

## Business Programs

Business & Industry Loan Guar.	\$17,402,505
Business Enterprise Grants	\$411,050
Business Opportunity Grants	\$370,000
Value Added Producer Grants	\$1,503,110
Section 9006 Energy Grants	\$18,685
<b>TOTAL</b>	<b>\$19,705,350</b>



## B&I Loan Guarantee – We Help You Put Your Deal Together!

Dr. Kevin Johnson, DDS, a 1996 graduate of the University of Washington, started his dental practice in Sandpoint, Idaho, in 1997, when he purchased a long standing practice. Operating as Sandpoint Family Dentistry, Dr. Johnson has developed an excellent reputation in the community, and has seen his practice increase steadily over these 10 years. However, the potential for his practice to grow was severely limited by the size of the building in which he was operating, and Dr. Johnston was concerned that he was having to turn away patients simply because he did not have enough space. Seeing the opportunity to expand his business and serve more customers. Dr. Johnson developed a business plan to build a new dental office building in Sandpoint.

John Lynn, VP/Small Business Lending, with Mountain West Bank in Coeur d'Alene, had been working with Dr. Johnson and was excited about the potential for this project to achieve Dr. Johnson's goals. Recognizing the possibilities for Dr. Johnson's practice, Mr. Lynn developed a construction and term loan funding package to meet his needs. The challenge: to maximize the cash-flow for this business, Dr. Johnson needed a longer loan term than the Bank would typically be able to do, and the Bank was having a hard time finding the right program to help them complete the funding package. Utilizing the B&I Loan Guarantee Program, the Bank was able to put this deal together and provide a 30-year term.

Dr. Johnson has indicated that his dental practice activity is already up 25% since relocation. With the increase in business, he proposes to add three new employees.

The Bank, taking advantage of another unique feature of the B&I program (the active secondary market where investors are eagerly seeking opportunities to purchase the B&I guarantee), cannily negotiated a sale of the guarantee, resulting in a high premium to the Bank and outstanding

returns. Truly, this project has been a "win-win" for everyone!

John Lynn, VP/Small Business Lending, with Mountain West Bank in Coeur d'Alene, had this to say about the program: "The process was easy, Margaret (Margaret Hair, Rural Development Business Program Specialist in our Coeur d'Alene office) was there to answer my questions and hand-hold me through my initial loan package. We were amazed at the premium income and servicing fees the Bank received from the secondary market."

## Community Programs

Water & Waste Loans	\$20,258,000
Water & Waste Grants	\$5,319,000
Pre-Development Planning Grants	\$4,000
Emergency Community Water Assistance Grant	\$500,000
Native American Set Aside Grants	\$1,703,700
Community Facilities (CF) includes direct loans , guaranteed loans & grants	\$7,493,000
RCDI Grants	\$300,000
<b>TOTAL</b>	<b>\$35,577,700</b>

large fire place in the living/dining area. It also includes a beauty salon in the building.

Built at a construction cost of approximately \$1.06 Million, the 15-bed facility is a welcome addition to the community of Cambridge and will serve to fill a need that has grown significantly over the past several years.

Before its construction, elderly residents were forced to move out of town to Weiser or Payette to find assisted living care. Now, with this long awaited "miracle" complete, Cambridge's seniors should have a comfortable option for assisted living care for many years to come.

## Cambridge Opens Assisted Living Facility

When the new Upper Country Elder Care Assisted Living Center (now officially named "Salubria Center") held their ribbon cutting ceremony the theme was "Miracles Do Happen." Upper Country Eldercare Coalition Executive Director, Jennifer Neider chose this fitting theme to illustrate and celebrate the fruition of her vision that began more than a decade ago. Thanks to her concerted fund raising efforts and those of several others, the coalition was able to raise over \$500,000 in matching funds through donations from charitable foundations and many generous individuals.

Rural Development was there almost from the beginning, when the City was approved for an RBEG to fund a feasibility study. Since then USDA RD has provided \$500,000 and \$100,000 respectively in direct and guaranteed loans, a \$68,000 CF grant, and an second RBEG grant to help purchase furniture. Other funding from a CDBG and a Gem Grant by the Idaho Dept. of Commerce also helped make this dream come true.

With the funding in place the Coalition selected an experienced designer, architect Dave Davies, to complete the design and to coordinate the bidding, award and oversight during construction. The construction was performed via two contracts. The off site work was completed by Braun Jensen, Inc. at a contract price of \$104,890 and Primary Construction, Inc. was awarded the on-site building contract at a price of \$855,778. The Coalition is very pleased with the design which features heavy timber columns at the main entrance and interior, and a



Heavy timber columns at the main entrance and large fireplace in living area (inset)

## New Building for Taylor's Crossing Public Charter School

The students and faculty of Taylor's Crossing Public Charter School (TCPCS) will soon have a new building. Rural Development staff's efforts have assisted in making the project possible by guaranteeing a \$2,455,000 loan from US Bank and approving a \$1,675,000 Direct Loan for the charter school. The facility opened in the fall of 2006 and currently utilizes several portable building units to house the school's students. The new building will eliminate the portable units and bring the students together in one location.

The design of the new 39,000 square foot building is an excellent example of efficient utilization of floor space. The building will feature a common area to support individual and group learning, a library next to the lunch room and a centrally located gymnasium to promote easy access for fitness. Fifteen thousand square feet of classroom space will be dedicated to 12 new elementary classrooms, while 6 classrooms are included for the high school side of the building.

## Avery Water Receives Emergency Assistance

During the spring of 2005, coliform and e-coli bacterial contamination was discovered in the town of Avery's water supply well, posing a threat to the city's health and safety. Officials at the Idaho Department of Environmental Quality (DEQ) determined that sewage contaminated groundwater from local septic tank drainfields was being flushed into the well's shallow aquifer during heavy rainfall events. Despite (and possibly because of) its remote location in the north central Idaho mountains along the St. Joe River, the unincorporated town of Avery is an important hub for such recreational activities as fly fishing, kayaking, and biking the Hiawatha Trail. The Avery Water & Sewer District needed to act fast in order to protect its citizens' water supply and its vital recreation industry.

They did so by hiring the engineering firm of Welch Comer & Associates to determine the best course of action for solving the problem which included applying for an Emergency Community Water Assistance Grant (ECWAG) through USDA Rural Development. Rural Development was able to assist by processing and approving an ECWAG grant in the amount of \$500,000 as well as a direct loan of \$175,000 and a regular grant of \$100,000 to provide Avery Water & Sewer with the necessary funding to take corrective action. In addition to the above, the Idaho Department of Commerce provided Avery W&S with a \$100,000 Imminent Threat Grant to develop the new well.

See **Avery** on back page.

## Housing Programs

Single-Family Housing including Direct & Guaranteed loans and grants	\$61,570,263
Mutual Self-help Housing Grant	\$367,200
Housing repairs inc. over \$ 295,049 in grant funds	\$588,116
Farm Labor Housing Loan	\$350,000
Farm Labor Housing Grant	\$2,646,284
Rural Rental Programs	\$8,188,418
Multi-Family Guaranteed Loan	\$776,570
<b>TOTAL</b>	<b>\$74,486,851</b>



## No More Chopping Wood

Lucille and Don Manos heard about USDA Rural Development's Section 504 repair loan and grant program from their daughter. The Manos' had built their home overlooking the Marsh Creek Valley by themselves in 1968 and have always been hardworking, self-reliant people. Last winter it was very difficult for Lucille to chop and carry the wood required to keep their woodstove going. Don is severely crippled with arthritis, and helping with chopping and hauling wood is impossible for him now.

Lucille and Don's roof was also missing some shingles and had begun leaking. The Manos' had managed to save \$500.00 for the installation of a furnace and roof repair even though health care, health insurance, and living expenses require all of their fixed income. But that was not nearly enough and the repairs had to be done before another winter set in. They decided to follow their daughter's advice and came to the Blackfoot Office where they applied for and received a \$7,500.00 504 Grant.

Lucille and Don were able to find contractors to install a new propane furnace and ducting system to heat their home, and re-shingle the roof. The new heating system helps Don with his arthritis pain; and Lucille no longer has to wield the ax and fight the wind and snow to keep the woodstove burning.

"You can't imagine how much I appreciate what you've done for us. It's wonderful."



## River View Apartments - "A Good Example of Rural Development Working Hard to Help 'Guarantee' Growth

The City of Burley has been very successful in diversifying their local economy by drawing several new businesses to the area. However, city planners soon realized that for the growth to continue, housing was going to be a very important factor. They had plans to add housing, but the question was "how to get things started"?

Desert Ridge Capital Group came to Burley to build housing. They soon realized that help was needed in order to succeed. The two groups met and a partnership was created which utilized the MFH 538 loan guarantee loan program. This guarantee, along with other funding sources, led to a beautiful new complex known as River View Apartments. (See photos on front cover)

River View Apartments is a 40 unit apartment complex comprised of 5 buildings, with 8 units in each building. The buildings are located in a 'star' pattern with a large playground in the middle of the complex. Covered parking is provided for each unit, plus public laundry facilities and a community room. The units are either two or three bedroom and all have washer and dryer hook-ups, patios, and energy efficient heating and cooling.

From the day construction started, the city has taken great interest in the project. Many local residents have visited the site. At the open house celebration, Mayor John Anderson of Burley spoke about the enthusiastic response residents gave to the project. He also noted that the project compliments the city's future growth plans. River View Apartments will have a positive impact on the community by improving the entrance to the community and drawing business to the region. It is a good example of how Rural Development is partnering and working hard everyday to help 'guarantee' growth in rural America.

## Perseverance Pays Dividends

Corey and Mellisa Jeppesen came to see USDA SFH Specialist, Michelle Noordam one day on a whim and a prayer. They had been living in their existing manufactured home in a local mobile home park and were thinking about upgrading. Corey had his doubts but Mellisa had a goal of homeownership so Corey agreed to look into the possibility. They walked into Michelle's office with a look-and-see attitude.

After reviewing their financial status, it was determined that they could buy a home if they took care of old negative credit that Corey had been working to erase. Corey walked out of the office inspired and Mellisa walked out smiling. They worked on things and kept Michelle updated.

In time they made application with USDA Rural Development and picked out a new home in Post Falls. The application was not their only news however. Mellisa was expecting a baby and now their dreams were really starting to take shape. Corey had established his dream career, had married the love of his life, bought a new home to shelter their family and now their first child was on the way.

Michelle met with them as they moved in, "I have never seen a happier couple" she said. "It is such a joy to help folks like the Jeppesens get a good start on their new life together." On moving day the Jeppesens told Michelle, "Thank you so much for this opportunity." "We love our new home."

Through the single family housing program offered by Rural Development, the Jeppesens accomplished the dream of homeownership. Now they have a place to raise their children and watch them grow.

# USDA RURAL DEVELOPMENT

*Committed to the future of rural communities.*



Message from the Acting Secretary of Agriculture - "Our rural communities are the home and heart of American agriculture. Family life on the farm largely depends on the schools, hospitals, businesses and other services in town. That's why our rural development mission is so important. In 2007 alone, USDA Rural Development invested nearly \$14 billion in rural communities, including water systems, health care, education, small businesses and home ownership. I'm very proud of the Bush Administration's record of support for rural America and proud of our USDA Rural Development team of dedicated workers who ensure our programs have a powerful, positive impact on rural America."

Message from the Under Secretary of Rural Development - "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. Our mission and structure have changed significantly over the years. While remaining absolutely committed to our core program areas, we are also reinventing ourselves ... once again ... to respond to the remarkable new opportunities arising due to distributed computing, broadband, economic diversification and ... not least ... renewable energy. In our present form, we are essentially an investment bank for rural America with a portfolio of more than \$97 billion. This is invested in rural infrastructure, housing, community facilities, business, and energy development. We are, in fact, the only agency in the federal government that can build an entire community from the ground up."



Thomas Dorr  
Under Secretary  
USDA Rural Development

Fellow Idahoans:

I am very pleased to present the 2007 Annual Report for USDA Rural Development in Idaho. Our final numbers in program delivery for FY07 reflect a 22% increase over last year's efforts. That is fantastic!! Our employees are all to be commended for their hard work. It was a record year! Over \$129.3 Million Dollars spent in rural communities across Idaho. That means that every program area increased their number of loans and grants over FY06.

These funds have been used for homes and for business enterprises. They have also been used for water and waste treatment facilities and to improve the quality of life for rural Idahoans. This report contains only a few of our success stories. We want to thank our private, nonprofit and government partners for the great support we have received from them during this past year. With their assistance, we have been able to improve health, safety and job security for families and communities across our great state.

Sincerely,

Michael A. Field, State Director  
USDA Rural Development



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## OFFICE LOCATIONS

**Central Idaho Area Office**  
1441 Fillmore, Suite C  
Twin Falls, ID 83301  
208-734-1324

**Mountain Home Office**  
795 South Haskett  
Mountain Home, ID 83647  
208-587-9791

**Eastern Idaho Area Office**  
725 Jensen Grove Dr., Ste 1  
Blackfoot, ID 83221  
208-785-5840

**Preston Office**  
98 E 800 N  
Preston, ID 83263  
208-852-0504

**Northern Idaho Area Office**  
7830 Meadowlark, Ste. C3  
Coeur d'Alene, ID 83815  
208-762-4939

**Rexburg Office**  
302 Profit  
Rexburg, ID 83440  
208-356-7248

**Western Idaho Area Office**  
2208 East Chicago, Suite C  
Caldwell, ID 83605  
208-459-0761

**Rupert Office**  
98-B South 200 West  
Rupert, ID 83350-9603  
208-436-0116

**Grangeville Office**  
RR1, Box 2  
Grangeville, ID 83530-1201  
208-983-2330

**Weiser Office**  
845 East 9th  
Weiser, ID 83672-2356  
208-549-4280

**Lewiston Office**  
1630 23<sup>rd</sup> Avenue, Suite 6  
Lewiston, ID 83501  
208-746-9621



A view of the City of Avery from the St. Joe River

Avery (continued from previous page)

The selected project will include construction of a deeper well (in a new more reliable location) and new well pump, approximately 2,200 lineal feet of 8" transmission line, and a new 140,000 gallon buried concrete storage reservoir. The town remains under a "Boil Water Advisory" by DEQ until a safe source of supply can be obtained.

The project is scheduled to be constructed during the 2008 construction season and should provide a permanent safe drinking water source, and as a side benefit, should also provide more consistent water pressures throughout the water distribution system.

## For the View

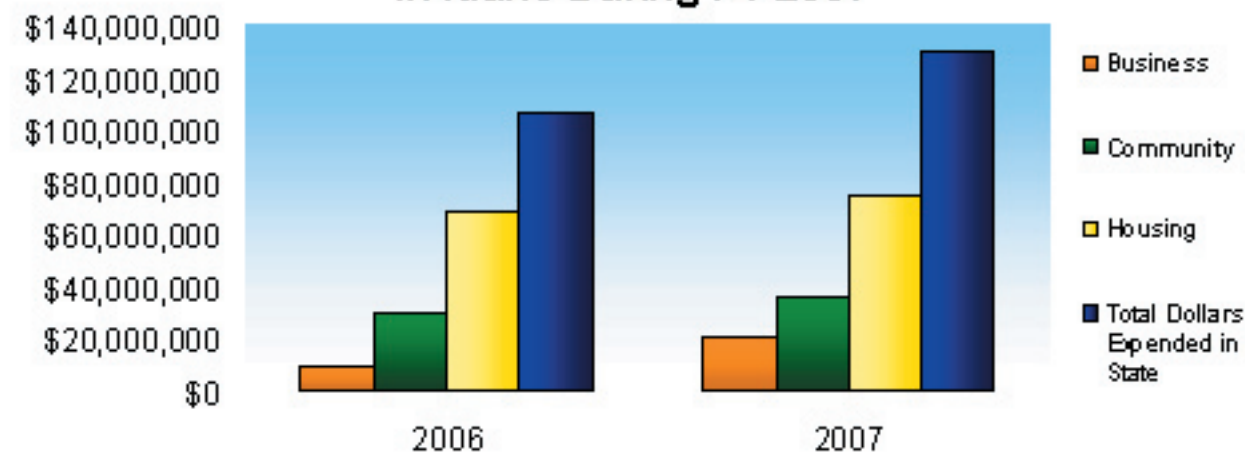
Carlos and Trina Christensen have lived and worked on Carlos' father's farm for 22 years. Their family of seven made their home in a single wide trailer between Carlos' parent's home and the calf pens. Carlos and Trina applied for financing through USDA Rural Development and were determined eligible in 2005, but there were problems with clear title on the acre Carlos' parents agreed to sell them. Last year they were able to clear up the title problems and found a contractor to build their home.

When Julie Neff, SFH Specialist, did the final inspection of the completed house she commented to Trina on the beautiful view from her window. Trina looked out the window and said "It is beautiful and it's so nice not to have the cows staring at me through my kitchen window."

When Trina went in to the Blackfoot office to sign the final paperwork on their loan Julie asked her if she would allow us to tell her story to let others know how USDA Rural Development home loans can help others get a home of their own. Trina is a bubbly outgoing person but right then her eyes filled with tears. She found it difficult to talk at this emotional moment but she said "We are so very grateful for everything you've done for us. We could never have done this without you."



## Rural Development Invested Over \$129 Million In Idaho During FY 2007



USDA Rural Development Idaho was recognized as the third highest state in the nation in utilization of our initial allocation of funds (which is based on rural population) from 2001 through 2007. Congratulations to Idaho Employees for their outstanding performance.



Committed to the future of rural communities.

## IDAHO 2007 Annual Report



*River View Apartments Burley, Idaho*

