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Illinois Rural Development

2007 Annual Report



Committed to the future of rural communities.

Rural Development in Illinois

USDA Rural Development has seen many changes since I arrived in March 2001. Every day my admiration grows for this agency and especially for the people of Rural Development.



Our productivity speaks for itself as you will read in this year's report, but it's the people whose lives we affect that is the real story. Many have heard me say, "Rural Development is here to help improve the health, safety and economic well-being of people in rural Illinois," and we prove that every day. As awareness of Rural Development has risen, so has our impact through higher funding levels which in turn create a healthier rural economy in Illinois.

USDA Rural Development was once seen as a small part of USDA, but with investments in rural Illinois of over \$2 billion in the last few years, we have shown that we are a cornerstone for growth.

My thanks to the men and women in our offices around the state who lead these efforts, and my best wishes to all whose lives are impacted by our work. 2007 was a great year, and I look forward to 2008.

Dps Wilson

*Douglas Wilson
Illinois Director*



We have the privilege of working for an agency that touches people's lives, that strengthens communities, that builds hope one business, one job and one home at a time. We are essentially an investment bank for rural America with a portfolio of more than \$97 billion. We are the only agency in the federal government that can build an entire community from the ground up.

Tom Dorr
Under Secretary of Rural Development



Our solid economic growth is creating real benefits for American workers and families and entrepreneurs. With hard work and wise policies, we'll meet every challenge that comes. And in so doing, we'll help more Americans realize their dreams and continue to make this country a land of great opportunities.

George W. Bush
President of the United States

2007 Highlights

Statewide

- \$8 Million A week returned to Illinois in federal dollars
- 93% Increase in program delivery over 6 years
- Top 5 Nationally in total funding for 3 consecutive years
- 2.5¢ Spent in administrative cost per dollar delivered
- 3 Consecutive years of breaking records in total funding

Housing

- 1st In annual guaranteed funding in USDA history
- 3-peat The best nationally in guaranteed home loan funding
- 3,498 Families in new or better homes
- 642 Homeowners with repaired and improved homes
- 160 Loans to minority homebuyers
- 10,931 Renters with safer, more affordable places to live

Business

- 1,193 Jobs saved or created
- 1st Nationally in guaranteed renewable energy funding
- 16 Renewable energy projects funded
- 15 Million BTUs of energy saved for farmers & rural small businesses
- 3rd Nationally in total funds for business projects
- 42 Active revolving loan projects

Community

- 1.8 Billion Gallons of safe water flowing to rural customers
- 102,000 Rural residents with plenty of safe drinking water
- 31 Counties provided with water assistance
- 160,000 Patients benefiting from improved healthcare facilities
- 84 Community projects financed in 53 different counties
- 16 First responder projects funded

Grand Total
\$418,332,462

Core Program Funding

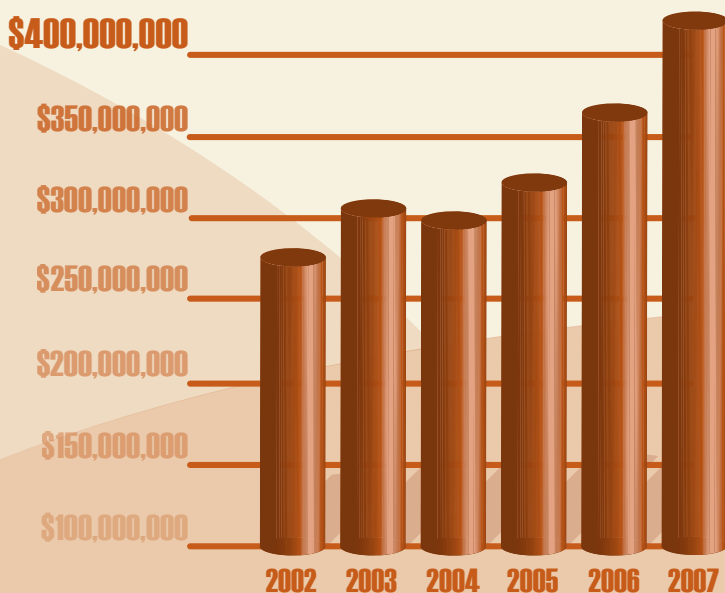


Photo by Carlos Miranda, The Pantagraph

Moving day for Chris Wilson, Carlock



Gateway Regional Water Co.



Home in St. Joseph



Olmstead rescue boat



Nauvoo Family Inn & Suites



McDaniel's Furniture and Appliances, Pickneyville

Investing in Illinois

Cover Photos top to bottom

1. Gage Austin, Rend Lake College Marketplace Pre-K
2. YouthBuild home builders, Carlock
3. Harry McCune's grain dryer, Bureau County
4. Bloomington Township Fire Chief Tom Willan and Rural Development Director Doug Wilson.
5. Peoples National Bank, Benton

2007 Housing

Housing programs help low and moderate income people build, purchase, and repair their own homes with loans and loan guarantees. Funds for home repairs and improvements are available to very low income homeowners and public and non-profit organizations working with very low income homeowners. Financing is available to developers for affordable rental housing that serves families, seniors and people with disabilities.



Carlock– Ada Posten, her mother-in-law Mary Margaret, and children Anaiah and Christopher are happy they have their home in Stoneman Gardens, a development on the edge of town with 14 new homes funded through the Self Help program. Working with YouthBuild McLean County, the homebuyers earn sweat equity by helping build each other's homes. A sense of community develops as the homes are built.

With only the home's foundation poured, Ada's husband unexpectedly died. Burdened with grief and a debilitating back injury, Ada didn't think she could fulfill her commitment to the Self Help program. But fellow homebuilders and community volunteers wouldn't let her dream of homeownership be destroyed. They roofed, sided, painted and moved furniture, completing all the necessary work—a true sign of community.



Avon– Jeff and Jill Klinedinst used a home repair loan to replace their outdated furnace with a geothermal system that helped to cut their energy costs dramatically.



Metropolis– Area Director Rusty Wantstreet, State Director Doug Wilson and Specialist Cathy Abell (far right) present Dakin Bass with site manager of the year award. She manages the Devondale family housing complexes financed through Rural Development.



Quincy– Jennifer Peak took advantage of the Chase Home Mortgage single close pilot program, making it quick and easy for her to finance a newly constructed home. Quincy's Patti Westerman (First Bankers Trust) and Robin Hessling (Flagstar Bank) were the first lenders in Illinois to use the program that benefits the buyer, lender and community.



Energy– The Goines family lives in the Williamson Village Apartments, one of the 623 apartment complexes currently financed by Rural Development in Illinois. While Whitney goes to school full time, Jessie cares for their son Ely by day and works at night. When Whitney graduates in August, Jessie will continue his education. Living in Williamson Village gives the Goineses the chance to improve their lives while living in an affordable family-friendly environment.

Rural Development funds assist nearly 11,000 people who have limited incomes have good, safe, affordable places to live. The 28-year old Williamson Village apartments are getting new energy-efficient appliances, roofs and floor coverings, a playground area, two improved accessible entries, and updated laundry rooms.

Business

2007

Business programs promote business development and job creation with financing and technical assistance. Businesses are assisted through loan guarantees that provide a credit enhancement to lenders, and grants and re-lending funds to public bodies and non-profit organizations. Funds are available for value-added agriculture, renewable energy, and energy efficiency projects. Utility co-ops are eligible for funds at zero-interest for economic development and job growth.

Oglesby- Paws Here Pet Resort is a world class kennel with all the amenities any pet lover could hope for. Fred Konrad and Diane Baker used a loan guarantee to fashion the perfect place for visitors to board their pets with all the luxuries of home in this booming vacation area.



Photo Courtesy of Kevin Churchill



Cairo- Located at the confluence of the Mississippi and Ohio Rivers, Cairo received a grant to study the feasibility of building and operating a rail, barge and truck terminal. The transloading facility could make this economically depressed area a hub for the transportation of container export commodities.

Galesburg- Jim Hanks and his wife Kae operate Thrushwood Farms Quality Meats. Adding more space and equipment is part of their plan to grow the family's meat processing and retail business.

With a new USDA inspection certificate, a Rural Development guarantee, and a plan to expand their customer base far beyond the region, the Hankses are finding ways to grow in a marketplace replete with super-stores.

Sons Doug and Jeff have chosen to work in the family business and help their parents develop new products and opportunities. With Rural Development's help, the Hankses were able to make a financial commitment that should keep this rural small business healthy for the next generation.



Gridley- Rural Development helped Mike Surma get the financial backing he needed to allow his business, DiversaTech MetalFab, to adapt to a changing market. By shifting from auto conveyor equipment to specialty structural steel work and laser cutting, Surma now employs two shifts of workers and has orders booked six months out.



Benton- RD Specialist Mike Wallace, Peoples National Bank President Bill Bonan II, Ag Energy Resources owners Mike and Roberta Kearney and Mayor Gary Kraft mark the loan closing on the Kearney's 5-million gallon ethanol plant. With a loan guarantee, Peoples is financing the plant that will be supported with local resources, employ 28 people and provide many indirect opportunities for the community.



Community

Community programs provide financing and grants for essential community facilities that serve the public. Public and non-profit organizations, first responders and faith-based organizations can use the funds to construct, expand or improve facilities that provide health care, public safety, public services and education.



Mt. Vernon- Audrey Gulley plays at the sensory table at Rend Lake College's brand new Marketplace preschool. A grant helped to purchase equipment, like the sensory table, and supplies for the early childhood center. The pre-school also serves as a training center for students in RLC's early childhood education program.



Sandoval- The treatment unit at Gateway Regional Water Company's water treatment plant is part of the system Rural Development supported with substantial technical and financial assistance. It will be operational in 2008 and supply nine rural entities serving 20,000 people in four counties. Years of commitment, coordination and infrastructure development were needed to complete the Gateway project.



Cairo- Rural Development helped Delta Center, a community-based rehabilitation and treatment organization, fund their main facility and a residence for the mentally ill. Now they are using our funds to renovate a high school gym so they can offer after school programs, outpatient mental health programs, substance abuse counseling and a drop-in center.



Flanagan- State Director Doug Wilson and members of the Flanagan-Graymont FPD broke ground for the district's seven bay fire station, part of the community's plan to upgrade the whole department. The station is 250 percent larger and can house all of the district's emergency response vehicles.



Griggsville- No wonder Fire Chief Larry Bradshaw is proud of the department's new rescue vehicle. It's stocked with all the gear and equipment the fire department needs to properly protect its diverse 50 square mile district.

Bradshaw, who also teaches for the Illinois Fire Institute, knows well what it takes. Besides suppressing residential and agricultural fires, they have to handle hazardous materials, medical emergencies, and crises that occur along the interstate, rail lines and bridges.

Without Rural Development's grant and low-cost, fixed-rate 15 year loan, the city could not have afforded to replace their current rescue vehicle: a small 1985 ambulance with 150,000 miles of wear.

Loans, loan guarantees and grants are available to public entities, non-profit organizations and corporations for water and waste disposal systems and solid waste management. Funding is also available for distance learning, telemedicine, telecommunications including the deployment of broadband, and electricity.

Photo Courtesy of B. Mosher, The Pantagraph



Bloomington Township– Volunteer firemen risk a lot for their neighbors. With a grant from Rural Development, they will be better prepared for that risk. Fire districts serving Downs and Randolph and Bloomington townships partnered to build a fire training simulator to provide their one hundred members with safe, hands-on experience in a controlled environment.



Jerseyville– Three hospitals, including Jersey Community Hospital, used funding to develop a state-of-the-art electronic medical record-keeping system to improve the quality of care in their communities. State Director Doug Wilson and Congressman John Shimkus present a \$578,000 check to the hospital's CEO Lawrence Bear and Director of Radiology Dr. John Zabrowski.



Courtesy of The Quincy Herald-Whig, Staff Photographer Michael Kipley

Chambersburg– Failed wells and cisterns required residents in Chambersburg to haul water every week. Jessie Ham, 95, stored buckets of water in her shower stall for emergencies. Pike County Water District #1 is changing that by providing a good supply of water to the town's 160 homes.



Clayton– With low cost loans ABS Water Co-Operative has a new central location from which to serve 2,300 rural households. Additional funding for a control and data acquisition system will improve customer service and cut costs for maintaining its 650 miles of water line.

Decatur– At the Farm Progress Show, Secretary of Agriculture Mike Johanns announced the award of \$8.8 million to EJ Water Cooperative to triple their water treatment capacity. They serve nearly 20,000 rural residents in seven east central counties, sell water to seven community systems and interconnect with three others.

Before the press conference, Johanns talked with Delbert Mundt, the founder and board chairman of EJ Water, Board President Diane Aherin and CEO Bill Teichmiller about the crucial role Rural Development plays in financing rural water systems.





Office of the Year
Champaign Local Office

L to R: Dorothy Kelly-Ward, Gregg Humphries,
Nancy Bitto, State Director Doug Wilson



Support Staff of the Year
Sheila Maxey

Rural Development Technician
Charleston, Illinois



Manager/Specialist of the Year
Michael A. Booher

Rural Development Manager
Lincoln, Illinois

FINANCIALS

Housing

Single Family Guaranteed Loans	\$247,459,286
Single Family Direct Loans	\$28,134,400
Single Family Repair Loans and Grants	\$3,104,740
Self-Help Grants	\$154,440
Multi-Family Guaranteed Loans	\$3,625,000
Multi-Family Direct Loans	\$2,739,715
Multi-Family Rental Assistance	\$15,735,065
Housing Preservation Grants	\$271,164
Tenant Vouchers	\$51,708
Multi-Family Revitalization Program	\$778,063
Total	\$302,053,581

Business

Guaranteed Business & Industry Loans	\$42,196,229
Rural Business Enterprise Grants	\$1,205,880
Rural Business Opportunity Grants	\$162,500
Intermediary Re-lending Program	\$600,000
Renewable Energy/Energy Efficiency Grants	\$642,011
Renewable Energy/Energy Efficiency Guarantees	\$17,879,636
Value Added Producer Grants	\$280,750
Rural Economic Development Loans	\$740,000
Total	\$63,707,006

Community

Direct Community Facility Loans	\$9,947,940
Guaranteed Community Facility Loans	\$1,500,000
Community Facility Grants	\$544,804
Economic Impact Initiative Grants	\$267,258
Rural Community Development Initiative Grants	\$299,991
Water and Waste Disposal Direct Loans	\$30,117,000
Water and Waste Disposal Grants	\$9,044,650
Solid Waste Management Grants	\$30,000
Telecommunications	\$820,232
Total	\$52,571,875

Grand Total

\$418,332,462

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