



# 2006

## Colorado Rural Development Accomplishments



Committed to the future of rural communities



Mike Johanns  
Secretary of Agriculture

In 2006, across this great nation, USDA Rural Development employees made a difference in the lives of virtually every person who calls rural America home. Whether it's financing rural renewable energy projects, guaranteeing a loan for a new business, building or upgrading a rural hospital, construction of a new community center, laying water lines, remodeling apartments or drilling a well for a senior citizen living on a homestead, we're building a more vibrant rural America.

We have accomplished much over the past year and we are eager to build upon those accomplishments by strengthening even further our rural communities. We remain committed to creating an environment where future generations will not only live, but thrive in rural America. As we enter 2007, the 50 million people who live in rural America are developing new opportunities in every area – and I am proud that USDA Rural Development will continue to be a partner in these efforts, as it has been for more than 70 years.

Mike Johanns

Secretary of Agriculture



Thomas C. Dorr  
Under Secretary  
for Rural Development

For the employees of USDA Rural Development – and the millions of rural Americans they serve – 2006 was a year of achievement and progress. Whether it's a new biodiesel plant, a medical clinic, energy efficient corn driers, a wind farm, broadband service or digital TV service for a public broadcasting station, USDA Rural Development is “connecting the assets” that we've provided to rural America. It's a lot of money: \$76.8 Billion since the start of the Bush Administration. This investment represents Rural Development leading the way to a bright new future for Americans who choose to live in our rural communities and on our farms. Not only have we invested an average of \$13 Billion a year over the last six years, (a 35% increase over 1998-2000) but we've created or saved an estimated 1.5 million American jobs. We made over \$766 million in business loan guarantees and provided over \$35 million in funding to producers through the Value Added Producer Grant program.

Working in partnership, a rural renaissance is upon us. At Rural Development, we are committed to the future of rural communities.

Thomas C. Dorr

Under Secretary

USDA Rural Development



## A message from Mike Bennett, Colorado State Director

USDA Rural Development is a unique federal agency, in that we can literally build a community from the ground up. Our programs offer assistance with housing, infrastructure, community facilities, and business and cooperative programs. Utilizing over 40 programs, we have increased economic opportunities and enhanced the quality of life in rural Colorado. In Fiscal Year (FY) 2006, over \$350 million were invested statewide throughout all our programs.

Our housing programs assisted nearly 500 families in becoming homeowners in FY 2006. We hope to do more through a greater emphasis on our guaranteed home loan program in FY 2007.

Another issue we will focus on during 2007 is under business and community programs, renewable energy. Nationwide USDA spent an estimated amount of more than \$270 million on energy related programs in areas such as commercialization, research, infrastructure development, and technical support. Our goal is to capture a larger portion of funding for projects here in Colorado.

I am confident that our staff's determination to provide quality programs will lead to a prosperous FY 2007. ***I truly believe to get what was never had, we must do what has never been done and our staff is ready for the challenge.*** As you read our 2006 accomplishments report, you will begin to realize the impact we have had on rural Colorado. Please take the time to contact any of our local offices to see how our programs can help in your community.

Michael E. Bennett  
Colorado State Director  
Rural Development

# USDA Rural Development Colorado

## Funding Fiscal years 2001 - 2006

Colorado	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Actual	Actual	Actual
<b>(2001-2006 Total - \$1,887,780,254)</b>						
Single-Family Housing (SFH) Direct Loans	\$15,532,260	\$19,056,940	\$19,681,750	\$25,496,300	\$27,462,569	\$29,435,687
SFH Guarantee Loans	\$35,831,090	\$33,809,010	\$40,596,870	\$44,790,110	\$26,205,213	\$26,259,001
Multi-Family Housing Direct Loans	\$1,769,200	\$1,849,500	\$683,600	\$1,124,300	\$1,697,840	\$950,000
Rental Assistance	\$9,142,222	\$12,263,395	\$7,382,768	\$5,384,560	\$7,673,808	\$10,143,804
Housing Preservation Grants	\$55,440	\$55,440	\$70,069	\$54,366	\$59,111	\$83,133
Community Facility (CF) Direct Loans	\$1,400,000	\$2,153,000	\$4,733,000	\$3,960,000	\$12,975,000	\$1,230,620
CF Guarantee Loans	\$0	\$3,600,000	\$7,224,000	\$3,750,000	\$27,680,000	\$0
CF Grants	\$287,000	\$169,095	\$200,863	\$487,732	\$363,869	\$408,307
Water & Wastewater Direct Loans	\$740,800	\$5,986,600	\$4,441,020	\$5,364,515	\$5,493,000	\$1,325,000
W&W Grants	\$2,531,550	\$5,470,300	\$4,272,980	\$4,141,337	\$2,978,180	\$2,591,805
Business Guarantee Loans	\$7,047,700	\$17,800,450	\$14,511,000	\$21,332,500	\$6,305,000	\$8,376,500
Business Grants	\$263,000	\$233,000	\$345,000	\$436,282	\$401,180	\$316,615
Revolving Loans	\$0	\$250,000	\$0	\$250,000	\$0	\$0
Multi-Family Housing Guarantee Loans	\$0	\$0	\$0	\$0	\$0	\$945,000
SFH Repair Loans and Grants	\$610,650	\$776,400	\$681,130	\$591,351	\$508,137	\$454,347
Farm Labor Housing Loans/Grants	\$0	\$4,000,000	\$80,000	\$3,150,000	\$450,000	\$0
Electric Loans	\$51,880,000	\$203,633,000	\$293,601,000	\$275,369,400	\$132,938,000	\$252,364,000
Telecommunication Loans/Grants	\$15,151,700	\$500,000	\$145,914	\$6,471,154	\$26,723,000	\$14,671,268
Value Added Producer Grants	\$162,290	\$0	\$1,231,796	\$506,250	\$169,375	\$450,000
Small Producer Grant	\$0	\$0	\$0	\$0	\$0	\$117,121
Renewable Energy Grant	\$0	\$0	\$0	\$500,000	\$1,500,000	\$24,926
<b>Total</b>	<b>\$142,404,902</b>	<b>\$311,606,130</b>	<b>\$399,882,760</b>	<b>\$403,160,157</b>	<b>\$281,524,171</b>	<b>\$350,147,134</b>

# USDA Rural Development Housing Program

USDA Rural Development's Housing Programs provide residents in rural Colorado an opportunity for decent, safe, and affordable housing.

In Fiscal Year 2006, \$58,127,168 were invested through our Single and Multi-Family housing programs. In total, nearly 500 homeowners were assisted through our funding.

Fiscal Year (FY) 2006 was a successful year for both our Single Family and Multi-Family Housing programs in Colorado.

In Single Family, we assist current and potential homeowners through direct and guaranteed mortgage loan programs, repair loans and grants. During FY 2006, our 502 Direct Loan program provided a record \$29.4 million to help 263 Colorado families become homeowners. Our 502 Guaranteed Loan program declined slightly from FY 2005, and provided \$26.3 million to help another 219 Colorado families purchase homes. Our 504 repair loan and grant programs help existing low-income homeowners. The loan program's 1% interest rate and 20 year term make necessary repairs possible with affordable monthly payments. The repair grant program helps low income elderly homeowners who cannot afford additional monthly payments. In our special initiatives like Mutual Self Help Housing and Rural Home Loan Partnership, we partner with nonprofit organizations to expand homeownership through sweat equity or leveraged loans.

Our programs are not just for homeowners. In Multi-Family, we also finance the development of affordable rental housing through both direct and guaranteed mortgage programs, as well as the development of housing specifically for farm labor through direct loans and grants. During FY 2006, we obligated over \$2,000,000 in Multi-Family loans and grants, including Colorado's first project under the 538 loan guarantee program, for the construction of a 49-unit family complex to be built in Montrose, CO. Our current Multi-Family portfolio of approximately 150 Rural Development funded properties totals over 4,000 rental units. Additionally, rental assistance is associated with 55% of these units, ensuring that over 2,200 families pay no more than 30% of their income for housing expense. During FY 2006, Colorado was also active in the new tenant-based voucher demonstration program created by Congress to offer some protection to eligible multifamily housing tenants in properties financed through Rural Development's Section 515 Rural Rental Housing Program who may be subject to economic hardship through prepayment of the Rural Development mortgage.

Whether you are interested in homeownership, developing rental housing, looking for an affordable rental in rural areas, or are a non-profit interested in working in the housing arena, please contact us to see how we can assist you in FY 2007.

Jamie Spakow  
Housing Program, Director





# Multi-Family Housing Program



## Colorado funds first 538 Guaranteed Rural Rental Housing Complex in Montrose, CO

The Section 538 Guaranteed Loan Multi-Family Housing Program provides loan guarantees of up to 90% for the construction, acquisition, or rehabilitation of rural multi-family housing. The program is designed to increase the supply of affordable multifamily housing through partnerships between Rural Development and major lending sources, as well as state and local finance agencies and bond issuers.

Colorado obligated our first guaranteed loan under this program during Fiscal Year 2006 to Sunshine Peak Apartment Homes, LLC for \$1,050,000. Bonneville Multi-family for Lewiston State Bank, in Salt Lake City, UT, is the lender for the complex. Other funding partners in the project include the City of Montrose, Colorado Division of Housing, Low Income Tax Credits from Colorado Housing and Finance Authority, and owner contributions. The total development cost for the 49 unit Multi-Family Complex in Montrose, Colorado is \$7.1 million.

### PROGRAM GOALS:

- Increase the supply of moderately-priced housing in rural areas
- Ensure that housing is affordable to low- and moderate-income rural residents whose incomes are 115% of area median income (AMI) or less
- Provide housing that is decent, safe, and competitive in the market
- Foster risk-sharing partnerships with public and private lenders.

### ELIGIBLE RURAL AREA

- Open country which is not a part of or associated with an urban area.
- Any town, village, city, or place, including the immediate, adjacent, densely-settled area, which is not part of, or associated with, an urban area and which has an area with a population of 10,000, or less if it is rural in character, or an area with a population in excess of 10,000 but not in excess of 20,000 that is not contained within a Metropolitan Statistical Area.



# USDA Rural Development

## Single Family Housing Programs

Our programs can make a difference



Vicky's home was built in 1900. Vicky drives a bus for the Wray School District and works as an aide. She purchased her home through USDA Rural Development with a 502 Direct Home Loan in 1996. As a single parent, with two children, she realized that she would not have been able to afford a home without this program.

Ten years later, her home began showing signs of cracks and the wood siding was beginning to rot. She also needed to make electrical repairs and install a new bathtub and shower enclosure. Once again, Vicky contacted Rural Development for assistance.

Rural Development's 504 Loan and Grant Program is designed to help homeowners make essential repairs and upgrades to improve, modernize, or remove health and safety hazards. Under this program the maximum loan amount is \$20,000 at an interest rate of 1% amortized up to 20 years.

Vicky was to complete all needed repairs through the 504 program, including the installation of pre-finished concrete siding, which will protect her home for years to come. "The 504 repair program is a blessing for those who may not otherwise be able to afford major repairs to their home," said Vicky.

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Ryan returned to his hometown in Colorado with his wife Sally, after receiving his college degree. The couple was able to purchase their first home through the USDA Rural Development 502 Guaranteed Loan Program. Under this program, loans made to homeowners by local and national mortgage lenders are guaranteed by USDA Rural Development. This program allows lenders to make loans to people they would not otherwise be able to serve.

Ryan and his wife did not have to buy private mortgage insurance to get the 100% financing, which made it affordable for them. They had been renting while in college, and since their move back to their hometown, knew they wanted to put down "permanent roots". This program gave them that opportunity.

Ryan and Sally are active community members. Ryan

is a recreation director for the City, along and the assistant track coach for the high school. Sally is a middle school teacher. Ryan said homeownership gives them a "sense of responsibility".

This is truly a success story for both the couple and the community. The couple was able to afford a nice home and the community benefits from having this couple in their midst.



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**Congratulation to our top Guaranteed lenders for Fiscal Year 2006!**

These lenders, who funded a total of 135 guaranteed loans are: Equitable Savings & Loan Association, Wells Fargo Bank, JP Morgan Chase Bank, and First Mortgage Corp.

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# USDA Rural Development Business and Community Programs

Fiscal Year 2006 was challenging for Business and Community Programs. We were able to infuse over \$15 million into Colorado's rural economy.

As we look to FY 2007, our focus will include a high emphasis on:

- \* Enhancing Colorado's rural community's participation in energy programs. We will increase the awareness and utilization of our 9006 Renewable Energy Program and Business & Industry Guaranteed Loan Program; as well as Value Added Producer Grants for planning and working capital grants.
- \* Ensuring rural communities have access to essential services in their community. Our Community Facility Program which includes, Guaranteed Loans, Direct Loans and small grants allows funding for Critical Access Hospital, Clinics, Fire Stations or any project in the public health and public safety sector.
- \* Special initiatives for day care and emergency response projects. Rural Development can provide up to \$50,000 in grant funding to eligible applicants.
- \* Providing funding for Water and Waste Projects in communities that we have previously not been involved with. Colorado's allocation for FY 2007 is \$10 million for loans and grants. This will allow us to provide funding for water and waste projects which serve the most financially needy communities. This assistance should result in reasonable user costs for rural residents, rural businesses and other rural users.

Our State Loan Specialists, Technician, State Engineer, and I are committed to supporting the staff in the field offices dedicated to Business and Community Programs. I am looking forward to working with all of you in the coming year to help build and enhance services in the rural communities of Colorado.



M. DOLORES SANCHEZ-MAES  
Business and Community Programs, Director





**Water and Waste  
Water Program**  
**\$3,916,805**

Direct Loan	\$1,325,000
Grant	\$2,591,805

*Projects Funded*

- \* Town of Silver Plume
- \* Town of Oak Creek
- \* Town of Hillrose
- \* Briggsdale Water
- \* Fox Hill Water Association

**Business and  
Industry  
Guaranteed Loan  
Program**  
**\$8,376,500**

By expanding the lending capability of private lenders in rural areas, our loan guarantee program helps lenders make and service quality loans that provide lasting community benefits. The guarantee program allows the lender to provide better rates and terms to businesses through the use of the secondary market. The loans funded in Fiscal Year 2006 focused on business start up and expansions. Over 100 jobs were either saved or created through these projects.

**Small Minority  
Producer Grant  
Program**

Rio Culebra Agricultural Cooperative received a \$117,121 Small Minority Producer Grant from USDA Rural Development. The 52 member cooperative operates small family farms totaling over 3,000 acres of tillable farm and ranch land in Costilla County. The cooperative plans to utilize the funds to conduct a marketing feasibility study of grass-finished beef; develop a marketing plan for beef/alfalfa; develop an organic certification plan; and assess the new local and regional marketing for bio-diesel crops.

The Small Minority Producer grants are made to Co-operatives or Associations of Cooperatives whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority.



**Renewable Energy  
Program**  
**\$24,926**

Alamar Stables was the recipient of a grant from Rural Development to purchase a 10 kilowatt photovoltaic array to be installed on the roof of a 30 stall horse barn in Palisade. The entity anticipates the project will provide enough power to operate irrigation pumps, lighting, and other electrical applications used in the stable's operation.

**Value Added  
Producer Grant  
Program**  
**\$450,000**

Value Added Producer Grants may be used for planning activities, such as feasibility studies or business plans, or to provide working capital for marketing value-added agricultural products and for farm-based renewable energy projects.

*Projects Funded*

Webb Dairy and Farm Inc, \$150,000
CO Potato Administrative Committee, \$300,000



## Community Facility Program

**\$1,638,927**

Direct Loan	\$1,230,620
Grant	\$408,307

Community Facility Programs provide guaranteed loans, direct loans, and grants to develop essential community facilities in rural areas and towns of up to 20,000 in population. Funding is available to public entities such as municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments. These facilities may include, but are not limited to, health care services, public safety, police and fire stations, adult and child care centers, community, social, or cultural services. In Fiscal Year 2006, over \$1.8 million dollars were invested in projects across Colorado.



## Community Facility Projects Awarded in FY 2007

- \* West Custer County Hospital District
- \* Huerfano County
- \* John C. Fremont Library
- \* Las Animas Cty Rehabilitation
- \* Akron Rural Fire Department
- \* East Phillips County Hospital District
- \* Silverton Family Learning Center
- \* Liberty School District
- \* Logan County Government
- \* Peetz Fire Department
- \* SHARE, Inc.
- \* Florence Fire Protection District
- \* Town of Blanca
- \* Plateau Valley Hospital
- \* Dove Creek Community Volunteer Fire Dept
- \* Town of Mancos
- \* La Veta Regional Library

## Rural Electric Program

**\$252,364,000**

This funding represents assisting four Rural Electric Organizations in Colorado

## Rural Economic Development Loan Program

**\$300,000**

This program provides zero-interest loans and grants to Rural Development utility program borrowers, who in turn relend the money as a zero interest

loan to local entities to promote rural economic development and job creation projects. In FY 2006, Highline Electric Association in Holyoke, CO was the recipient of a \$300,000 Grant.

## Distance Learning and Telemedicine Grant Program

**\$671,268**



The Northeast Colorado Board of Cooperative Educational Services (NEBOCES) received a \$240,997 DLT grant. The multi-school distance learning project will share teachers and offer advanced courses to students in two extremely rural areas of Colorado. This grant will increase the capacity of this service at Haxtun and Holyoke schools and extend the network to nine additional districts and the BOCES offices. Additionally, Unlimited Learning Inc., received a \$430,271 grant to increase educational and vocational opportunities utilizing a variety of approaches to include upgrading network infrastructure and providing adequate internal wiring; providing computers and a streaming/archiving server; and the installation of interactive distance learning equipment at participating sites.

# Colorado Field & State Office Locations

[www.rurdev.usda.gov/co](http://www.rurdev.usda.gov/co)



Committed to the future of rural communities.

## State Office

Mike Bennett, State Director  
655 Parfet Street, Room E-100  
Lakewood, CO 80125  
(720) 544-2903 Fax (720) 544-2981

## Western Area Offices

### Alamosa Office

2205 State Street, Alamosa, CO 81101  
(719) 589-5661 Fax (719) 589-0515  
Serving Alamosa, Conejos, Costilla, Mineral,  
Rio Grande, and Saguache Counties

### Cortez Office

628 West 5th Street, Cortez, CO 81321  
(970) 565-8416 Fax (970) 565-8797  
Serving Archuleta, Dolores, LaPlata, Montezuma,  
San Juan, and San Miguel Counties

### Craig Office

356 Ranney Street, Craig, CO 81625  
(970) 824-3476 Fax (970) 824-7055  
Serving Eagle, Garfield, Grand, Jackson, Moffat,  
Rio Blanco, and Routt Counties

### Delta Office

690 Industrial Blvd  
Delta, CO 81416-2812  
(970) 874-5735 Fax (970) 874-0352  
Serving Delta, Gunnison, Hinsdale, Mesa,  
Montrose, Ouray, and Pitkin Counties

## Eastern Area Offices

### Canon City Office

248 Dozier Avenue, Canon City, CO 81212  
(719) 275-4465 Fax (719) 275-3019  
Serving Chaffee, Custer, El Paso, Fremont,  
Lake, Park, Pueblo, Summit and Teller Counties

### Greeley Office

4302 W. 9th Street Road, Greeley, CO 80634  
(970) 356-8097 Fax (970) 351-0392  
Serving Adams, Arapahoe, Boulder, Clear  
Creek, Denver, Douglas, Elbert, Gilpin,  
Jefferson, Larimer, and Weld Counties

### Las Animas Office

760 Bent Ave., Las Animas, CO 81054  
(719) 456-0120 Fax (719) 456-00491  
Serving Baca, Bent, Crowley, Huerfano, Kiowa,  
Las Animas, Otero, and Prowers Counties

### Wray Office

P.O. Box 405, 247 Clay Street, Suite #2,  
Wray, CO 80758  
(970) 332-3107 Fax (970) 332-9801  
Serving Cheyenne, Kit Carson, Lincoln, Logan,  
Morgan, Phillips, Sedgwick, Washington  
and Yuma Counties

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