

Self-Helper

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National Self-Help Housing Conference Planned for Albuquerque



National Self-Help
Housing Conference 2020

Pack your bags!! (Well...maybe not quite yet.) The Technical & Management Assistance Contractors are busy planning a national conference to take place in Albuquerque, New Mexico. The conference, with the theme of 2020 - *Sharing Our Vision*, will take place at the Hyatt Regency in downtown Albuquerque on February 4-6, 2020.

We are very excited to announce that there will not be a registration fee for the event. So, please plan to attend!

NCALL will also be offering scholarships to grantees in our region that need help with transportation and hotel costs. Please contact your specialist for more information.

We look forward to spending two and a half days with Rural Development personnel and grantee staff from across the country. There will be networking opportunities and training on all facets of the program.

Registration will be coming out in late October or early November. Mark your calendar to save the date!!



Providing comprehensive, quality services for Self-Help Housing

Economies of Scale - Finding Your Production Sweet Spot

Let's explore whether the business principle known as **Economies of Scale** applies to nonprofit organizations and self-help housing grantees. Economies of Scale are the cost advantages that enterprises obtain due to their scale of operation (typically measured by the amount of output produced). Therefore, the cost per unit of output decreases with increasing scale. Average costs begin to fall as output or production increases.

A couple of examples that relate to Self-Help Housing may be helpful. A grantee has a self-help group size of five families. Another grantee uses group sizes of 10 families. This is the Scale in Economies of Scale – the scale of output of 5 homes per group vs. 10. Both grantees need similar staffing of a Groupworker, a Construction Supervisor, and administrative help. Theoretically, a group with 5 homes will be completed faster because there is less work to do. However, a group with 10 homes will have more labor available, so the differential between how long the two sized groups take may not be that much

different. However, the output and results are 10 homes vs. 5 homes (double the production) at a similar overall grant cost, thus the cost per unit efficiency to build 10 is far less than when building 5. Building 10 homes in a group also provides purchasing efficiencies for lumber, construction supplies, and contracted labor which are felt in deeper discounts, better prices, and stronger negotiating power.

Larger producers typically reach greater economies or efficiencies, able to save per unit costs because of increased output. Also, larger production may allow a grantee to have a more full and complete program with the staff that is really needed by securing more grant resources.

However, Economies of Scale has limits. There will be a point where making a group of families too large will no longer create efficiencies and cost savings. A

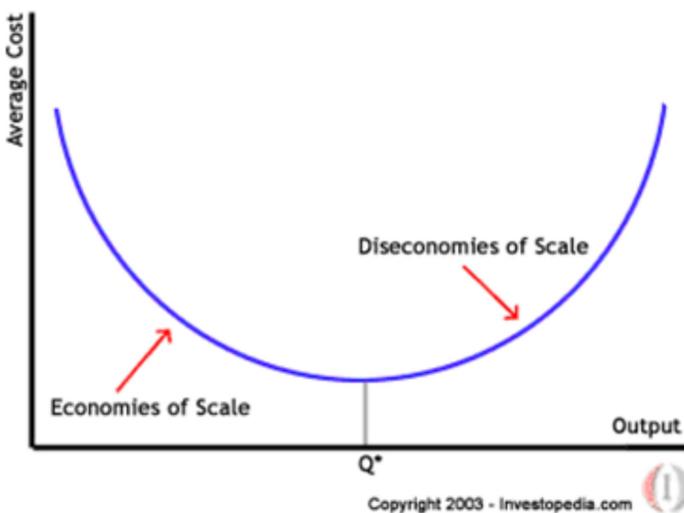
group that is too large may need two groupworkers or an additional construction assistant, and there may be too much family labor to organize productively. At some point the group may become chaotic. Purchasing supplies and contracted labor can only become so efficient as at some point prices cannot be lowered because they are getting too close to actual cost. At the point when there are no more efficiencies to gain, you have reached **The Point of Diminishing Returns** or diseconomies of scale, another important business principle.

This is shared to say that with every self-help housing grantee, there will be a **production sweet spot** where the organization is reaching significant scale and efficiencies, which results in greater output and success, not where returns and output begin to diminish.

What are some Economies of Scale for self-help *(Continued on page 3)*



© Can Stock Photo



Economies of Scale *(Continued from Page 2)*

housing grantees to examine and consider?

- What group size is the most efficient for your operation and could you add more families to it to see if it reaches greater efficiencies. What group size should you never go below because it is inefficient and overall production suffers?
- What grant production size (how many homes) over two years is most efficient and cost effective for your organization. If production can increase without TA costs going up, that represents efficiency and

earnings.

- Purchasing 10 lots in a subdivision instead of 5, may provide the grantee with more negotiating power which could result in a lower per lot price.
- There are more, discover them.

This article is designed to cause you to think about the best size and scale of your organization and of your self-help housing program. Self-Help Directors, please start a discussion with your self-help team about the following: What group size is optimal? What grant size and production are optimal? What

staffing pattern is needed based on different levels of production? Where are there efficiencies to be gained? Are there areas where you are experience diminishing returns? These discussions will be fruitful as you consider the best plan, production, budget, and staffing pattern for your self-help housing program.

Hitting the sweet spot of a tennis racket or golf club gives the best results, while missing the sweet spot causes scattered and less productive outcomes. **Find your production sweet spot!**

Building a Motivated Team



**Coming together is a
Beginning
Keeping together is
Progress
Working together is
Success**



Motivation can be the determining factor for the level of success a team achieves. In most cases, a successful team/build group will have been motivated from start to finish. There are some basic “laws of motivation” that need to be understood to maximize and keep a team motivated to achieve.

Laws of Motivation

An individual has to be motivated in order to motivate others: A person cannot expect to motivate others if they are not individually motivated.

To successfully evaluate what is needed to motivate others, it is pertinent to consider the type of person that might motivate you. Is this the type of person that might arrive before anyone else, who is enthusiastic, positive, always has some sort of good news to pass on, is loyal to the group, and leads by example? If in a group dynamic, there is not a single individual that has motivation to perform or to complete the purpose of the group, that group is destined to fail.

Motivation requires a goal: Without a specific goal, it is impossible for a group or team to be motivated. Although they might feel motivated, without a specific reason for working or something they are working towards, their motivation serves little purpose. The goal to be the best compared to your competition is a vital component of the group or teams motivation.

Motivation, once established, never lasts: Motivation should be an ongoing process. It is not a one-time event. Groups must come together frequently to discuss their strengths and weaknesses and create plans for action and self-improvement. This gives each group member an opportunity to assess the performance and contribution of the other members. They may need training on this process for it to be worthwhile, effective and motivational, but this can lead to more motivated groups. It is also important to understand what demotivates individuals and as frequently as possible try to take steps to prevent it from happening.

Motivation requires recognition: People will strive harder for recognition than for almost any other single thing in life. A genuine compliment is a form of recognition and it takes a thoughtful person to give a compliment.

(Continued on Page 4)

Motivated Teams *(Continued from Page 3)*

Participation motivates: It is vital to get people involved and to seek their opinions. When working in groups it is important that an environment is established that gives each group member an opportunity to express and share their ideas. People who are listened to and are given an opportunity to actively participate, are more effective and are more motivated.

Seeing progression motivates: When individuals progress as a group, moving forward and achieving, they will always be more motivated. When they are going backwards and not making progress, people are naturally less motivated. Group members must learn from the past, but realize that they cannot change it. Learning to focus on the slightest progress, whatever it may be, allows a team to stay motivated. This law must be used, worked on, managed and planned in order to maintain a high level of motivation.

Challenge only motivates if there is

a potential to win: If targets for results are set too high, they may actually have a de-motivating effect. If the consensus of the group is that the targets are out of reach or impossible to achieve, de-motivation will be the result. Competitions and challenges can certainly be motivating and can inspire people to greater activity. People will rise to the occasion. Challenge groups to get something worthwhile done and nine times out of ten they will do it.

Everybody has a motivational fuse: Everyone can be motivated. Everyone has a fuse, it is just a matter of knowing how to ignite it. At some point it may not be cost-effective to continue trying to motivate a group to greater performance. It is a person's attitude to a job that makes the difference.

Group belonging motivates: People want to have a sense of belonging.

The smaller the group or team, the greater the loyalty, motivation and effort. Extra-curricular activities can be used to draw people together.



Inspired leaders are motivational: This does not have to be a manager. Leaders are those that inspire others to action. Leaders are willing to take risks, are continually looking for new challenges and opportunities. People are much more likely to be motivated when there is inspired leadership. Leaders will defend others in their group and take full responsibility for criticism.

With a little work and planning, you can stay motivated... and so can your participants!!

Complete This Word Search for a PRIZE!!



Need a break after all that reading?! If you are the first person to turn in this puzzle to Jill at jlordan@ncall.org, you will win your choice of \$25 in Facebook Advertising to promote self-help or business card mini flyers.

Find these words:

- Albuquerque
- Auditing
- Caroline
- Conference
- Groundbreaking
- LaVoy
- Motivation
- Safety
- Scale
- Training

G V A R E Y V T L N K E X C N
 W N Z U E L R A O Q Z U G A Y
 T G I U D A A I G C R Q Q R P
 O Z W K I I T C V K A R E O W
 R G O N A A T U S A J E Y L F
 C O I I V E P I K L M U O I Y
 E N C I C U R U N B A Q V N X
 G Y T E F A S B Z G B U A E Q
 M O H G A M Y S D O F B L Y G
 M L J L J T Z E M N P L A L P
 C O N F E R E N C E U A Q X C
 Z S J X C V S D B J B O I Z O
 E L T C C D F F P L G T R I K
 I U M I K D W B U M V O K G L
 T S L C S K A R H X E O U I G

Maximum Utilization of Your CPA



Your organization's Certified Public Accountant (CPA) is typically used primarily for auditing purposes

and that is the usual relationship. However, no one knows your accounting system, financial policies, and financial operations better than your CPA. This special knowledge and relationship with your organization can be a benefit to the nonprofit organization in other important ways. This significant value and expertise are not only available at audit time, but year-round.

What else could your CPA be doing for you or advising you about? Here are a few examples:

- Suppose the nonprofit is looking at changing a financial policy. It may make sense to run

the draft of that policy by your CPA for their review and input.

- Perhaps the organization needs a new policy, which it has never had before. A CPA may be able to provide a template or suggestions of how to craft that new policy.
- Maybe the nonprofit is developing a Financial Management Guide which sets forth all the internal processes of the organization. It may make sense to have the CPA review the guide to make sure it is complete and consistent with accounting principles.
- The organization has a financial decision to make mid-year and you want to know how it will affect the financial statements. Your CPA will be able to answer that question.
- During the year, an organization

may face a financial problem or a unique opportunity. This may bring financial questions to the surface on which your CPA can advise.

- If your CPA is not meeting with the organization's Board of Directors to present the Audit, they should be. At that point the CPA can advise the Board about the adequacy of internal controls, fraud protection, safeguards, distribution of accounting tasks, and more.

There may be times the interim task is large enough to warrant a bill from your CPA. However, in many cases, simple advice and answers to questions and draft reviews may be complementary. Use this special expertise and relationship to build the capacity of your organization.

LaVoy Named Deputy Under Secretary for Rural Development



In mid-September, Secretary of Agriculture Sonny Perdue administered the oath of office to swear in Donald "DJ" LaVoy to serve as the USDA's Rural Development Deputy Under Secretary.

"DJ LaVoy brings decades of leadership in economic development and affordable housing to this role and we are excited to welcome him to our USDA team," Secretary Perdue said. "DJ has effectively led large-scale IT innovation, interagency relationships, and public-private partnerships to improve government customer service and the quality of life for Americans across the country." An experienced leader who focuses on people and effective management outcomes, DJ LaVoy has more than 22 years of experience working as a leader in affordable housing and

economic development at the U.S. Department of Housing and Urban Development. Most recently, LaVoy served as the Deputy Assistant Secretary for the Real Estate Assessment Center (REAC) where he was highly effective in driving agency innovation.

LaVoy started his career with the United States Marine Corps and is a marine aviator and combat veteran. He earned his Bachelor of Applied Science Degree from Old Dominion University and his Master of Industrial Engineering from U.S. Army War College.

Habitat for Humanity of Caroline County Holds Groundbreaking

NCALL is proud to announce that a new grantee has just begun to build in our region. Habitat for Humanity of Caroline County is located in Bowling Green, Virginia. They will be building ten self-help homes over the next two years.

Their first group of five participants is building in Milford, Virginia. On Saturday, September 28th, they held a very successful groundbreaking.

this motivated organization. We are so excited for you and for all of the families that will benefit from your hard work!

Congratulations Jason Tickle, and the entire board and volunteers of



Habitat for Humanity of Caroline County



Job Site Safety for Unskilled Construction Workers

Construction workers are constantly moving around materials and equipment to carry out tasks. Because construction sites are always in motion and offer numerous and varying risks, accident prevention programs are in order. Unsafe Acts and Unsafe Conditions are considered the two causes of accidents, with unsafe acts accounting for about 90% of all accidents (Heinrich). For this reason, one of the major factors in the prevention and/or reduction of accidents is **increasing training**. Following are some tips for the development of a Workplace Safety Action Plan:

- Have a Job Site Safety Inspection Checklist - inspect site conditions, hand and power tools, cords, ladders, etc.
- Display a safety poster and protection information sheets.
- Emergencies - keep a first aid kit on site. (The site address should be visible to emergency responders.)
- Take appropriate measures to prevent **slip, trip, or falls**. Scan the work area - above, beneath, around you.
- Site conditions - watch for uneven surfaces, slopes, trenches, and pieces not fastened. Materials or tools can fall on you or make you fall.
- Hazardous supplies and chemicals - wear protective personal equipment. Use Material Safety Data Sheets (MSDS).
- Housekeeping - keep the work area clean and clear of debris, create piles of materials and debris away from work area, clear passageways immediately, put protectors on top of sharp or spiky objects (metal stakes, rebar), pull nails or bend them over, and cover holes and trenches or install caution tape around them.
- Dress code - wear appropriate attire that provides the most protection. Wear long sleeve shirts and pants rather than sleeveless shirts and shorts; wear work boots instead of sandals. Do not wear accessories or jewelry.
- Protective personal equipment - use gloves, safety glasses, dust masks, ear plugs, hardhats, etc.
- Lifting - do not lift with bent back; use legs. Do some light stretching and/or get help if the item is too heavy.
- Scaffold - keep platforms clear of debris, do not climb the cross braces, and protect people below you.
- Ladders - plumb rails, make "3-point contact", use the tool belt to carry things, and face the ladder.
- Stepladders - use only when open, avoid leaning out, avoid climbing using the building structure or a bucket.
- Extension Ladders - must be used at a 4-to-1 angle and be braced at the bottom and tied off at the top. They should extend 3' above the step-off point.
- Small Power Tools - people with no training or experience should not use power tools. Work with a spotter and use safety glasses. Minors should not use power tools.
- Saws - use both hands on the saw to protect your fingers. Do



Now that's a clean job site!

- not use your legs as a sawhorse. Check that manufacturer-supplied guards are in place and fully operational, unplug when adjusting saw.
- Hand tools - Provide a list of tools and specifications to self-help participants. Have them purchase their own and make tools available on site for volunteers (tool belts, hammers, safety glasses, gloves, masks, etc.).
- Heavy Machinery/Vehicles - stay away from vehicles backing or pulling into the construction site, make sure the operator sees you; most likely they will not hear you. Do not get distracted (mobile phones).

You must see and be seen!

- Zero tolerance - keep an alcohol and drug free workplace. No smoking.

For more information on job site safety ideas, contact your local construction associations or search for websites on safety meetings, tailgate meetings, toolbox talks and safety talk ideas.

Prevent accidents! It's better to be over cautious than to get things done in a hurry.

Upcoming 502 Loan Packaging Classes

There are two upcoming opportunities to take the 502 Loan Packaging Class. This course is intended for and specifically framed for those experienced in utilizing Section 502 and/or other affordable housing mortgage products. Participants will learn regulations and practical applications of the loan program, while developing a strong understanding of 502 direct underwriting and packaging standards. Following the course, participants are encouraged to take the online certification exam.

The Housing Assistance Council is offering it in Tampa, FL on November 12-14, 2019. NeighborWorks America is offering it during their NeighborWorks Training Institute December 9-11, 2019 in Portland, OR. There are fees associated with both offerings.

Contact these agencies to register and for more information.

Federal Budget Update

On September 19 the Senate Appropriations Committee passed FY20 funding bills for several departments, including USDA and HUD. After the full Senate approves the bills, differences between the Senate measures and those previously passed by the House will need to be resolved by conference committees. Because there is not enough time to complete the appropriations for all federal agencies before the new fiscal year begins on October 1, a continuing resolution is expected to fund the government through November 21 and avoid a shutdown. The House approved a CR, [H.R. 4378](#), on September 19 and the Senate should vote on it the week of September 23. It includes a provision allowing maintenance of HUD Section 202 rental assistance, even if the necessary funds exceed the FY19 amount.

The Senate's FY20 USDA bill would keep most rural housing programs at FY19 levels with increases to Section 521 Rental Assistance and Section 542 rural housing vouchers. The version approved by the House in June, on the other hand, increased several programs above FY19 levels, including Sections 514 and 515 as well as self-help housing and the MPR rental preservation program. The Senate's HUD bill increases the department's overall funding above its FY19 level, but rejects a number of increases included in the House's bill. The Appropriations Committee voted against inclusion of an amendment that would have reauthorized NAHASDA; the bill does fund the Native American housing programs for FY20.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, October 24th at 11:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions. More information will be coming out closer to the call.

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