Welcome to RCAC’s Self-Help Orientation
Mutual Self-Help Housing: The Players

- USDA RD
- RCAC
- Grantee
- Families
US Technical and Management Assistance for Self-Help
RCAC’s Region and Coverage

Mutual Self-Help Housing Technical & Management Assistance Team

Comprised of 7 regional staff that support an average of 6 grantees each
Who RCAC Serves

- rural communities and organizations
- other nonprofits
- tribal organizations
- farmworkers
- other specific populations
RCAC’s Mission & Vision

• Creating opportunities in Rural America

• Provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions

• Envisions vibrant, healthy and enduring rural communities throughout the west

• Key values: leadership, collaboration, commitment, quality and integrity
RCAC, RD and You

**USDA Rural Development**
- Funder for 502 Direct Loans
- Funder for 523 Technical Assistance Grants

**RCAC**
- Technical & Management assistance, training and support
- Intermediary for Rural Development and grantees
- Access to resources

**Your Organization (Grantee)**
- Non-profit, or
- Housing Authority, or
- Tribal Entity
Section 523 and 502 Regulations

Section 523 Mutual Self-Help Housing:
- Uniform Guidance 2 cfr 200
- RD Instruction 1944-I


Section 502 Regulations:
- 7 Code of Federal Regulations (CFR) 3550
- Handbook-1-3550

Overall:
- Administrative Notices (AN)
- Procedure Notices (PN)
- Unnumbered Letters (UL)
- 1901-E “Civil Rights Compliance Requirements,” Fair Housing, etc.
523 Grant – What is Mutual Self-Help Housing?
Purpose of 523 Technical Assistance Grant

Give technical and supervisory assistance to eligible very-low and low-income families who are participating in the Mutual Self-Help Housing Program or one of the Self-Help Rehab Programs.
Program Requirements

- Grantee must be a 501C (3) Non-profit, Housing Authority or Tribal Entity
- Providing program in designated rural areas determined by USDA RD
- Meet at least the minimum performance goals
Self-Help is a Grant-Funded Program

Typical Grant and Program Design

- Grant Period
  - Generally, 2 Year
  - Grant Amount
  - Production Level

- Typical Staff
  - Program Director
  - Construction Supervisor
  - Group Coordinator
  - Bookkeeper - Families and the Grant
Your Organization (Grantee)

- Program management
- Development of additional funding
- Develop or locate land
- Recruit eligible families for program
- Conduct meetings with families and RD
- Provide financial supervision to families
USDA Rural Development Funds

523 **Grant** Funds

Funds provided by USDA RD to the Grantee to administer the Self-Help program

502 **Loan** Funds

Mortgage funds provided by USDA RD for the families to purchase the land and materials to build the home

*Grantee typically has custodial oversight of families’ loan funds*
Responsibilities of your Board of Directors

- Organization strategic direction and oversight
- Fiduciary responsibilities and oversight
- Separation of duties*
- Provides authorization to designate representatives
- Ensuring independent evaluations are done
Grant Evaluation Criteria/Performance Goals

1. Assisting the projected number of families in obtaining adequate housing (Production Goals)

2. Meeting the goal of assisting very low-income families (40% very-low income)

3. Meeting the family labor requirement in Exhibit B-2 (65% labor done by families)

4. Keeping costs within the guides set in §1944.407 (Acceptable TA costs)

5. Meeting Grant/Closing conditions in the Agreement and all Amendments
523 Grant Performance Goals

Meeting all 5 Performance Goals will give you an **Excellent** Rating

Meeting 3 Performance Goals will give you the minimum **Acceptable** rating

***Your organization must have at least an acceptable rating to apply for the next grant***
Quarterly Review Meetings

• Attended by RD, Grantee and RCAC
• Grantee provides a review of progress made during the last quarter utilizing the quarterly SHARES Reports
• RD discusses policy changes and availability updates
• RCAC provides program updates and monitors deadlines
Quality Control Assessments (QCA)

- Grantee performance reviews are performed quarterly along with the review of 10% of loan files submitted during the quarter as well as a review of your 502 accounting files.

- These reviews assist in determining if specific or additional TA is needed by the grantee.
RCAC Reporting Monthly

• RCAC maintains a Self-Help Database to track Grant progress

• RCAC contacts our Grantees at least once each month
Nancy Jacobson and Anne Baker are the SHARES Technical Resource Coordinators (TRC) for our region. They provide TA for SHARES technical questions, log in access, internet connection issues and training including one-on-one training.
Self-Help Families Overview
Family Requirements

• Qualify for Mortgage
  • USDA 502 Direct Loan
  • Income and credit to support a mortgage payment of at least 1% interest 33-38 yrs

• Housing Counseling
  • Must attend a Homebuyers Education Class and obtain a certificate

• OR Qualify for Rehab Loan
Grantee Responsibilities

• Recruit, screen and process borrower applications for RD 502 Loans
• Determine if other lending is needed
• Provide counseling and training
• Organize meetings for build groups
• Supervise and train families on constructions tasks
Grantee Responsibilities continued…

• Keep track of family hours

• Order materials, track expenses

• Update and maintain family construction accounts

• Reporting of 523 Grant progress and funds

• Reporting of 502 loan progress and funds

• Quarterly Review Meetings with RD & RCAC
Family’s Responsibilities

• Commit to performing at least 65% of the building tasks
• Select house plans and design choices provided by grantee
• Work with grantee to select subcontractors and materials
• Work cooperatively on all houses in construction group
• Learn and hone new skills
• Review and approve requests for payment to suppliers and subcontractors
• Follow the directions of the Construction Supervisor
Long-Term Results

- Families learn how to maintain their homes
- Families gain friends and neighbors that bolster the safety of their neighborhoods
- Local schools get more stable enrollment
- New jobs are created due to subcontractor laborers used and materials purchased
- Creates more participation by families in their community
- The local community receives more tax money
Self-Help’s Two Models

Mutual Self-Help New Construction

• New construction single family homes

• Provides affordable homeownership

• Families building homes & communities

Self-Help Rehab

• Rehabilitation existing homes

• Provides affordable homeownership

• Cost savings over contractor method
# Self-Help Rehab

## Owner-Occupied*
- Repair Health and Safety issues
- Financing
  - RD 504 Loan/Grant
  - Other funding sources available

## Acquisition*
- Matches a home to a family
- Financing
  - Includes purchase price & repairs needed
  - Rural Development 502 loan

*Cost savings for both are realized and calculated through approved methods listed and found in Exhibit K-2 of the 1944-I.*
How does RCAC help your organization

- Review and assist with your grant applications and amendments
- Provide RD approved handbooks for: construction supervisors, financial management, group coordinator, program director, 502 Self-help loan, acquisition and owner-occupied rehab, preconstruction meetings and board of directors' governance
- Provide orientations & trainings
- Ensure you know all updates to the program
- Act as a resource for all your technical assistance
RCAC’s Financial Management
RCAC’s Financial Management Specialist Region-Wide

...and 1 financial specialist for all 47 grantees
When Will I Connect with the FMS?

- **At Grant Application Time**
  - Reviewing financial components of the application

- **Financial Certification**
  - Interview with Financial Specialist to discuss financial systems and recordkeeping; assessment to determine these are adequate to manage grant funds

- **Upon Grantee Request**
  - Assist with budget preparation, indirect negotiation, financial policies and procedures, bookkeeping set-up or questions related to management of 523 and/or 502 funds
Additional Resources for Fiscal Staff

• Financial Management ToolKit
• Ongoing live trainings for Self-Help financial staff
• RCAC’s Financial Peer Group, meets monthly
  • *Even months last Tues of the month 10:30 AM PST for 1 HR*
  • *Odd months last Weds of the month 1:30 PM PST for 1 HR*
Mutual Self-Help Housing
Financial Connections

COMPLIANCE
eCFR Uniform Guidance
RD Instruction 1944-I

FEDERAL $
USDA Rural Development

GRANTEE
Non-Profit Entity/Tribe/Local Govt.

Defined Rural Areas
Income Qualified LI/VLI

523
Grant Technical Assistance
Grantee Staff, Wages & Direct Costs

Estimate
Cost/Draws

Reconcile
Budget to Actual

502
Mortgage Loan
(SBA or Custodial)
Owner Builders, 65% Sweat Equity

Compare to Equivalent Unit Cost
Production

RCAC
www.rcac.org
RCAC also offers:

- Lending
  - CDFI: Affordable Loan Options
- Environmental
  - Rural Water/Wastewater, Well Programs
- Housing
  - Mutual Self-Help, Development, Direct Packaging, Housing Counseling
- Native Communities
  - Connecting Tribes with Wastewater and other Utilities, Housing, and Community Development Loans
- Community & Economic Development
  - Building Rural Economies, Leadership and Economic Development

https://www.rcac.org/programs-services/
www.rcac.org

Ask your RCAC regional TA provider directly!

Samantha Bowley, Financial Management Specialist
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& our gift to you!...

New Staff Resources Document