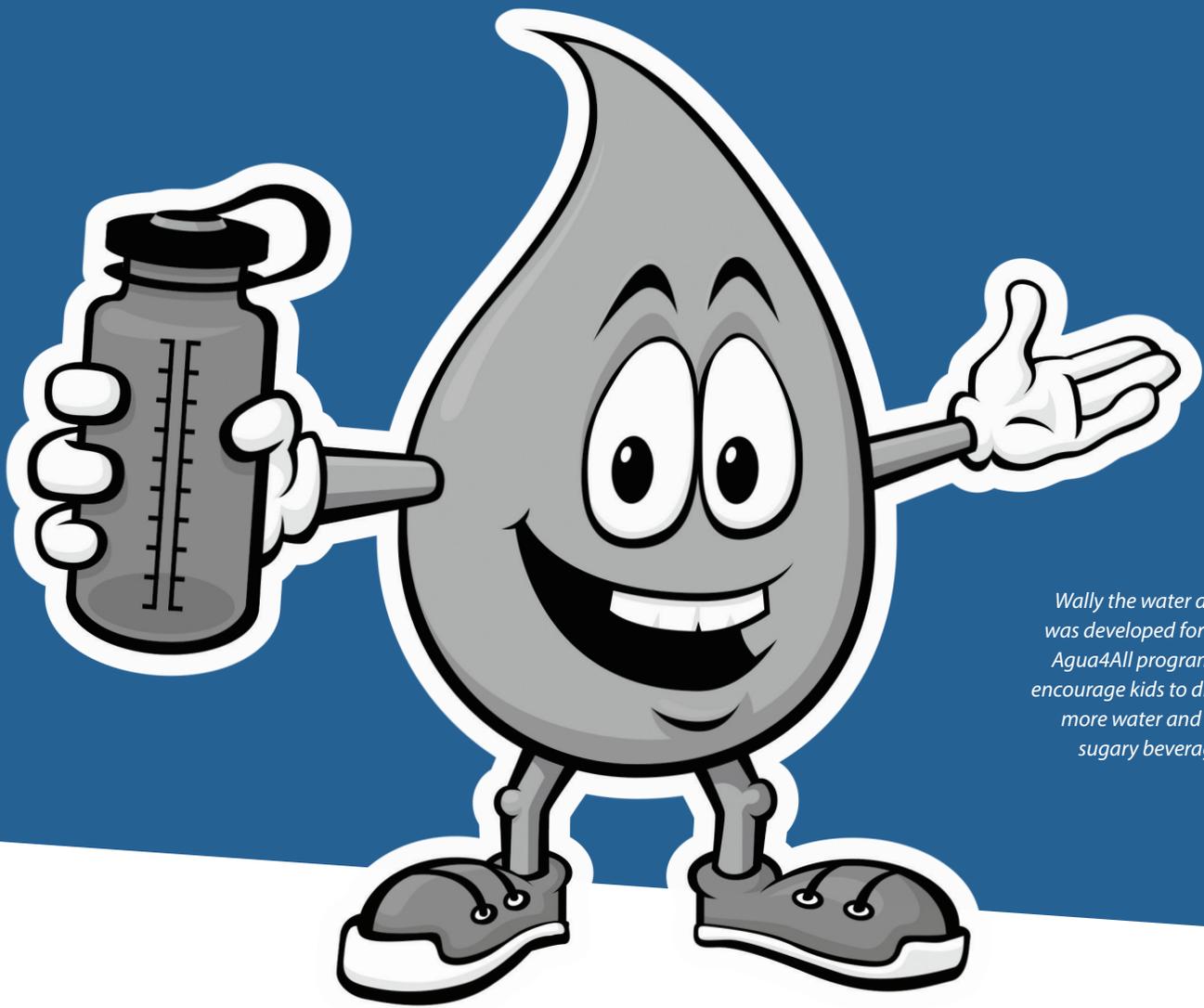
# Building Rural Economies launch

# 2013

**RCAC aims to help** rural communities recognize and rely upon their natural assets to strengthen their economies. In 2013, RCAC launched its Building Rural Economies (BRE) program. Through training in comprehensive community economic development, BRE encourages and increases local entrepreneurship and job creation and develops catalytic projects that seed additional investments.

The first communities served under BRE were Mora, New Mexico; Enterprise, Oregon; and

Green River, Utah. RCAC used both bank and USDA Rural Community Development Initiative grant funds to provide three years of training and technical assistance. At the same time, RCAC's Board of Directors committed \$150,000 per year of unrestricted funds to support program growth for the first three years. Since its launch, BRE has worked with 23 communities in its footprint, created nearly 100 new jobs and retained nearly 30 existing jobs. ■



*Wally the water drop was developed for the Agua4All program to encourage kids to drink more water and less sugary beverages.*

# 2014 **THE Academy launch**

**Before 1996**, the U.S. Department of Housing and Urban Development (HUD) administered and funded housing on Tribal lands. That year, the Native American Housing Assistance and Self-Determination Act (NAHAS-DA) significantly changed the model. Though a welcome change, Native organizations continued to struggle to build housing for very low-income families and workforce housing for teachers, health care workers, and public safety officers. Building on Native lands has unique challenges.

In 2014, RCAC—in cooperation with Native Capital Access (NCA)—introduced THE (Tribal Housing Excellence) Academy, a multi-year initiative that increases housing on Native lands. Since 2014, 15 organizations have completed the training and have represented Tribally-Designated Housing Entities, Housing Authorities, and Tribal/village housing departments. ■

# 2014

## #Agua4All: Water in Schools

In 2014, RCAC launched an expansive program, #Agua4All, to address limited access to safe drinking water in rural California schools. In partnership with The California Endowment, it piloted Agua4All at schools in Eastern Coachella Valley and South Kern County, to install water bottle filling stations in schools and community centers, with water treatment where necessary.

In its first year, Agua4All installed 200 water bottle filling stations across rural California, and 94 point-of-use arsenic filters in schools

and various buildings and parks. Today, more than 400 units are installed throughout rural California, and data illustrates that children are drinking more water. By early 2018, the program had expanded to Tribal lands, and RCAC had become a technical assistance provider for California's Drinking Water for Schools grant program. Funding for the program was included in the state budget in 2016 and 2018, due in large part to the efforts of an RCAC led drinking water advocates coalition. ■

# 2017

## Community Facilities Relending Program

RCAC was awarded \$30 million from the U.S. Department of Agriculture (USDA) Community Facilities Relending Program, part of an innovative new public/private partnership, Uplift America, created to provide targeted financial assistance to persistent poverty areas.

RCAC received one of the largest awards and makes the funds available through its Loan Fund to local organizations to finance community facilities in the rural West. ■

# 2018

## Steady growth

RCAC hits a historic milestone with \$100 million in assets and 138 staff as of Sept. 30, 2018. ■

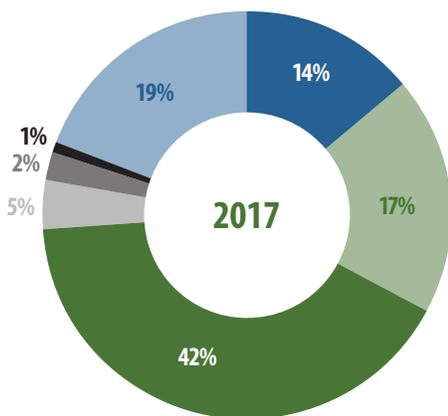
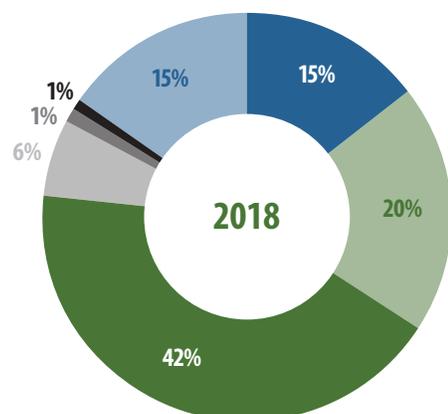
The following is a summary of information contained in RCAC's annual financial statements for fiscal years 2018 and 2017.

Complete financial statements with the associated independent auditor's report are available at [www.rcac.org](http://www.rcac.org).

### CONDENSED BALANCE SHEETS

as of September 30,	2018	2017
<b>ASSETS</b>		
cash and investments	\$ 28,164,892	\$ 24,417,783
grants, contracts & other receivables	4,961,046	5,703,153
loans receivable, net	64,708,982	60,397,020
fixed assets	2,455,725	2,529,268
other assets	3,017,063	3,035,647
<b>total assets</b>	<b>\$ 103,307,708</b>	<b>\$ 96,082,871</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
accounts payable & accrued liabilities	\$ 3,952,651	\$ 3,032,838
notes and bonds payable	56,758,046	56,066,654
net assets	42,597,011	36,983,379
<b>total liabilities and net assets</b>	<b>\$ 103,307,708</b>	<b>\$ 96,082,871</b>

### EXPENSES BY PROGRAM



■ Community & Environmental    ■ Rental Operations  
■ Housing    ■ Fundraising  
■ Loan Fund    ■ Other Programs  
■ Management & General

### CONDENSED STATEMENTS OF ACTIVITY

for the Years Ending September 30,	2018	2017
<b>REVENUE</b>		
grants and contracts	\$ 19,703,000	\$ 15,001,979
loan fees and interest	4,053,666	3,504,501
investment income	463,341	269,909
other	138,399	253,892
<b>total revenue</b>	<b>\$ 24,358,406</b>	<b>\$ 19,030,281</b>
<b>EXPENSES</b>		
loan fund	\$ 2,755,921	\$ 2,406,382
housing	3,679,091	3,208,403
community & environmental	7,967,216	6,848,461
other programs	1,128,583	648,139
fundraising	236,999	248,448
rental operations	151,584	161,668
management and general	2,825,380	3,091,352
<b>total expenses</b>	<b>\$ 18,744,774</b>	<b>\$ 16,612,853</b>
<b>increase in net assets</b>	<b>\$ 5,613,632</b>	<b>\$ 2,417,428</b>
consisting of:		
change in unrestricted net assets	\$ 931,496	\$ 1,260,377
change in temporarily restricted net assets	4,682,136	1,157,051
	<b>\$ 5,613,632</b>	<b>\$ 2,417,428</b>

# Thanks to our funders

## **Non-Public**

- Ally Bank
- American Express
- Anonymous Donor
- Aria Resort and Casino
- Bank of America
- Bank of the West
- Big Sandy Rancheria
- Blue Sky Center
- California Bank & Trust
- California Wellness Foundation
- Capital One
- Catholic Health Initiative
- Charles Schwab Bank
- Community Economics, Inc.
- Dignity Health
- Dominican Sisters of Hope
- Dora Solinas
- Elkay
- Elsinore Valley Municipal Water District
- Environmental Defense Fund, Inc.
- Environmental Justice Coalition for Water
- Erich & Hannah Sachs Foundation
- First Foundation
- Google Adwords
- GSAF, LLC
- Hilmar County Water District
- Housing California
- JP Morgan Chase Bank
- Kaiser Foundation Hospitals
- Lake Berryessa Resort Improvement District
- Loleta Community Services District
- Meetings & Concierges Source, LLC
- Mercy Investment Services, Inc.
- Merrick Bank Corp.
- Monterey Peninsula Water Management District
- Morgan Stanley Bank
- Nalgene
- National Development Council
- National Urban League
- New York Mortgage Coalition
- Opportunity Finance Network
- Pacific Western Bank
- Providence St. Joseph Health Investment Trust
- Rabobank
- Rasmuson Foundation
- RCAC Board of Directors
- Regional Water Management Foundation
- Religious Communities Investment Fund
- River Village Mobile Home Park
- Rose Foundation
- Rural Community Assistance Partnership, Inc.
- Rural Local Initiatives Support Corp.
- S.L. Gimbel Foundation
- Sacramento Housing Alliance
- San Diego County Water Authority
- San Diego Zoo Global
- San Joaquin Valley Health Fund
- Santa Fe Community Foundation
- Schwab Bank
- SHN Engineers & Geologists
- Sierra Health Foundation
- Sisters of the Holy Cross
- Sisters of the Holy Names of Jesus & Mary
- Southern California Gas Company
- Stover Engineering
- Tahoe Truckee Community Foundation
- The California Endowment
- The Christensen Fund
- The Congregation of the Sisters of Charity of the Incarnate Word
- The Entrepreneurial Learning Initiative
- The Ford Foundation
- The Grove Foundation
- The Sisters of St. Francis of Philadelphia
- Trillium Asset Management
- Trinity Health Corp.
- U.S. Bank
- Union Bank
- W.K. Kellogg Foundation
- Wells Fargo Community Development Corp.
- West Yost Associates
- Woodard & Curran Foundation
- Woodcock Foundation
- California State Water Resources Control Board
- City of Colfax
- City Of Mill City
- City of Sodaville
- Cuyama Community Services District
- Dept. of Hawaiian Home Lands
- Hawaii Dept. of Health
- Idaho Dept. of Environmental Quality
- Lake County Sanitation District
- New Mexico Environment Dept.
- Town of Coulee City
- U.S. Dept. of Agriculture
- U.S. Dept. of Commerce
- U.S. Dept. of Health & Human Services
- U.S. Dept. of Housing and Urban Development
- U.S. Dept. of Labor
- U.S. Dept. of the Treasury
- U.S. Environmental Protection Agency
- Washington Dept. of Ecology
- Washington Dept. of Health
- Washington State Dept. of Enterprise Services
- Yuba County Water Agency

## **Public**

- Arizona Dept. of Environmental Quality
- California Dept. of Community Services and Development
- California Environmental Protection Agency

# 40 YEARS

## Creating vibrant, healthy and enduring rural communities



Rural Community Assistance Corporation  
3120 Freeboard Drive, Suite 201  
West Sacramento, CA 95691  
(916) 447-9832 • [www.rcac.org](http://www.rcac.org)

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