

Rural Collaboration



Partnering to rebuild Paradise, California

*Rural
Community
Assistance
Corporation
Annual
Report*

2023



RCAC partners with rural and Indigenous communities to achieve their vision and well being through technical assistance, training, financial resources and advocacy.

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RCAC Community of Friends,

It has been another intense and productive time at RCAC! During fiscal year 2023 we advanced our environmental, community development, housing and lending programs. Our Vector Fund projects moved forward; Wellness and Diversity, Equity & Inclusion initiatives strengthened; and we launched internal Motivation Task Forces to address the possibilities and challenges presented by our unprecedented growth.

We deepened our work with Indigenous communities, co-created with new partners, and rethought ways to invest in communities that face inequitable access to capital.

We expanded our existing partnerships, working with Rural Community Assistance Partnership and Partners for Rural Transformation to amplify our collective impact through advocacy, financial resources, training and technical assistance.

We finished the year with 210 staff—which demonstrates the growing need and opportunities to serve in our region. This growth only reinforces our commitment to wellness and equity in the organization, which culminated in the permanent addition of a Rest and Reset week to allow our team time to recharge at the end of the calendar year.

I am so proud of the work our Diversity, Equity & Inclusion Committee has done since its inception in 2015; and what a thrill to be honored by the Sacramento Business Journal in the nonprofit category at its 2023 DEI Awards ceremony. The DEI Committee released its first progress report in 2023, and consistently strives to foster an inclusive and collaborative workplace environment.

As our new fiscal year unfolds, I am excited to welcome our new Chief Financial Officer Murat Unal, who brings a wealth of experience with rural community development. We created a new Chief Impact and Policy Officer position and promoted Ari Neumann to the position. While the position is new, Ari is not new to the organization, having directed our Community & Environmental Services department since 2018. I look forward to working with him as we continue to grow our data and outcome measurement and build on our advocacy work.

We continue to work within our Strategic Directions – Core Competencies; Increased Investment; Indigenous Communities; Diversity, Equity and Inclusion; Capacity Building and Innovation and Outcome Measurement. Our Board began strategic discussions around a Theory of Change for RCAC and look forward to sharing that strategy in 2025.

I invite you to read on for a snapshot of our work alongside the dedicated community and staff in the town of Paradise, California. Nearly every RCAC program touched Paradise over the past five years since the 2018 Camp Fire. And make sure to watch our video illustrating our Building Rural Economies work in New Cuyama, California (See page 7).

I consistently say that rural is my culture, and I am so grateful for our passionate community of RCAC staff, senior leadership team, Board of Directors and the funders who support us on our collective journey to ensure rural and Indigenous communities throughout the West are empowered to be vibrant, healthy and thriving. ■



Suzanne Anarde-Devenport

Suzanne Anarde-Devenport
Chief Executive Officer

On Nov. 8, 2018, the Camp Fire, one of the deadliest and most destructive wildfires in U.S. history, erupted in Butte County, California. Originating from a malfunctioning PG&E transmission tower, an explosive combination of gusting Diablo winds and a parched landscape fueled the fire that engulfed the town of Paradise and burned 153,336 acres in Concow, Magalia, Butte Creek Canyon, Pulga, Lovelock, Butte Valley, Yankee Hill and Chico, tragically claiming 85 lives.

For 17 harrowing days, fire crews drawn from various parts of the country struggled to contain the inferno. All told, the fire destroyed nearly 19,000 buildings, including over 14,343 homes – a disturbing testament to rural communities’ acute vulnerability in an age of increasingly sudden and violent climate shifts.

The fire displaced some 27,000 residents across Northern California. Roughly 16,000 relocated within Butte County, and around 10,000 sought refuge in Chico. This sudden influx, equivalent to two decades of population growth, pushed the city’s resources and infrastructure to their limits. The region’s long-simmering housing crisis deepened as a surge of newly displaced vied for limited resources, and temporary shelters morphed into long-term living arrangements.

The economic impact was staggering, with insured losses ranging from \$12.5 to \$16.5 billion; when factoring in uninsured losses, the total cost was far higher. The extent of destruction outstripped many homeowners’ insurance policies’ coverage limits, creating a huge gap between insured losses and the true cost to rebuild. Nonprofit housing organization Community Housing Improvement Program (CHIP) faced this new financial reality when rebuilding its premier 36-unit complex; unable to renew its original policy, the organization was forced to turn to Lloyd’s of London for coverage, only to encounter soaring premiums nearly 10 times the pre-fire rates.

Paradise Irrigation District, once a community lifeline, faced a severe crisis after the fire melted its water service lines, damaged its three-million-gallon reservoir, unleashed a slew of hazardous

chemicals into the water supply and obliterated its aged sewage infrastructure. Similarly, Paradise Parks & Recreation District suffered tremendous losses, including its aquatic center, trails, playgrounds and other key revenue-generating amenities.

The disaster’s sheer severity cast a long shadow over Paradise’s future. Clearly, only a concerted and comprehensive response by government agencies, nongovernmental organizations and private initiatives could address the complex array of community needs while also ensuring affordability and support for residents’ long-term well-being.

The town of Paradise partnered with Rural Community Assistance Corporation (RCAC) and numerous other entities to begin addressing the communities’ needs inside the Camp Fire burn zone. This partnership model ensures that RCAC works in concert with the community’s own initiatives, bolstering its recovery journey with RCAC’s specialized skills and resources.

RCAC directors and staff spent years alongside dedicated community members, agency and town staff, and are pleased to see a renewed sense of hope and empowerment; this report highlights RCAC’s most significant contributions to Paradise’s ongoing revival.

While the progress made is noteworthy, the path to full recovery remains challenging—and we are mindful that the catastrophe’s deep scars will continue to significantly affect the community, both physically and emotionally, as time progresses. Nevertheless, RCAC remains steadfast in its commitment as Paradise moves toward an inclusive, sustainable and truly resilient future. ■

RIDGE

RESILIENT
STRONG

MAY YOU FIND

Paradise

TO BE ALL ITS NAME IMPLIES



Rotary Club of Paradise

Community Resilience & Disaster Planning

In 2021, RCAC launched its Community Resilience and Disaster Planning (CRDP) program in response to natural disasters' increased frequency. This new initiative, drawing on RCAC's extensive network and deep understanding of the rural communities it serves, provides coordinated, comprehensive planning assistance for disaster recovery using a unified organizational approach focused on capacity building and formulating long-term resilience strategies for affected areas.

CRDP operates on the principle that mitigation project costs often yield a six to 10-fold return on investment over recovery costs via reduced impacts from future disaster events. This understanding is crucial to address rural communities' unique challenges, particularly those at wildlife-urban interfaces, by combining strategic resource allocation with effective development strategies to prepare for and mitigate against future threats.

RCAC currently has an active California Resilience Challenge (CRC) grant, an initiative that develops innovative approaches for under-resourced communities at the forefront of the climate crisis. This grant was pivotal for CRDP and its technical assistance team in Paradise, allowing RCAC to enhance its impact by providing additional expertise and resources through a group with diverse insurance industry, catastrophe modeling and wildfire expertise. A key aspect is developing wildfire buffer zones, which are central to Paradise's risk mitigation and

resilience strategy. Buffer zone concept implementation was funded through a FEMA Building Resilient Infrastructure & Communities (BRIC) grant, a component of federal efforts to expand disaster mitigation nationwide.

The CRC project's work led Paradise to reshape its development strategy; moving forward, the town and local entities will discourage development in high-risk fire zones and focus denser development in more protected areas for improved safety. This new approach integrates open spaces, such as parks and agricultural land, that can serve as natural fire breaks and protective buffers.

RCAC's collaboration with Paradise Recreation and Park District (PRPD) through BRIC is central to these strategies. PRPD, responsible for managing a vast 172-square-mile area in and around Paradise, faced extensive damage to its properties after the fire, underscoring the urgency for effective wildfire management. Together with RCAC and a team of insurance



industry and wildfire experts, the district is tackling these challenges and working to implement the buffer zones.

The Insurance Institute for Business & Home Safety (IIBHS), an independent nonprofit research organization focusing on building safety and resilience, also provided advisory support to the CRC technical assistance team throughout the project, ensuring that Paradise's recovery plan integrated IIBHS's newly developed Wildfire Prepared Home Standards into the town's Residential Building Code to guarantee that homes are constructed with robust fire-resistant capabilities. Without these strategic measures, the community would remain vulnerable to wildfires, continued soaring insurance costs and a compromised recovery process.

"We may have some of the expertise and some of the know-how, but we don't have the resources or capacity to do some of this work," said PRPD District Manager Dan Efseaff. "RCAC is a real force multiplier for us."

Coordination & collaboration

Targeted coordination between RCAC, consulting firms, community organizations, such as the Camp Fire Collaborative and government bodies at all levels drives Paradise recovery efforts.

The CRC: RCAC worked with diverse partners through the CRC project to conduct hazard research and cost-benefit analyses, develop technical wildfire prevention strategies, and enhance infrastructure resilience with specialized expertise and resources to bolster recovery efforts. The CRC team includes CoreLogic, a property data analytics firm, which provided risk assessment and data analysis; Milliman, an actuarial and consulting firm, responsible for calculating insurance premiums based on the costs to partially implement wildfire buffer zones; NHA Advisors, a public finance and community development consultancy, focusing on cost feasibility, governance and identifying funding sources for wildfire risk mitigation; and Toyon Labs, a fire risk modeling advisory firm, contributing its expertise to align wildfire models with actual conditions to optimize mitigation strategies.

PRPD: In 2023, RCAC secured a contract to continue working in close partnership with PRPD, specifically to develop an implementation plan for the wildfire buffer zones.

PRPD, in partnership with the town of Paradise, RCAC and the Camp Fire Collaborative applied for and received a sizeable grant from the California Governor's Office of Planning and Research to continue the buffer zone implementation work to full fruition, building upon the PRPD BRIC grant project efforts.

Public engagement: RCAC staff are conducting outreach in Paradise to understand and ease community concerns, particularly regarding the new wildfire buffer zones' impact on homeowner insurance premiums.

Fire protection & mitigation

RCAC played a key role in the town of Paradise's Wildfire Resiliency/Mitigation Plan development and implementation through the CRC grant project, which is the central strategy for fire protection and mitigation moving forward. The CRC project team, using analyses that include data from CoreLogic's catastrophe model, projects up to a 35 percent reduction in annual insurance losses with the recommended wildfire buffer zones' implementation.

The Nature Conservancy and the Conservation Biology Institute, acting on behalf of PRPD, identified five such zones. The zones optimize land and vegetation management on a region-wide level, thereby substantially decreasing the potential spread and intensity of future wildfires.

The Fire Pathways Model, which Toyon Labs developed, is a foundational component of this approach. This advanced

model identifies potential fire trajectories based on factors like underbrush, fuel availability and prevailing wind patterns, helping to pinpoint strategic areas within the buffer zones for targeted fire risk reduction. This approach enhances the wildfire mitigation strategy's effectiveness and efficiency, offering a streamlined and cost-effective approach to managing the zones.

However, the zones' implementation carries a hefty cost. Firstly, acquiring and maintaining nearly 30,000 acres of land, whether through easements or outright purchase, requires a substantial initial investment. Furthermore, ongoing tasks such as controlling undergrowth, removing deadwood and creating fire breaks add considerably to annual maintenance expenses.

RCAC and its partners face the critical challenge of balancing the absolute necessity of fire risk mitigation and the daunting monetary commitment these measures demand; the Fire Pathways Model and identifying strategic parcels for fire mitigation are critical for making maintenance more cost-effective. Moreover, Milliman's actuarial models demonstrate that average annual economic savings from mitigation could translate into major potential insurance premium reductions. This financial analysis is vital for community engagement and strategic financial planning, showing the wildfire buffer zones' economic benefits.

Ensuring the community's safety as well as strategy's financial viability remains a top concern.



“RCAC is acting as the central hub for us, providing one point of contact to manage the constellation of consultants involved.”

—Dan Efseaff,
district manager for the Paradise
Recreation and Park District

Grants & funding

PRPD secured funding from FEMA and RCAC's technical assistance team helped with a large grant from the California Governor's Office for wildfire buffer zones implementation:

- **FEMA BRIC grant:** PRPD successfully acquired a \$200,000 BRIC grant in June 2023 for wildfire buffer zone planning and implementation. This grant, however, only covers the project's initial planning phase. RCAC's technical assistance team and the district will apply for more BRIC funding to implement mitigation efforts, with expected support from the California Office of Emergency Services, once the planning is completed.
- **Office of Planning and Research (OPR) grant application:** RCAC's technical assistance team helped PRPD apply for an OPR grant exceeding half a million dollars. This application would cover the comprehensive planning and additional funding required for the complete and effective wildfire buffer zone implementation and addressing the initial BRIC grant financial shortfalls.

Wildfire-informed development

CRDP is advancing sustainable development strategies and common-sense measures to ensure that the Paradise community is truly prepared for future challenges.

- **Support for IIBHS standards:** RCAC encouraged IIBHS Wildfire Prepared Home Standards adoption in Paradise, promoting fire-resistant roofing, ember-resistant vents and creating defensible spaces around properties. These measures, integral to constructing safer homes, include using non-combustible materials and implementing landscaping and property maintenance techniques that reduce wildfire risks.
- **Guidance in urban planning:** RCAC provided input on town planning to minimize building in high-risk fire zones, which promotes integrating open spaces that are natural wildfire buffers. ■

Building Rural Economies

Small Business Coaching

While our Building Rural Economies program has not worked in Paradise, California to date, it continues to grow and thrive. The team continues to provide small business coaching and 2023 saw increased demand for this service, up 45.9 percent, with 108 clients this year compared to 74 last year.

108

SMALL BUSINESS COACHING CLIENTS



Scan the QR code to watch a short video highlighting the BRE team's work in New Cuyama, California. ■

Community & Environmental Services

RCAC's Community and Environmental Services (CES) work in Paradise's recovery focused on several key areas, including capacity development, regionalization support and facilitating access to essential federal funding. Understanding that restoring safe and efficient waste management is a necessary precursor to revive the local economy, RCAC's efforts met immediate needs while promoting long-term sustainability.

Working in close collaboration with local leaders, RCAC staff reinforced the Paradise Irrigation District's technical, managerial and financial capacity; conducted a risk assessment; and updated its Emergency Response Plan and Injury and Illness Prevention Programs. This ensures that the community is well-prepared for future disasters, maintains regulatory compliance and accesses vital grant funding.

RCAC's work with the Paradise Sewer Regionalization Project Advisory Committee was primarily supportive, offering expertise and guidance on an as-needed basis. Grants and vigorous local leadership drove the sewer project's success thus far.

The CES team also provided important technical assistance to a range of entities in Butte County that needed help securing U.S. Department of Agriculture Rural Development disaster funding after the Camp Fire, including the Paradise Irrigation District, local schools and various public service agencies.

At the RCAC housing team's request, CES staff specializing in Geographic Information Systems also created detailed mobile home park maps to mark present and future utility lines for planning purposes.

RCAC is committed to empowering local entities and building local capacity to ensure that Paradise's recovery trajectory is sustainable and truly self-determined. By broadly enhancing the community's post-disaster capabilities, RCAC is helping to shape a future with improved environmental stewardship, resilient infrastructure and effective governance.

Capacity building: Paradise Irrigation District

RCAC supported PID through targeted capacity development focused on enhancing emergency management and fulfilling regulatory obligations. This support safeguards service continuity and ensures that PID can access the resources it needs.



- **Emergency Response Plan update:** RCAC staff revised PID's Emergency Response Plan, crucial for regulatory compliance and addressing the extensive damage to the town's water distribution system. This revision significantly boosts the district's preparedness for future emergencies and aligns with state and federal standards.
- **Injury and Illness Prevention Program revision:** RCAC updated PID's Injury and Illness Prevention Program, ensuring the utility is better prepared and equipped to manage future risks effectively.
- **Risk assessment:** RCAC conducted a risk assessment to identify and address PID's potential vulnerabilities and areas for improvement.

Regionalization: Paradise Sewer Project

Before the Camp Fire, Paradise was one of the largest towns in California without a centralized wastewater treatment system; instead it depended on individual septic tanks and leach fields for waste management. Local officials had mulled implementing a centralized system even before the town's incorporation in 1979. When the fire gutted the town's essential infrastructure, the town took decisive action.

Following the blaze, town of Paradise officials initiated the Paradise Sewer Project, which will establish a comprehensive and modernized wastewater management system. They conducted feasibility studies to find the best approach, ultimately choosing a gravity-fed pipeline from Paradise, 1,778 feet above sea level, to Chico at 243 feet. Paradise officials approached the city of Chico with a proposal to connect to the Chico Water Pollution Control Plant, located 18 miles away. This approach, known as regionalization, involves collaboration between different entities to efficiently manage shared services and facilities. The two communities formed a Sewer Regionalization Project Advisory Committee, resulting in a \$233 million project that includes a central collection system for Paradise's businesses and residences and a pipeline connecting to Chico, which ensures efficient wastewater management for the town without burdening the city's ratepayers with additional costs.

RCAC's role in this regionalization process was supportive and facilitative. RCAC staff attended advisory committee and Paradise Sewer Project public meetings and supported dialogue among diverse entities and groups including local councils, the engineering firm and the public. This was a departure from RCAC's usual hands-on role in communities with less resources, or that lack a clear vision for regionalization or community buy-in.

“I could not be more pleased and thankful for the service during a time when it was much needed.”

**—Mickey Rich,
assistant district manager,
Paradise Irrigation District**

The town of Paradise is actively exploring funding options to ensure sewer project affordability, and officials are confident that they can secure the necessary grants to cover its costs. Construction is anticipated to begin in 2025 with an aim to finish the project by late 2026 or early 2027; project completion is the ultimate measure of success.

Technical assistance

Town of Paradise sewer application assistance: RCAC assisted Paradise's town manager with a USDA-RD Special Evaluation Assistance for Rural Communities and Households (SEARCH) grant application. Completed in four weeks, the application resulted in an expedited \$172,320 grant for Paradise's new wastewater system studies. This amount, significantly higher than the usual \$30,000 for SEARCH grants, was due to the community's urgent post-disaster septic system needs.

Disaster mitigation plan training: Under an agreement with the California State Water Resources Control Board, RCAC provided training courses and materials focused on disaster mitigation plan preparation to community members.

Chico/Paradise wastewater systems analysis: The North Valley Community Foundation contracted RCAC to conduct comprehensive wastewater systems analyses to support the city of Chico and town of Paradise's recovery efforts.

Community facilities

RCAC responded to USDA-RD requests for application assistance under the 2020-2022 Community Facilities Disaster grant to help a range of regional entities secure funds:

- **City of Orland Fire Department:** RCAC helped to resolve challenges that were hindering the city's disaster grant application. RCAC's assistance enabled the fire department to successfully apply for facility project funding.
- **Golden Feather Union Elementary School District:** RCAC assisted the district after the 2018 Camp Fire damaged Concow School, which required relocating all students to the Spring Valley School. The CES team provided technical assistance to complete and submit the community facility application to USDA-RD, resulting in a \$119,900 grant for the district to purchase a generator and transfer switch for the Spring Valley School.
- **Kimshew Cemetery District:** After the fire caused major damage to the district's facilities, RCAC provided valuable guidance to secure a \$76,200 USDA-RD grant, enabling the necessary repairs and upgrades to restore cemetery maintenance activities.
- **KZFR Public Radio:** RCAC facilitated communication with USDA-RD and reviewed applications to ensure they were complete and submitted timely.
- **Maxwell Public Utility District:** RCAC facilitated a crucial name change, supporting the district's ongoing USDA application process through another technical assistance provider.
- **Palermo Union Elementary School District:** Local power shutoffs caused disruptions, hindering the district's ability to regularly transport students to its six schools via electric buses. RCAC's assistance in the USDA-RD application process resulted in a \$5,700 grant for a portable bus charger. ■

Motivation Task Forces

RCAC experienced unprecedented growth during and after the COVID-19 pandemic. In response, RCAC created Motivation Task Forces, which directors, managers and supervisors lead. These task forces are addressing four focus areas that emerged in a January 2023 staff survey. It is critical to RCAC's wellbeing, our human capital and the rural and Indigenous communities we serve that we address the growth challenges our organization is experiencing.

These task forces build RCAC's leadership capacity, and a cross-departmental approach enables the teams to work outside silos and gain more understanding of one another.

The four focus areas are:

- Talent Challenges – Onboarding/Orientation/Mentoring/Recruitment; Retention/ Professional Development/Career Pathways
- Funder Impact on Administrative Burden and Culture
- Operational Challenges around Policies, Procedures and Systems
- Impact on RCAC Culture, Communication, Agency and Guidance

The four task forces committed to meeting at least monthly for one year, and while not responsible for implementing solutions, they will be the solution architects. Each task force will present progress updates to the Board of Directors during 2024. ■

Housing

The Camp Fire destroyed thousands of Butte County homes, including 38 mobile home parks, and dramatically intensified the region's longstanding housing affordability crisis. In response to the Paradise community's urgent need for assistance amid a deeply strained affordable housing sector, RCAC's Housing Department stepped up to help develop sustainable solutions with local organizations that serve displaced and affected households.

Dave Ferrier, who joined RCAC as housing director following a 35-year leadership tenure at Community Housing Improvement Program (CHIP), recognized that there were no immediate and short-term solutions to the systemic challenges the community faced, and emphasized a focus on long-term recovery strategies. His deep connections within the community and grasp of regional housing dynamics guided RCAC's approach during this crucial period and fortified its 30-year relationship with CHIP during a critical moment.

RCAC worked with the Camp Fire Collective (formerly Camp Fire Long Term Recovery Group) to launch a strategic planning phase to address the sector's recovery needs comprehensively. This phase required securing necessary resources and devising long-term recovery strategies with local partners to breathe life back into Paradise's decimated mobile home parks.

Faced with financing and affordability challenges, the team delved into and developed innovative strategies to reduce financial pressures on private contractors. These initiatives, including new funding approaches and collaborative partnerships, helped to accelerate the reconstruction process, thereby contributing to a more rapid recovery for the community.

RCAC's efforts weren't problem free and included legislative setbacks and difficulties to secure financing. Mobile home parks, in particular, are unlikely to regain pre-disaster affordability any time soon due to escalating construction and insurance costs, among other pressures.

Advocacy and funding

Recognizing the challenges private contractors faced to obtain construction financing—in some cases using credit cards for initial purchases—RCAC explored options to make funds for construction materials and land more accessible.

- **Rural reclassification:** The local populace's displacement drove RCAC to collaborate with the state legislature to reclassify Paradise and other nearby communities as rural. This reclassification allowed Paradise to access programs and resources designed for rural communities, significantly bolstering housing recovery and development efforts. This instrumental change enabled various rebuild projects, including CHIP's, to participate in the USDA-RD 502 Direct Mortgage Loan program.



- **Engagement with commercial bankers:** RCAC promoted a partnership approach involving commercial bankers to provide additional support for construction financing. This effort aimed to reduce financial uncertainties and foster a more stable and robust financing framework for diverse construction projects.
- **Soft financing for affordable homeownership:** RCAC explored the concept of soft financing, which creates mortgages without monthly payments, to make homeownership more affordable for residents. This innovative approach would address the affordability gap that has widened post-disaster.
- **Insurance market and construction challenges:** RCAC addressed insurance unpredictability and the significant rise in construction costs post-Camp Fire. RCAC advocated for solutions to mitigate these challenges, which have become major obstacles to rebuilding.
- **Housing Advisory Council advocacy:** RCAC advised the town to create a Housing Advisory Council to guide effective fund management and facilitate local involvement in housing issues, which produced a more community-centric approach to recovery.

RCAC's contributions to mobile home park recovery efforts

The fire razed 38 mobile home parks in the Paradise area, collapsing the region's natural affordable housing framework. Numerous factors complicate rebuilding this crucial sector, including compromised sewer infrastructure, inadequate pedestrian pathways and the region's challenging terrain. Financial and insurance complexities, along with the need to keep housing density cost-effective for residents, are other hurdles. To strategically identify the various recovery aspects and mitigate any pain points, RCAC initiated a detailed assessment and planning stage.

At the Housing team's request, RCAC Community and Environmental Services staff specializing in Geographic Information Systems created detailed maps of mobile home parks marking present and future utility lines for planning purposes.

In addressing these challenges, RCAC's contributions included:

- **Comprehensive damage and need evaluation**

Identify the number of units impacted: Assessing the scale of damage to accurately plan rebuilding and aid distribution.

Determine their ownership structure: Understanding the legal and financial implications for reconstruction based on whether units are owned or rented.

Locate utilities for mobile home parks: Mapping out essential infrastructure to ensure that reconstruction plans incorporate necessary services like water, electricity and sewage.

- **Financial support and strategic planning**

Secure funding for recovery efforts: Obtaining financial resources to ensure that staff can continue their long-term recovery work.

- **Advocacy for adequate funding structures:**

Highlight existing funding model issues: RCAC communicated the inadequacies of traditional funding models like HUD's disaster recovery funds, particularly to address mobile home parks' unique needs.



Mobile home park funding solutions: RCAC advocated for tailored funding solutions that consider the mixed ownership and rental arrangements typical of mobile home parks, emphasizing the need for adaptable and responsive financial structures. ■



"RCAC has provided so much moral support and expert advice. We can always rely on RCAC as thought partners to talk through different issues and explore new opportunities."

—Seana O'Shaughnessy,
president and CEO, CHIP

ROOTED RELATIVE FUND

Solving for Indigenous entrepreneurs' capital needs is long overdue. In 2022, RCAC and Roanhorse Consulting, LLC (RCLLC) came together to co-create a new financial lending product that centers right relationships, Indigenous wisdom and the opportunity to co-create with Indigenous leaders. As a Community Development Financial Institution, RCAC is well-positioned to provide a robust lending infrastructure and capacity funding to Indigenous-led grassroots organizations. RCLLC, an Indigenous-led consulting and capacity-building firm, has a wealth of knowledge and experience with co-creating relationship-based lending structures and connections to the Indigenous community.

Our goal was to co-create a relationship-based lending program with those most impacted: Indigenous founders. In 2023, the team intentionally engaged eight Indigenous financial experts, thought leaders and entrepreneurs from across the country to join us on a five-month journey to form the Indigenous Advisory Council (IAC). The IAC helped us determine the lending program's terms, size and region for deployment. With their guidance, we launched Rooted Relative Fund (RRF).

In 2023, RRF selected three community lenders in New Mexico and Arizona to pilot RRF. In 2024, the RRF Community Lenders cohort will design their RRF loan fund and make their first RRF loans. RCAC is recruiting a RRF Manager to support the Community Lenders and manage the day-to-day operations of RRF.

Prior to the selection of the RRF Community Lenders, RCAC approved two initial loans, using the RRF framework, to Indigenous businesses. ■

Loan Fund

The catastrophic housing destruction in Butte County, California plunged the area into an acute economic crisis, significantly reducing Paradise's tax base and causing a severe shortfall in town resources. COVID-19 further complicated recovery efforts, inflating material costs and exacerbating labor shortages. Consequently, traditional financial institutions largely balked at investing in reconstruction.

Amidst these challenges, RCAC's Loan Fund stepped in to provide essential support to the community. Established in 1988 and certified as a Community Development Financial Institution in 1996, the Loan Fund has a proud tradition of mission-driven community lending, filling financing gaps and serving in unconventional and uniquely challenging markets. In Paradise, RCAC offered financial assistance and provided strategic guidance and partnership, aiding the town's complex recovery effort.

RCAC participated in reconstruction and financed key housing developments in collaboration with longtime nonprofit partner CHIP and private developers Reconstruction and Recovery Advisors, Inc. (RRA) Builders to construct single family homes. This two-pronged strategy was crucial for immediate recovery, to breathe life back into the local economy and help stabilize local government finances, as it guides a more robust and sustainable future for the region.

By focusing on critical housing needs and supporting both the private and nonprofit sectors, RCAC's Loan Fund made a tangible difference in Paradise's intricate, demanding reconstruction environment. This approach supports the town's immediate rebuilding needs and invests in long-term community resilience. By bolstering local economies and promoting affordable, sustainable housing, RCAC is helping to create a durable, community-centric framework for economic development that can withstand and adapt to future challenges.

Borrower profile: RRA Builders

In the 2018 Camp Fire's aftermath, RRA's Hector Vizcarra and Kelly Konzelman took on the formidable challenge to rebuild some of Butte County's destroyed housing. Initially providing insurance advisory services and construction consultation from 2018 to 2020, RRA realized the need and opportunity for housing development. This led to formation of RRA Builders in March 2019, also doing business as The Ridge Affordable Homes.

Their efforts centered on aiding the uninsured and underinsured, which leveraged their expertise in nonprofit partnerships and securing public funds. However, the rebuilding process was fraught with challenges including legal and insurance issues, labor and material shortages due to the pandemic, and financial institutions' reluctance to invest in Paradise. "It was like a ghost town," Vizcarra recalls. "Most lenders wanted nothing to do with Paradise."

Navigating challenges

In 2020, RRA Builders approached RCAC's Loan Fund on CHIP's recommendation and secured a \$283,875 loan to kickstart housing projects in Paradise and Magalia for residents that earn below 120 percent of the median income. By 2022, RCAC boosted its aid to \$600,000, recognizing the ongoing needs and RRA Builders' impactful work. This funding was crucial to build and acquire around 30 high-quality manufactured homes. Of these,



RCAC financed 14 homes. To date 22 homes are either completed and sold or in the final stages of completion.

"RCAC was like a first responder," Vizcarra said. "It was a perfect fit because we needed a financial partner, and RCAC has been there."

In addition to manufactured homes, RRA Builders also constructed a 1,550 square-foot three-bedroom stick-built home in 2021. Despite multiple price reductions from the initial \$465,000, the property, now listed at \$375,000, found no buyers and fell out of escrow twice. The town of Paradise recently approved the property for commercial office use, allowing RRA Builders to utilize this unsold home as its office space in Paradise – a strategic move that illustrates its commitment amid uncertain market conditions.

Adapting and expanding

RRA Builders will ramp up its efforts in Paradise in the coming year, with a goal to build one manufactured home per week. Committed to meeting the persistent demand for affordable housing, RRA Builders is considering a credit line increase with RCAC to fuel its continued progress. Vizcarra anticipates challenges, particularly utility connection delays from PG&E,

which could hinder home occupancy rates and affect the construction pace. Despite these potential obstacles, RRA Builders remains steadfast in its commitment to aiding Paradise's revival.

"Dealing with all these challenges in addition to helping those suffering from trauma has been difficult, but rewarding," Vizcarra said. "RCAC has been our partner all the way through."

CHIP: Housing/Loan Fund

RCAC's partnership with CHIP has been pivotal in transforming Northern California's rural housing market. By uniting RCAC's expertise in economic development with CHIP's housing development skills, this alliance significantly increased safe and affordable homes in Butte, Colusa, Glenn, Tehama, Shasta, Lassen and Sutter counties.

Since 1988, RCAC's Loan Fund financed 24 diverse affordable housing projects, significantly contributing to CHIP's efforts. These funds exclusively funded land acquisition and site development for the U.S. Department of Agriculture Rural Development (USDA RD) Mutual Self Help Housing Program. RCAC's Housing Department complemented this financial support by bolstering CHIP's work with vital technical assistance, advocacy, strategic mentorship and guidance.

Paradise Community Village: Rising from the ashes

The Camp Fire devastated Paradise Community Village (PCV), CHIP's 36-unit rental complex. As the town's largest multifamily apartment complex and its first Low-Income Housing Tax Credit program property, PCV's destruction dealt a major blow to affordable housing in the area.

Seana O'Shaughnessy took the reins as president and CEO in February 2019, amid the town's disaster recovery efforts. With her own parents' and friends' homes among the lost, O'Shaughnessy's personal connection to the tragedy fueled her commitment to the community's revival. "It made me feel even more motivated to play a positive role in the recovery," she said.

However, the task to rebuild PCV was complex. The team faced an array of challenges including legal problems, soil clearance issues and the Low-Income Housing Tax Credit (LIHTC) program's stringent 25-month deadline. Meeting this deadline in the aftermath of such extensive destruction, while ensuring continued affordability, posed an enormous challenge.

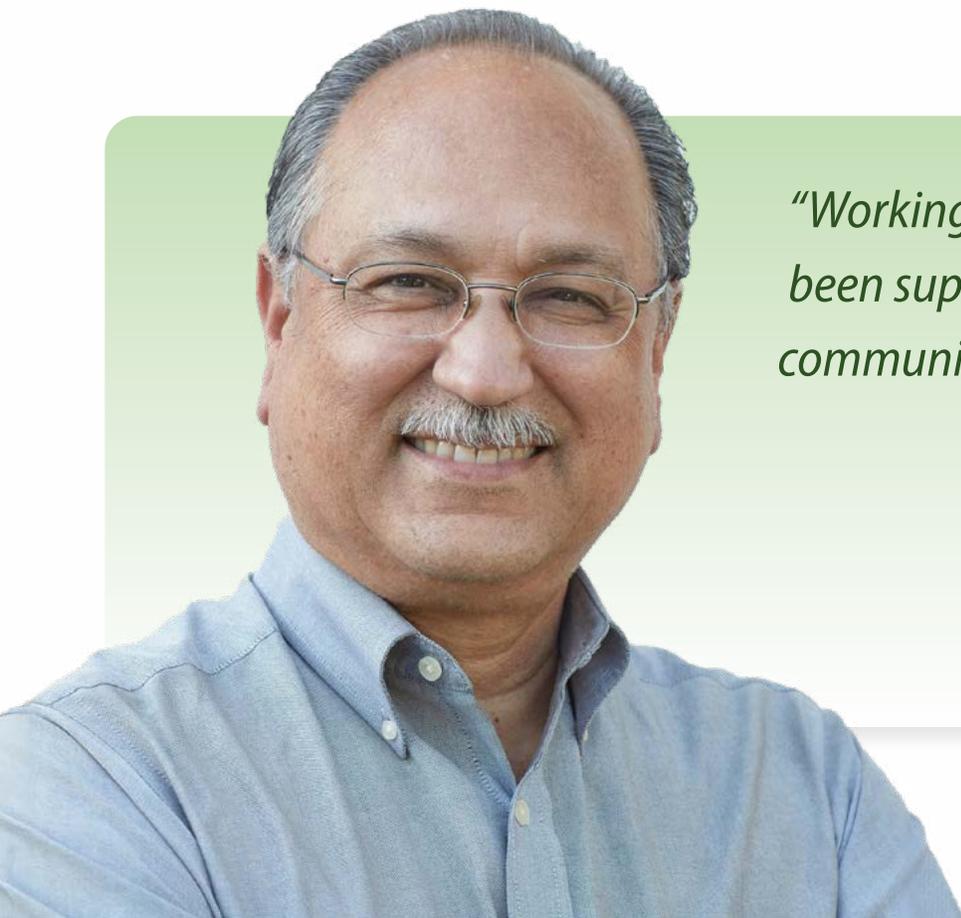
Fortunately, Kris Zappettini, CHIP director of rental housing and former interim CEO, along with other dedicated staff, bolstered CHIP's efforts to rebuild PCV. Their collective initial efforts to tackle the project's complexities laid a solid groundwork for the work ahead.

Dave Ferrier, RCAC housing director and former CHIP CEO, also played a strong supportive role in the project. Having spearheaded the complex's creation over the course of a decade, his familiarity with its history and financing intricacies guided RCAC's support during the rebuilding phase and leadership transition.

CHIP then launched an advocacy campaign to secure a LIHTC rebuilding extension from the Internal Revenue Service and received essential strategic support from RCAC. Over time, RCAC reduced its involvement, paving the way for the National Low-Income Housing Coalition, the National Association of State Housing Agencies and accounting and consulting firm Novogradac to co-lead. Despite initial resistance, the push for an extension succeeded thanks to COVID-related policy changes with special provisions for disaster-struck areas. This success was a turning point, especially as various other factors had already delayed rebuilding by more than a year.

"RCAC was a tremendous partner during this traumatic time of overwhelming community need and loss," O'Shaughnessy said.

By December 2021, CHIP and RCAC's concerted efforts paid off, and PCV was rebuilt and fully occupied. This marked an important milestone in the community's recovery journey and a fresh start for displaced families.



"Working with RCAC has been super easy, in terms of communication and process."

—Hector Vizcarra,
RRA Builders managing director
and co-founder



Beyond Paradise Community Village

RCAC's Housing team and Loan Fund are collaborating with CHIP to address the housing crisis in the Camp Fire's regions, focused on developing affordable and inclusive housing for displaced residents. This joint effort is grounded in a commitment to rural housing development and leverages their expertise to navigate the unique challenges these communities face.

RCAC also supported advocacy efforts urging the state to reclassify Paradise and its neighboring communities as rural. This important change enabled CHIP to use the USDA RD 502 Direct Loan program to enhance land development initiatives critical for self-help homeownership projects in Paradise.

RCAC-financed projects:

- **Parkside Grove, Anderson:** 19 homes completed.
- **Magnolia Meadows, Corning:** Ongoing construction of 32 homes, plus 21 more planned for spring 2024.
- **Orland Park, Orland:** Marketing for 64 homes underway, with construction to begin in summer 2024.
- **Gridley:** A project in Gridley is in the early stages of land development.

Completed CHIP developments:

- **Paradise single family homes:** CHIP rebuilt four single-family homes and is developing additional properties in Paradise, including two homes currently under construction and plans for four more lots.
- **Creekside Place in Chico:** Opened in February 2023, this 101-unit senior apartment complex offers subsidized housing through the Section 8 housing choice voucher program.
- **Biggs Rehousing Effort:** CHIP rehoused four Camp Fire survivor households at its North Biggs Estates subdivision in Biggs, Butte County.

Ongoing and future CHIP developments:

- Homes built in Corning, Biggs, Williams and Anderson to accommodate Camp Fire survivors.
- 101 senior multifamily units constructed in Chico.
- Plans for 140 multifamily units in Paradise and 64 in Magalia. ■

Financial Information

CONDENSED BALANCE SHEETS as of September 30,

	2023	2022
ASSETS		
cash and investments	\$ 73,919,317	\$ 85,100,420
grants, contracts & other receivables	15,406,392	9,341,663
loans receivable, net	102,344,223	97,215,699
fixed assets	1,419,209	1,617,159
other assets	3,585,474	3,433,894
total assets	\$ 196,674,615	\$ 196,708,835
LIABILITIES & NET ASSETS		
accounts payable & accrued liabilities	\$ 6,006,349	\$ 5,228,104
notes and bonds payable	98,753,862	106,292,745
net assets	91,914,404	85,187,986
total liabilities and net assets	\$ 196,674,615	\$ 196,708,835

CONDENSED STATEMENTS OF ACTIVITY for the Years Ending September 30,

	2023	2022
REVENUE		
grants and contracts	\$ 31,334,043	\$ 27,304,510
loan fees and interest	5,948,408	5,077,769
investment income	3,518,737	528,466
other	176,219	300,134
total revenue	\$ 40,977,407	\$ 33,210,879
EXPENSES		
loan fund	\$ 6,306,633	\$ 5,255,934
housing	3,608,155	4,042,345
community & environmental	14,068,413	10,749,639
other programs	2,587,421	2,151,883
fundraising	267,413	257,636
rental operations	118,708	105,193
management and general	7,294,246	5,683,862
total expenses	\$ 34,250,989	\$ 28,246,492
increase in net assets	\$ 6,726,418	\$ 4,964,387
consisting of:		
change in unrestricted net assets	\$ 5,618,383	\$ 1,308,926
change in temporarily restricted net assets	1,108,035	3,655,461
	\$ 6,726,418	\$ 4,964,387

Funders List

Align Impact
Ally Bank
Alpaugh Unified School District
American Express National Bank
Arizona Dept. of Environmental Quality
Avivar Capital
Bank of America
Bank of the West
Banner Bank
Barbara D & David T Sargent Foundation
Bonneville Bank
Brian Augusta & Associates Inc.
Cadmus Group LLC
California Bank & Trust
California Coalition for Rural Housing
California Department of Community Services and Development
California Environmental Protection Agency
California Housing and Community Development
California Organized Investment Network
California Rural Housing
California State Water Resources Control Board
California Wellness Foundation
Capital Magnet Fund
Capital One Bank
Centri-Tech
Charles Schwab Bank
Chris Long Foundation
CIT Bank
City of Calistoga
City of Colusa
Colorado Capital Management
Colorado Department of Public Health & Environment
Common Spirit
Community Development Corporation of Brownsville
Community Development Financial Institutions Fund
Community Economics, Inc.
Community Housing Opportunities Corporation
County of Colusa
Enterprise Rent-a-Car Foundation
Environmental Defense Fund
Ewing Marion Kauffman Foundation
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Federation of Appalachian Housing Enterprises
First Foundation Bank
First Republic Bank
Freshworks
Ginger Segel Consulting LLC
Google LLC
Great Lakes Community Action Partnership
Green Dot Bank
Hawaii Community Foundation
Hawaii Department of Health
Heron Foundation
Horsley Witten Group, Inc.
Housing Advocates
Housing Assistance Council
Housing California
Idaho Dept. of Environmental Quality
Idaho State Revolving Loan Fund
Indian Health Services
Jewish Community Federation of San Francisco
JP Morgan Chase Bank
Key Bank
Lenders Coalition for Community Health Center
Mammoth Lakes Housing Authority
Mercy Investment Services, Inc.
Merrick Bank Corporation
Milken Institute
Morgan Stanley Bank
National Housing Law Project
Natural Investments LLC
NeighborWorks America
Nevada Division of Environmental Protection
New Mexico Environment Department
New Mexico Small Business Development Corporation
North American Development Bank
Northern Circle Indian Housing Authority
Northern Trust
NorthStar Asset Management Corporation
Occam Advisors
Olamina Foundation
Opportunity Finance Network
Oregon Community Foundation
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Sacramento Region Community Foundation
San Pasqual Band of Mission Indians
Santa Fe Community Foundation
Satterberg Foundation
Self Help Enterprises
Siegel Foundation
Silver Valley Unified School District
Sisters of the Holy Names of Jesus and Mary U.S.
St. Joseph Health System
St. Mark's Lutheran Church
SweetGrass
The California Endowment
The Campbell Foundation
The Christensen Fund
The Congregation of the Sisters of Charity of the Incarnate Word
The Dominican Sisters of Hope
The Erich & Hannah Sachs Foundation
The Grove Foundation
The Sisters of St. Francis of Philadelphia
The Stupski Foundation
The Sustainability Group of Loring, Wolcott & Coolidge
The Woodcock Foundation
Tiedemann Advisors, LLC
Town of Paradise
Trillium Asset Management
Trinity Health Corporation
Umpqua Bank
Union Bank
University of California Davis
University of North Carolina
Uplift America
U.S. Bank
US Department of Agriculture (USDA)
US Department of Health & Human Services (HHS)
US Department of Housing & Urban Development (HUD)
US Department of the Treasury
US Economic Development Administration
US Environmental Protection Agency (EPA)
US Indian Health Services (IHS)
US Small Business Administration
W.K. Kellogg Foundation
Washington State Department of Health
Water Foundation
Wells Fargo Bank Foundation
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Rural Community Assistance Corporation

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