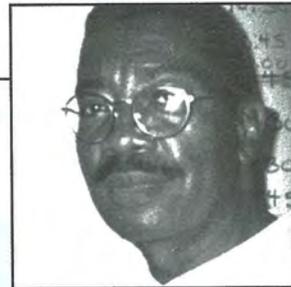


Rural Voices

Winter 1999–2000, Vol. 5, No. 1
The Magazine of the Housing Assistance Council

Developing Organizations and Leaders



In this Issue . . .

Organization Development in Community Building
Women as Catalysts for Social Change
The State of Rural Philanthropy
Degree Program Helps Rural Leaders
Bank of America Rural 2000 Initiative

. . . and more



Dear Friends:

Developing our own organizations is one of the challenges we face as we work to develop our rural communities. Leadership, structure, staffing, planning, funding — the list of topics involved in building organizational capacity can be daunting. This issue of *Rural Voices* addresses some of these subjects and how they relate to rural housing.

First, experts present recommendations on how to develop an organization, and list resources that can help. The role of women as leaders is considered next, including moving quotations from a recent study and a profile of one strong rural woman. Another piece describes one way rural leaders can obtain academic degrees while working in their communities. The state of rural philanthropy is considered by experts in that field. One philanthropic effort, the Bank of America's Rural 2000 Initiative, is described in more detail in a separate article.

As always, the magazine touches on some additional topics as well as its theme. The tenth anniversary of the Affordable Housing Program is celebrated, and the View from Washington department summarizes the funding outlook for housing programs in fiscal year 2000.

Rural Voices is pleased to have you with us as we begin our fifth year of publication. We welcome your feedback and suggestions for the future.

Sincerely,

Richard W. Lincoln, *Chairman*

Peggy R. Wright, *President*

Moises Loza, *Executive Director*

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*Legislative Year Ends Well
for Most Housing Programs*

Cover photos: In the background are staff and volunteers of De Madres A Madres, Texas. In the foreground, from left to right, are Corrine Jon, Executive Director, Oakland Chinese Community Council, California; Maria Flores, Director, La Mujer Obrera, Texas; and Rufus Lee Smith, Executive Director, Affordable Home Ownership, Florida. Photos are, respectively, by Olga Lopez, by Jean Weisinger, by Joel Saleido, and courtesy of Rural Development Leadership Network.

Demand for SHOP Funds Remains High

HAC has received 58 applications for fiscal year 1999 funding from the Self-Help Homeownership Opportunity

Program (SHOP) and expects to make decisions on the loans in early February 2000. Requests for SHOP funds totaled \$10.1 million. HUD provided HAC with \$6 million in FY 1999 funds for this program. SHOP 99 differs from the two previous program rounds because units must be substantially completed within two years, whereas SHOP 96 and SHOP 98 had three-year timelines.



Photo by Norma Lopez, HAC

These California home purchasers are among many who have helped build their own homes through programs aided by SHOP loans.

Publications Available on HAC Web Site

Some of HAC's popular publications are now available on line, and more will be posted in the near future. The *HAC News* and HAC's information sheets have been published this way for years, and now HAC is pleased to add technical manuals and research reports. The process is expected to take over a year and will be assisted by funding from The Enterprise Foundation. Publications currently available at www.ruralhome.org include a guide for survivors of natural disasters, and guides to the Section 202, Section 504, and Low Income Housing Tax Credit programs.

Readers are encouraged to take a moment to fill out a form on the site identifying themselves and to provide comments. The more HAC knows about its readers, the more useful its publications can be.

For a complete list of all HAC publications, visit www.ruralhome.org or contact Luz Rosas at 202-842-8600.

HAC Helps Georgia Fair Housing Efforts

Assistance and funding from HAC have helped Gainesville/Hall County Neighborhood Revitalization (GHCNR) improve service to the increasing Hispanic population in its north Georgia region. Recent rapid growth in Gainesville and Hall County has included an

influx of Hispanic immigrants, many of whom work in poultry processing plants.

GHCNR, a Community Housing Development Organization (CHDO), partnered with a Hispanic social services organization to present its housing counseling programs in Spanish and translate its downpayment assistance program information into Spanish. Also, with technical assistance from HAC, GHCNR applied to HUD for a Fair Housing Initiatives Program Education and Outreach grant to promote fair housing in the community. The grant targets the fair housing issues faced by the Hispanic community.

The organization also received a grant to pay for an affordable housing needs assessment. Georgia has recognized GHCNR for outstanding implementation of the state's downpayment assistance program.

HAC is providing GHCNR with CHDO pass-through funds for operating support and training, as well as technical assistance.

Updated Guide to 514/516 Program Available

HAC has updated its guide to the Section 514/516 program to include an explanation of the competitive application process that took effect in 1999. The guide is available free on HAC's web site at www.ruralhome.org. A printed copy can be ordered for \$8 by sending a check to HAC's national office or calling Luz Rosas at 202-842-8600 to order with a credit card. Prices include postage and handling.

Frontier Celebrates Anniversary

HAC staff joined many others to help Frontier Housing commemorate its 25th anniversary in June. The organization, based in Morehead, Ky., chose a practical way to celebrate: a one-week "blitz build." Usually Frontier's construction crews take three months to build a house, but for a week in mid-June over 100 volunteers from several states drove nails alongside homebuyer Carrie McDaniel, a single



Photo by Lance George, HAC

Volunteers show off the new home they constructed for Kentucky resident Carrie McDaniel and her family to celebrate Frontier Housing's 25th anniversary.

First Things First

The Important Role of Organization Development in Community Building

by Denice M. Rothman, Ph.D. and Theresa Weigel

Building organization capacity means allocating time to work on the important, but sometimes not urgent, tasks of nonprofit organization management. The outcomes of organization development — creating, implementing, and updating plans, procedures, and systems that support delivering high quality service — are the same for rural and urban community development organizations. These outcomes are the same for all nonprofit organizations. The process, however, is different for rural organizations. It is likely to take longer and will require a bigger investment of time by staff and board members, because of such barriers as limited resources and long distances to attend meetings. But there are many things rural organizations can do to make this important and necessary process manageable.

The community development environment of 2000 includes more pressure than ever to meet community needs through increased productivity and effectiveness. Competition for resources, performance demands from funding sources, and expectations about levels of accomplishment place unprecedented demands on the professionals and volunteers who work in community development. The field's future is beginning to rest on replicating, expanding, and demonstrating success with measurable outcomes.

Rural organizations face different challenges than their urban counterparts. For example, fewer resources are accessible to them. What can rural organizations do to reach and

develop relationships with needed resources? Of the many answers to consider, the avenue explored in this article is developing organization capacity that demonstrates viable, sustainable, and accountable operations that funding sources value in their investment decisions.

Nonprofits traditionally focus on delivering results, but researchers have found that having effective organization systems is one of the things that enables nonprofits to deliver results most successfully. Thus the authors of *High Performance Nonprofit Organizations* advocate shifting management from a focus on program delivery to a focus on organization processes that contribute to remarkable programs (i.e., high performance). Effective internal organization systems are part of those processes.

Similarly, organization capacity is one of five interrelated elements community development organizations need, according to a working paper entitled "More Than Bricks and Sticks: What is Community Development Capacity?" by Glickman and Servon, published by the Center for Urban Policy Research at Rutgers in 1997. (They identify the other components as resource capacity, programmatic capacity, network capacity, and political capacity.)

Each element of organization capacity has multiple parts. Nonprofits should view organization development as the ongoing sum of these parts over time. It is not something staff and boards of directors do once and complete. Healthy organizations strive to make it a routine part of their operations.

In rural areas there are many examples of high performance community building organizations. They are using their self-help philosophy and creativity to make organization development as much a part of their daily work as housing and commercial development. For Interfaith Housing of Western Maryland, the value of taking on this challenge has

Elements of Organization Capacity Building

- Effective executive director
- Competent and stable staff
- Effective fiscal management
- Board development and leadership
- Managed growth
- Project management
- Evaluation

Glickman and Servon, 1997



Ideas for Getting Started

- Set a few priorities each year.
- Send staff and board committees for training each year in priority areas.
- Seek nonprofit organizations outside community development that have tools and templates to share.
- Seek out residents or employees of area businesses with expertise they would lend to a task force or temporary work group.
- Invest in Internet access.
- Explore eligibility for technical assistance from public and private resources.
- Celebrate each success along the way.

Organization development is challenging but doable for busy rural development organizations. The policies, procedures, and plans that are created should not take up volumes; they can be only a few pages each.

been strengthened policies and procedures. For Self-Help Enterprises in California, the value is in developing a more effective system to recruit skilled professional staff.

Limited access to financial resources means rural organizations need to take extra steps to establish their credibility. Interfaith Housing of Western Maryland in Frederick was recently the first of seven organizations to receive certification through the Maryland Association of Nonprofit Organizations Standards of Excellence Certification Program. According to a description in the *Baltimore Sun* on October 29, 1999, this endorsement recognizes that Interfaith Housing is particularly well run and worthy of public support through its compliance with 55 organization development standards. Interfaith's President, James Upchurch, led the organization through a three-year process of examining, refining, and developing new policies, procedures, and practices. For example, the Long-Range Planning Committee now interviews other organizations to assess how Interfaith compares. The staff and board of directors do self-assessments and create plans to address weaknesses. The organization has a conflict of interest policy and a board rotation policy. Once a quarter its senior staff goes on a retreat to review and reflect on the organization and its performance.

The lack of easy access to qualified staff resources means that rural organizations also need creative strategies to expand their visibility. Self-Help Enterprises (SHE) in Visalia, Calif. is strengthening its human resources system to improve recruitment, hiring, and retention of competent staff. SHE is developing attractive recruitment materials, explained Executive Director Peter Carey, to establish a pool of appli-



Advice

from James Upchurch

Interfaith Housing of Western Maryland

- Get your institutional house in order.
- Develop formal policies and procedures.
- Have a business plan and update it regularly.
- Have a strategic plan.
- Have a long-range planning committee.



Organization Development Strategy

Self-Help Enterprises

- Build financial strength.
- Create a failure-adverse environment.
- Operate the organization as a business.
- Try to make the right staffing decisions.
- Mission, mission, mission (keep mission in the forefront).

cants rather than waiting to advertise when the organization has a vacancy. The organization is also undertaking a salary survey to maintain competitive wages, and is using the Internet to increase awareness about the organization and positions available for qualified staff.

Organization development is challenging but doable for busy rural development organizations. The policies, procedures, and plans that are created should not take up volumes; they can be only a few pages each. The goals should be flexible and user-friendly frameworks for operations and management. The plans should be easily accessible — tools you refer to frequently and update routinely.

While technical assistance can be costly, rural organizations may be eligible to access consultants through various federal programs. This fall for the first time Congress appropriated \$6 million to USDA for a Rural Capacity Development Initiative, an important step that begins to expand the available resources for organization development. Self-help housing developers can receive technical assistance through contractors funded by USDA's Section 523 program. HUD also offers training and technical assistance to rural Community Housing Development Organizations (CHDOs) and others receiving Community Development Block Grant and HOME funds. Interested organizations should contact the USDA and HUD field offices serving their areas. Assistance, including funding, may also be available through national organizations such as The Enterprise Foundation, the Housing Assistance Council, the Neighborhood Reinvestment Corporation, and Rural LISC.

Organization development consultants can bring broad and diverse ideas, facilitation skills, familiarity with tools and template materials, and objectivity to help nonprofits work through policy and procedural challenges. Mia Ford, a consultant with the Texas Development Institute in Austin, helps rural organizations build the knowledge and skill of board members. This strategy, she says, is helping develop the level of credibility banks demand. Establishing relationships with private developers is another strategy to the same end, according to consultant Charlie Blair of Community Development Services in Maryville, Tenn. The success of these relationships depends on

FIRST THINGS FIRST CONTINUED ON PAGE 4

communication and management that is part of the organization development process.

Rural organizations may also find low- or no-cost assistance through volunteers in their own communities with needed expertise. For example, a human resource professional from an area company may be willing to contribute time to help draft a succession plan.

Before getting underway with technical assistance it is important for organizations to take stock of their organization development needs. This time will help maximize the outcomes from any technical assistance.

Selected publications that can be applied to community development organizations and can begin to help make organization development a rewarding and productive process include the following:

- *Nonprofit Board Answer Book*, 1998, by Robert C. Andringa and Ted W. Angstrom, National Center for Nonprofit Boards, www.ncnb.org; 800-883-6262.
- *The Nonprofit Guide to Compensation Policies*, 1998, by Fred Kohler, K. Kaufman, and Robert Walker, The Management Center, www.tmcenter.org, 800-344-6627.
- *The Jossey-Bass Guide to Strategic Communications for Nonprofits*, 1998, by Kathy Bonk, Henry Griggs, and Emily Tynes, Jossey-Bass Publishers, www.josseybass.com, 800-956-7739.
- *Evaluation with Power: Developing Organizational Effectiveness, Empowerment and Excellence*, 1998, by Sandra Trice Gray and Associates, Jossey-Bass Publishers.
- *High Performance Nonprofit Organizations*, 1999, by Christine W. Letts, William P. Ryan, and Allen Grossman, John Wiley & Sons, www.wiley.com, 800-225-5945.

Rural organizations may also find low- or no-cost assistance through volunteers in their own communities with needed expertise

Selected web sites with good, useable organization development tools and related links are:

- Enterprise Foundation, www.enterprisefoundation.org
- Housing Assistance Council, www.ruralhome.org
- Minnesota Council of Nonprofit Organizations, www.mncn.org



Tools

for Healthy Functioning Nonprofits

- Executive Director Performance Appraisal Plan
- Executive Director Success Plan
- Executive Director Professional Development Plan
- Staff Performance Appraisal Plan
- Staff Professional Development Plans
- Compensation Plan
- Financial Policies and Procedures
- Financial Management Plan
- 3-5 Year Operating Budget Projections
- Annual Cash Flow Projections
- Asset Management Plan
- Fund Raising Plan
- Investment Plan
- Annual Board Committee Work Plans
- Board Recruitment Plan
- Board Orientation Plan
- Board Training Plan
- Information Management/Technology Plan
- Communications and Marketing Plan
- Strategic Plan
- Business Plan
- Community Outreach and Input Plan
- Project Development Plan(s)
- Program and Operations Evaluation Plan
- On-Line Conference for Community Organizing and Development, comm-org.utoledo.edu
- Rural LISC, www.ruralisc.org

Organization development tools will help rural nonprofit organizations create systems that help maintain smooth uninterrupted operations. The alternative is reactive organizations whose production and service delivery may be routinely challenged by operational concerns and crises. Rural organizations with strong internal operating systems should find themselves better equipped to sustain their important role in community building.

Denice Rothman and Theresa Weigel are staff of The Development Training Institute, Inc. Dr. Rothman is a Program Director and Organization Development Specialist. Theresa Weigel is Director of Communications.



Women

as Catalysts for Social Change

by Margaret Grieve and Keven Vance



Photo by Olga Lopez.

Women are proud staffers and volunteers of De Madres A Madres in Texas.

A new study, recently released by the McAuley Institute and the Howard Samuels State Management and Policy Center at The City University of New York, highlights the key and often unclaimed role women play in the community development movement. The report and its executive summary document women's significant accomplishments and the holistic, comprehensive approaches of women-led community development organizations.

The study's results provide insight into women's thinking about community development, the barriers they perceive to women's leadership, and the kinds of efforts that should be undertaken to facilitate and promote their status, work and roles in the field. They also demonstrate the variety of effective ways women create social capital that is central to the existence of healthy communities. The study places the voices and perspectives of women community development leaders at the forefront of social change movements today.

"It is not about being the best CDC [community development corporation]. What we want is the community to change. We want better homes, a lot of self-esteem; we believe it takes a village."

The Women Leaders and Their Organizations

Interviews were conducted with women leaders in community development organizations in both urban and rural communities in nine sites: Boston, Mass.; Chicago, Ill.; the Delta Region (Mississippi, Arkansas, Louisiana); El Paso, Texas and colonias in the surrounding area; Houston, Texas; Raleigh/Durham and the surrounding areas in eastern North Carolina; Oakland, Calif.; Portland, Ore.; and Washington, D.C.

Of the 142 interviews conducted, 121 were with women practitioners and leaders from an equal number of community development organizations. Most were executive directors of their organizations. The remaining interviews were with funders, intermediaries, and academics.

The study focused on women working in women-led organizations, defined as organizations having a majority of women on the board or on the staff or both. The organizations represented a broad definition of community development, with activities ranging from the traditional, such as housing development, to health and homeless programs. While they shared a common holistic approach to community development and a commitment to social change, they varied greatly in size, budget, and programs. The three most commonly reported program areas were, in order, housing, organizing, and advocacy.

Geographical location was a factor in the racial and ethnic composition of boards and staffs. Many boards reflected the demographic compositions of their communities in terms of race and ethnicity but did not always include low-income community residents. As a whole, the organizations' boards and staffs were quite diverse racially and ethnically.

WOMEN CONTINUED ON PAGE 6

Findings: Women Creating Social Capital, Building Community, and Overcoming Barriers

Several primary findings emerged from the research process. They are highlighted here and illustrated by quotes from a range of women leaders.

Women build social capital through leadership, community participation, and networking.

- Women-led community development organizations (CDOs) build social capital, the common values, trust, and networks that create relationships between people in a community and make coordinated social action possible, through programs, community participation, and networking.
- Women-led CDOs help build networks between community residents and community groups and with city and state institutions and elected officials. These new ties to public officials strengthen democracy by encouraging civic participation.

“The organizational model here is quite different, with emphasis on community and decisions made communally. To work here is a privilege. We have the opportunity to educate our children regarding commitment to family and to community . . . We have been teaching and learning from one another. There is friendship here.”

“This is the women’s century — the information age. It’s perfect for our way of thinking. The web, the intricate web of connections is formulated when we form connections with each other. The spider web is our symbol.”

Women practice participatory leadership based on their personal life experience and their concept of community development as human development. They are motivated by a commitment to social change that for many is sustained by spiritual beliefs.

- Women-led CDOs design programs around community needs with participation built into most programs; they serve the needs of women and children, while developing people’s leadership and encouraging residents to work together.
- Women-led organizations rarely focus on one program area. Instead they tend to be comprehensive and design programs that focus on multiple areas including housing, economic development, activism, advocacy, and human service delivery.
- Many women leaders come from and identify with the communities in which they work.
- Women generally do not self-identify as leaders but view themselves as serving the community; they do not view community work as a rung on the career ladder or as a path to elected office.
- Women-led CDOs foster community participation by breaking down barriers between professionals and non-



Photo by Joel Saleto.

Carmen Felix is Executive Director of Southside Low-Income Housing in El Paso, Texas.

professionals, by focusing on human development, by creating a collaborative atmosphere, and by bringing in volunteers whose leadership is nurtured.

- Women leaders value diversity and encourage participation of boards and staffs.
- Spiritual or religious beliefs motivate and sustain many women engaged in community development and social change work.

“I try to organize a community to have access to things, not to build up a large organization . . . My big thing is to advocate so their voices can be heard in different arenas . . . I am proudest of putting people in places where they can speak for themselves.”

“Women see their work as a lifestyle, not just a job; it is a different kind of commitment. Women have the fear that if they step back, the true empowerment we know can occur will not. This is a process and you give to it in whatever ways you can.”

Women-led organizations experience many of the same barriers that confront almost all community development organizations, but they also face additional barriers due to gender, race, ethnicity, and local culture and politics.

- Key barriers women face in their community development work include: a lack of child care; a lack of freedom to leave domestic responsibilities; the perception by some in the construction and financial sectors that women lack the skills to develop housing; many funders’ reluctance to support programs such as leadership development; and a lack of access to elite political networks.
- In cities and regions where there is a strong tradition of female elected officials and heads of agencies, the environment is more supportive of women’s leadership in community development.

- Women leaders fare better where the community development movement has a longer history and a supportive political environment; where local government is hostile to nonprofit development, women are more marginalized.

"Women bring barriers. Women have to balance the job with family responsibilities. I may really want to attend a conference out of town, but if I have small children . . . I have an elderly mother and have to take care of her. I have to schedule around my family. It's harder for women than for men."

"I think there is a greater entree for women into the social services probably because there are more males in the CDC world and certainly in the construction industry . . . I think that when I came here there was an idea that there would not be a continuation of housing or programs that were viewed as male . . . It took me a while to get comfortable going to the construction site. I mean, I have a background in construction and it was still hard."

"Race has a serious impact on whether you can get funding. [Some funders] have a linear, male, European notion of success. The way women do their work isn't even on the radar screen."

"Classism is a major issue . . . There are so many stereotypes to deal with. Bureaucrats believe that if you're poor, it means you're a poor manager — that you have to teach these women how to manage their

money. That makes me so mad. If they couldn't manage money they would be dead and so would their children."

A Call to Action: Recommendations To Sustain the Growth and Development of Women-Led CDOs

The study's executive summary, *Women as Catalysts for Social Change*, concludes with recommendations to sustain the growth of women-led organizations and the community development field as a whole. These recommendations are directed to funders, intermediaries, governments, educational institutions, women's organizations and community development organizations and challenge them to invest in women's organizations and leadership while working to remove the systemic barriers cited in the study.

Both McAuley Institute and the Howard Samuels Center are actively using the study to open a dialogue and communicate the impact of women's contributions within the community development field. Jointly, McAuley Institute and the Howard Samuels Center plan to build on this study through continued

WOMEN CONTINUED ON PAGE 8

New Horizon Community Development Corporation

FORDYCE, ARKANSAS The Rev. Margaret McGhee, director of the New Horizon CDC in Fordyce, Ark., is a holistic, faith-based leader in a rural community. Originally a school teacher, Rev. McGhee not only had a calling to become a minister and found a church, she also believed that work in the community was to be part of her ministry. As she told study interviewers, "I was called to an open ministry of blacks and whites . . . I didn't want to be just another little church. I wanted to be able to make a difference. It was a hard walk because there were no women pastors and I started the church with six people."

Rev. McGhee's vision for Fordyce, a rural community of 4,300 located 70 miles southeast of Little Rock, is broad and compelling. New Horizon identified three important needs: decent affordable housing for low-income people, access to services, and child care. As the only CDC in a community with few resources at its disposal, within its first five years New Horizon has built critically needed new low-income housing, rehabilitated existing housing, and developed child care centers, substance abuse and literacy programs. New



Horizon's comprehensive, holistic approach to community development is a reflection of both the tremendous need of community residents and a view of those needs as a complex set of issues that are linked and must be addressed at the individual as well as community level. Literacy training and substance abuse counseling, for instance, are considered as fundamental as day care provision and housing development in order for the community to thrive.

At times New Horizon's work has faced resistance and hostility, which Rev. McGhee describes as being sometimes race-based and at other times arising out of the idea that New Horizon's community development efforts are not the proper work of the church. As Rev. McGhee argues, however, "A lot of people may not think that this is the work of the church, but I say what would the Lord be doing if he were here now? He would be building low-income housing and feeding people. The ministry is outside of the pulpit. Our biggest prayer is that people can lay aside differences and come together to meet the needs of the less fortunate that are there. I say see what one little person is doing; just think what we could do if we all worked together."

collaborative research efforts. McAuley Institute is also integrating the lessons from the study into its technical assistance, organizational development and capacity-building programs for community and faith-based housing development organizations. In addition, McAuley Institute is joining with a group of women who participated in the study to form a national women's community development network for peer support, to raise visibility of women's leadership and to address a range of policy, funding and related issues.

Margaret Grieve is Senior Associate for Research and Evaluation and Keven Vance is Program Associate for Policy and Research at McAuley Institute.



Women in Community Development Study

The Women in Community Development Study was a collaboration between McAuley Institute, a national nonprofit intermediary located in Silver Spring, Md., that specializes in capacity building and technical and financial assistance for affordable housing organizations led by and benefitting women, and the Howard Samuels State Management and Policy Center, a research center at the Graduate School and University Center of the City University of New York with broad public policy expertise and a significant body of work on community development organizations and related racial, gender, and class issues. The study was funded by the Ford Foundation.

Three publications resulted from the study. For copies, please contact McAuley Institute 301-588-8110, fax 301-588-8154, or e-mail kallen@mcauley.org. The full report is entitled *Women Creating Social Capital and Social Change: A Study of Women-Led Community Development Organizations*, by Marilyn Gittell, Isolda Ortega-Bustamante and Tracy Steffy (171 pp., text only, \$6). The executive summary is published separately as *Women as Catalysts for Social Change* (56 pp., with recommendations and photos, \$9) and in Spanish as *La Mujer como Agente del Cambio Social* (\$9.00). The publications are also available via the Internet on two sites. *Women Creating Social Capital and Social Change* can be found on the Howard Samuels Center website: <http://web.gc.cuny.edu/howardsamuels>. All three publications are available on McAuley Institute's site at www.mcauley.org.

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Rural Voices

Statements made in *Rural Voices* are the opinions of the authors of the individual articles, not of the Housing Assistance Council.

Subscriptions to *Rural Voices* are free, but donations of \$12 per year are gratefully accepted. Single copies and back issues are \$4. Material may be reproduced without permission, but *Rural Voices* should be credited.

The Housing Assistance Council (HAC) is a national nonprofit corporation founded in 1971 and dedicated to increasing the availability of decent housing for low-income people in rural areas.

HAC strives to accomplish its goals through providing loans, technical assistance, training, research and information to local producers of affordable rural housing. HAC maintains a revolving fund providing vital loans at below-market interest rates to rural housing developers. Developers can use these funds for site acquisition, development, rehabilitation or new construction of rural, low- and very low-income housing. HAC has a highly qualified staff of housing specialists who provide valuable technical assistance and training, and research and information associates who provide program and policy analysis and evaluation plus research and information services to public, nonprofit, and private organizations. HAC's subsidiary, Rural Housing Services, Inc. (RHS), syndicates rural housing developed with the Low Income Housing Tax Credit.

Editor: Leslie R. Strauss
Layout: Duane Cregger Graphic Design
ISSN 1903-8044



Degree Program Helps Develop Rural Leaders



by Starry Krueger

Is there a glass ceiling in education for community builders? Do funders and officials believe that activists can get along without credentials — until resumes are reviewed for a certain job or appointment? Are standard educational programs inaccessible and/or inappropriate for rural leaders?

People who ask these questions might consider a path discovered by community builders across the country, one that combines community development with self-development and enables learners to remain in their communities physically, intellectually, and culturally while working toward an academic degree.

The Rural Development Leadership Network (RDLN) since 1983 has been identifying emerging rural leaders and appropriate educational programs for rural community builders. First a master's degree was offered through Antioch University, and next a bachelor's through Regents College. This summer a pilot group entered the Union Institute to work on doctoral degrees.

A current applicant to the program — Renee Senogles of the Red Lake Reservation, who works at tribal Leech Lake College in Minnesota — was offered several full scholarships, but she is applying to RDLN because she believes it is crucial to remain in her community.



Two of the participants in RDLN's new Ph.D. program are Julie Moss, who is a graduate of RDLN's master's degree program and is Director of Federal Programs for the United Keetoowah Band of Cherokee Indians, and Rufus Lee Smith, Executive Director of Affordable Home Ownership in Jacksonville, Fla.

James Banks was Board Chair of Self-Help Enterprises when he entered the program. His RDLN field work for academic credit included organizing, volunteer mobilization, and resource development in Allensworth, Calif. The town, founded by

a former slave, had been considered beyond hope by funders and developers, yet through Banks' efforts was designated a target area for Community

Development Block Grant funds, eligible for \$500,000 in housing renovation monies.

At the month-long RDLN Rural Development Institute held at the University of California at Davis, with a small multicultural group of peers from different regions of the country, participants earn additional credits for core coursework, using their own field work for case material. Independent study with teams of qualified advisors and the writing of a thesis complete the required work for a master's degree.

Participants may focus on any aspect of rural community development. Those with a housing focus have included Cleo Askew (Ala.), Humberto Fuentes (Idaho), Rufus Lee Smith (Fla.), Linda Hedstrom (Calif.), Leticia Carreon-Milligan (N.M.), Jorge Diaz (D.C.), and C.J. Jones (Miss.).

Participants work with teams of local advisors, under the umbrella of sponsoring organizations, which endorse the field project and contribute financially to RDLN. Current amounts (subject to change) are: bachelor's or certificate, \$7,500; master's, \$15,000; Ph.D., \$26,000. RDLN does not provide scholarships, but will help think about how to raise these funds.



Michele Lansdowne of the Business Management Faculty at Salish Kootenai College in Pablo, Mont., has enrolled in RDLN's new Ph.D. program.

Starry Krueger is President of the Rural Development Leadership Network. For more information, contact her at P.O. Box 98, Prince St. Station, New York, NY 10012; Telephone 212-777-9137; HN1580@handsnet.org; www.ruraldevelopment.org.



The Journey to the Emerald City

Musings and Observations on
the State of Rural Philanthropy

by James A. Richardson, Jr. and Teri Yeager



Photo illustration by Duane Cregger

We do not know if she was the original rural grantee, but we suspect that Dorothy's journey from Kansas to the Emerald City and back was very much akin to the experience of rural grant seekers. At the outset, rural grant seekers are told simply to follow the Yellow Brick Road (how many workshops have we all attended on the basic structure and elements of good proposal writing?) and in due time we'll find ourselves at the feet of the great Oz — who, being a benevolent potentate, will happily grant our wishes and provide us the funding to carry out our mission! After many such journeys, however, we recognize that the path to Oz resembles not so much a golden trail as a time-worn highway filled with potholes, in places unrecognizable and not always clearly marked.

The Rural Funders Group was established as a working group of the Neighborhood Funders Group in 1998 with a twofold purpose: 1) to create greater awareness of rural issues, especially issues associated with rural poverty and community-based economic development strategies to alleviate it, and 2) to expand, and create greater access to, available funding resources for rural communities. Hence, rural funders (corporate, private, and community) and rural intermediaries have come together to enrich our understanding of rural communities, to amplify what we have learned from them, and to begin to identify opportunities for collaboration. It is our hope that through this exchange of ideas and strategies we, as rural funders, can better understand the challenges of the rural grant seeker along the road to philanthropy. By understanding those challenges, perhaps we can demystify the process and make the journey not quite so intimidating.

Although the Rural Funders Group is still young, common understandings and key issues are emerging. First, rural communities are growing in population, but not economically. Second, rural communities are distance-challenged with respect to funding, both geographically and emotionally. Third, rural communities are moving up as priorities for national and regional funders, but new funding models are needed.

Growing in Population, But Not Economically

There is a growing recognition among funders that rural communities are potentially the victims of "suburbanization" or "rural gentrification." Urban-fringe rural communities have experienced what some would call a "rebirth" as cities sprawl ever outward to take in open space and small rural towns. Likewise, some remote rural communities that may have experienced economic decline in past decades are now enjoying new economic growth as they attract retirement-age "re-settlers" or become tourist destinations.

While these new incarnations for previously forgotten rural areas clearly attract new capital into the local economy, much of the economic growth results in the creation of service-sector jobs that do not translate into livable wages for working class families. As a consequence, economic growth increases the costs of housing and other living expenses without regard for the ability of working-class citizens to afford those increases. In short, the local economies "prosper" while the poor get poorer.

A second observation is that persistently poor rural communities, especially those found in "pockets of poverty,"



seem to remain without hope of stimulating any semblance of economic growth, regardless of economic trends for rural communities generally. Areas like the mid-South Delta, Appalachia, the colonias along the United States' southern border, and Indian Country appear to defy efforts to bring about real, sustained economic growth. For many communities, rural poverty seems to be a disease without a cure.

Distance-Challenged, Emotionally as Well as Geographically

If distribution of resources to address community issues were made on the basis of need alone, rural poverty would be at the top of the priority list. Yet a recent report by the "Stand Up for Rural America" campaign indicates that even though poverty rates are higher in nonmetropolitan places than in metropolitan areas, fewer private and public resources are available to address rural poverty than urban poverty. Why? At least in part, the answer has to do with distance: geographic distance and emotional distance.

It's no secret that the farther away a community is from urban centers, the fewer funding resources are available. Because the overwhelming majority of public and private funders are based in urban communities, it stands to reason that they know the needs of urban communities much better than those of rural communities. But the distance between urban centers and remote rural areas is not merely one of geography.

More than one funder in the Rural Funders Group has remarked that, although their trustees and staff may fund predominantly rural communities, there remains a great disconnect between them and those communities. As urban dwellers, they often do not have a real appreciation for the difficulty and challenges rural communities face.

Hence, one of the ongoing tasks for rural intermediaries and community development corporations (and for our Rural Funders Group) is to increase awareness of rural community issues, especially those related to the persistence of poverty in so many rural communities. For that reason the Rural Funders Group is working to host a few "site visits" on an annual basis for the purpose of providing more urban-based funders with rural experiences, which in turn can create new funding linkages for rural communities.

National Initiatives Place 'Rural' on the Map

The good news for rural communities is that they are gaining in importance as funding priorities for national and regional funders. This is evident not only through the early response to the Rural Funders Group and its work. It can also be seen in several significant initiatives that support and increase the resource base for distressed rural communities.

- For example, in 1993 the Ford Foundation launched a multi-year Rural Development and Community Foundations Initiative. Managed by the Rural Economic Policy Program of the Aspen Institute, this initiative has worked with community foundations that serve largely rural areas — both to assist them in developing a larger endowment to support their future work and to encourage and enable them to play a stronger (in some cases, new) role as a mediating and capacity-building partner for rural development.
- W.K. Kellogg Foundation has long been a leader in funding rural communities, especially in the areas of food systems education and management of sustainable agriculture. Within the last five or so years, Kellogg has begun to develop initiatives related to sustainable rural economic development, including Managing Information in Rural America (MIRA) and Mid-South Delta Initiative (MSDI). MIRA has worked with clusters of rural communities and organizations across the nation to explore new, effective applications of technology. MSDI has been an attempt by Kellogg to work with clusters of communities and organizations within a three-state region of the Mississippi Delta in order to explore the difference a sustained geographic focus can make on a historically impoverished rural region.
- Bank of America launched its Rural 2000 initiative in 1997 to provide greater access to debt and equity capital in rural communities nationwide and set a goal of \$10 billion over the next ten years. As an outgrowth of this effort, Bank of America has also launched an Indian Country 2010 initiative to focus on debt and equity needs in Indian Country. Together the two initiatives seek to create an interactive relationship between the Bank and rural/Indian communities, in order to identify rural capital needs and to work to overcome historical obstacles to lending and investing in those areas.
- And very recently, Congress has authorized a \$6 million Rural Community Development Initiative (RCDI) in USDA to develop the capacity and ability of nonprofit community-based housing and development organizations and low-income rural communities to undertake projects to improve rural housing, community facilities, and economic development.

It is notable that the last of these examples is a public-sector initiative. The number of government agencies and amount of funding to support rural development efforts have paled by comparison to the resources made available to U.S. cities. Recognition of this fact in very recent years has weighed heavily in influencing private foundations and corporations such as those listed above to step out and take a leadership role in attracting attention and capital to rural areas. But the public sector has also begun to recognize the



need for more attention and funding for rural communities; this is evidenced in President Clinton's recent New Markets Tour which highlighted several rural communities, as well as the creation of RCDI.

These efforts do much to increase the awareness of and the supply of resources to rural communities. By definition, however, all "initiatives" are limited-term, intentionally non-sustained efforts. National initiatives are also potentially problematic because they are developed outside the regions they serve, and are often unilateral rather than being coordinated with other work within a region.

Community-Based Models for Rural Funding

As an alternative to initiative funding for rural communities, locally directed funding collaborations are now needed. Indeed, all of the examples noted above have strong local capacity-building components built into them as a way of building, rebuilding or reinventing local institutions and leadership in a way that would enable local communities to sustain these efforts over the long term. The Ford Foundation's initiative to create greater capacity within local community foundations is especially noteworthy in this regard. But even this initiative takes a "top down" approach. Newer, "bottom up" models are emerging.

- An example of this is the Foundation for the Mid South (FMS). Created in 1990, FMS serves a three-state region (Arkansas, Louisiana, and Mississippi) and works to address issues of economic opportunity, education, families and children, race and poverty on a regional level. FMS was established by leaders within the region and focuses on leadership development, capacity-building, asset development, and information-sharing. As a "community foundation" that is driven by local issues, FMS works to build capacity of local and regional structures, and is a catalyst and depository for regional philanthropy to support that work.
- A more recent example is the Community Foundation of the New River Valley (CFNRV). Located in western Virginia, CFNRV was formed to create "community capital and leadership" to enhance quality of life in the New River Valley. Critical to the work of CFNRV is a regional plan, *Vision 2020*, framed in response to massive layoffs in the region in the early 1990s, and the commitment to develop purposeful leadership that works to address regional issues and does so across historical divisions of race and class.

These are examples of what might be called "community-based foundations," community foundations whose focus is not the traditional one of managing donor-directed funds.

Instead, each entity's mission arises from the needs of its community, and its ongoing work is to act as both convener/facilitator of community process and as developer of new philanthropy within the community to support the community's agenda. (It should be noted that the Ford Foundation's Rural Development and Community Foundations Initiative is designed in part to help established community foundations in predominantly rural areas to "re-invent" themselves along these same lines.)

This new type of foundation is especially needed in rural communities, whose needs have been barely visible and underfunded for generations. These are new models not only for philanthropy, but also for capacity-building, leadership development and collaboration in responding to the needs of rural communities.

Lessons Learned Along the Road to Oz

At least the following lessons can be learned from this quick study in contrast between national rural initiatives and emerging local or regional efforts.

- National initiatives are in and of themselves unsustainable; sustainability happens at the local and regional levels — especially when local decision makers take responsibility for leadership development, capacity-building, and creation of new philanthropy.
- Emerging models for rural philanthropy suggest a need for a new type of institution, i.e., the community-based, community-directed institution that plays a critical role as convener, facilitator and consensus-builder, as well as funds manager.
- The early experience of "community-based, community-directed" philanthropy is that rural communities have untapped local sources of philanthropy that can help both to close the gap of needed resources and to attract other resources outside the region.

From this vantage point, the journey to the Emerald City need not be intimidating for rural grant seekers. In fact, we are now learning, as did Dorothy, that the Land of Oz might not be a distant place with unlimited resources. The road we must now travel is not so much the long, circuitous Yellow Brick Road to a remote destination. The road we travel together is more of a connecting path that joins together local and regional concerns and decision makers, enabling us to work together to overcome historical barriers and to develop new, collaborative strategies for success.

James A. Richardson, Jr. is Senior Vice President at the Bank of America. Teri Yeager is Program Officer at the Hearst Foundations. They are currently co-chairs of the Rural Funders Group.





Moving Toward Economic

Empowerment

The Bank of America Rural 2000 Initiative

Bank of America



by J. Michael Pitchford

What do a family farm in Missouri, a small business in the Texas border country and an elder care center in California have in common? They all have grown thanks to loans made possible through the Bank of America Rural 2000 Initiative. Bank of America — the first truly coast-to-coast bank — brings an unprecedented level of resources and expertise to the task of building the economic strength of communities in the 21 states where it does business, including many rural areas. As part of a \$350 billion commitment to community development lending and investing over the next ten years, Bank of America has pledged \$180 billion in small business loans and an additional \$25 billion in economic development initiatives, with at least \$10 billion earmarked for rural areas.

Why this attention to rural areas in a time when many funders are not thinking about rural development? Bank of America Chairman and CEO Hugh McColl put it most succinctly when he said, “Our company thrives in neighborhoods that are themselves thriving.” The bank’s commitment to rural development is founded squarely on the proposition that it’s good for business. The Rural 2000 Initiative seeks to combat eroding economic conditions and develop rural markets so that millions of Americans can continue to own small businesses, sustain their family farms, live in decent housing and have access to social services — continue, in other words, to live in viable and flourishing communities.

One example of the kind of financing the Rural 2000 Initiative makes possible can be found at the Bethel Lutheran Home in rural Selma, Calif. This nonprofit nursing center for seniors faced the necessity of building an additional independent living facility. Recently, a Bank of America long-term loan made construction possible. The result: housing that will accommodate the changing needs of a growing senior population in this rural market, meaning more people can continue to participate in the life of the community and fewer will have to move away.

Recognizing the magnitude of need and the limits on even the most ambitious financial commitment, Bank of America has forged partnerships with key organizations that will help leverage the available resources for more widespread results.

Recognizing the magnitude of need and the limits on even the most ambitious financial commitment, Bank of America has forged partnerships with key organizations that will help leverage the available resources for more widespread results. With the help of organizations like the Housing Assistance Council (HAC), the bank plans increasingly productive work in rural areas. Bank of America has supported HAC’s work in the Self-Help Homeownership Opportunity Program (SHOP) and in the border colonias. HAC Executive Director Moises Loza serves as a member of the bank’s National Rural Advisory Board and provides invaluable assistance in the development of rural approaches and strategies.

The Rural 2000 Initiative extends to many aspects of rural economies. The Farm Service Agency (FSA) of the U.S. Department of Agriculture has named Bank of America the first nationwide lender in its Preferred Lending Program. With credit delivery practices changing throughout the country, FSA recognized a need to make its guaranteed loan program more user-friendly. Bank of America worked with the agency to design a more streamlined application and monitoring process that requires less documentation and reporting, and relies more on the bank’s

EMPOWERMENT CONTINUED ON PAGE 14

credit judgment and experience. In the first 45 days of the program, Bank of America committed more than \$5 million for FSA guaranteed loans that otherwise might not have been made.

In Texas, Bank of America loans to ACCION Texas, an intermediary loan fund, have resulted in micro-credit for small businesses and farms in the rural Rio Grande Valley, among other areas in the state. Along the U.S.-Mexico border, a Bank of America partnership with the Rural Development and Finance Corporation (RDFC) has established a re-lending program to strengthen small business in a ten-county area. With the bank's \$2 million commitment, RDFC's Border Development Fund will be able to double the loan funds available to border businesses.

In addition to the partnership with RDFC, the bank recently announced a \$15 million loan participation agreement with the Rural Community Assistance Corporation (RCAC) to provide loans to community-based service organizations in nine western states. Community facilities that can participate in the loan program include childcare centers, adult day healthcare centers, medical clinics, hospitals, and other organizations. The loans, which are reviewed and approved by RCAC and guaranteed by USDA, must be used to create, expand, or improve facilities that benefit the public. At least 51 percent of the families living in the county or on tribal lands benefitting from the facility must have incomes at or below 80 percent of the respective state's median income.

Unfortunately, rural markets have been largely ignored by corporate America. While we are finally seeing a new realization in corporations and the community development field of the potential in rural areas, old ways of thinking die hard. Many urban dwelling corporate leaders, public policy makers, and foundation funders have basic misunderstand-

While we are finally seeing a new realization in corporations and the community development field of the potential in rural areas, old ways of thinking die hard.

ings about rural areas. Many who grew up in towns and cities picture rolling farms, green pastures, contented cows, and a simpler way of life. Those who work in rural community development know this is not the reality of rural America today. There are many challenges facing rural areas — geographic isolation, deteriorating housing stock, and lack of employment opportunities, to name a few. With these challenges, however, comes a great deal of opportunity.

The Bank of America Rural 2000 Initiative will take many forms — sometimes through a loan, sometimes a grant, and many times through just an idea and a willingness to help solve a problem. Our commitment to rural community development is unmatched in size and scope by any other financial institution. Bank of America understands that strong rural communities make strong rural markets, and that both are necessarily and inextricably tied to the health of our national economy as a whole. Challenges for rural America remain, and perceptions still need to be changed. I think the coming years will provide wonderful opportunities for Bank of America to make a real difference in rural communities all across the country, and I look forward to working to fulfill our promise to be the best community development bank in America.

|| Michael Pitchford is Senior Vice President at the Bank of America.



HAC Facts

CONTINUED FROM PAGE 1

mother of three. Workers included a reunion of the original volunteers who started Frontier in 1974.

The event culminated in a dedication ceremony featuring local, regional, and national speakers. Among the presenters was HAC's Deputy Executive Director Joe Belden, who praised Frontier as a model for successfully providing afford-

able housing at the community level. "I'm not sure anyone knew how long we would last or what we would accomplish," said Tom Carew, Frontier's Executive Director, "but our fundamental goal has not changed. We're trying to break the cycle of poverty in eastern Kentucky, and decent housing is definitely part of the equation."





Forty units of new farmworker housing were constructed in Greeley, Colo. with an AHP grant of \$85,000 to Commercial Federal. The project was developed by Catholic Charities and Community Services Farm Labor Housing Corporation, a nonprofit. Other sources of financing included USDA Rural Development, the City of Greeley, Larimer County, the State of Colorado, and the Archdiocese of Denver.



Peoples Bank of Pratt, Kan. (population 6,700) used a long-term Community Investment Program advance from the FHLBank of Topeka to help provide financing for construction of 24 new rental units in Pratt, including ten three-bedroom units. The development also used Low Income Housing Tax Credits.



Seventeen low- and moderate-income families in Silt, Colo., (population 200) received downpayment, closing costs, and principal reduction assistance from \$150,000 in AHP funds. Their homes were developed through a joint effort between the Colorado Rural Housing Development Corp. and Housing NOW!, based in Garfield County. Other sources of financing included the Colorado Housing and Finance Authority and the Colorado Housing Assistance Coalition.

Photos courtesy of the Federal Home Loan Bank of Topeka.

Celebrating Ten Years of AHP

by Frank A. Lowman

Ten years ago the Affordable Housing Program (AHP) was created to help lenders and nonprofit organizations provide safe, decent, affordable housing for very low- to moderate-income Americans. AHP has been one of the more endearing and enduring legacies of the 1989 Financial Institutions Reform, Recovery and Enforcement Act.

AHP is currently administered by the Federal Home Loan Banks and executed in partnership with financial institution stockholders and nonprofit housing organizations. Each of the 12 district banks comprising the Federal Home Loan Bank system sets aside 10 percent of its net income to fund the program, which expands local rental housing and homeownership opportunities for low-income families and individuals. Financial institution stockholders compete for AHP grants, then use the funds to pay for construction or

acquisition costs, to write down interest rates on long-term financing, or to provide downpayment assistance.

Collectively, by the end of 1998, the 12 district banks had provided AHP grants totaling \$747 million, leveraging \$12.8 billion in total development costs. AHP-supported partnerships have created rental housing for more than 136,000 American families, and 65,000 more families have become

homeowners, helping to push the country's homeownership rate to its highest level ever.

Since 1990, in the FHLB of Topeka's four-state district alone, the Bank has granted more than \$41 million in private dollars to financial institutions to fund approximately 14,000 housing units. AHP has proved to be an effective tool for ensuring that the broadest spectrum of Americans can secure safe, decent, affordable shelter for themselves and their families.



Frank A. Lowman is president and chief executive officer of the Federal Home Loan Bank of Topeka. This item is excerpted from an article in the Fall 1999 issue of *The Correspondent*, published by the FHLBank of Topeka. Further information about AHP is available from each of the 12 district Federal Home Loan Banks, from the Federal Housing Finance Board, www.fhfb.gov, 202-408-2575, or in an information sheet published by the Housing Assistance Council and posted at www.ruralhome.org/pubs/infoshtstahp.htm or available for \$1 from Luz Rosas, 202-842-8600.

View From Washington

Legislative Year Ends Well for Most Housing Programs

by Joe Belden

The now completed 1999 legislative year had both gains and setbacks for rural housing and community development, but most of the news was very good.

At the end of the session Congress added a 0.38 percent across-the-board cut in all domestic discretionary spending for fiscal year 2000, including the Department of Housing and Urban Development (HUD) and the Rural Housing Service (RHS) at the Department of Agriculture (USDA). This cut was included in the final omnibus appropriations bill and is intended to help prevent dipping into the Social Security surplus for 2000 spending. Each department will decide which programs to cut, though no individual program can be reduced by more than 15 percent of the amount originally appropriated. At press time, no information was available about how HUD and USDA intend to implement the cut. Dollar amounts stated below do not take possible cuts into account.

Appropriations

During the spring and early summer, it looked as if Congress might cut rural housing programs for fiscal year 2000 at both USDA and HUD. But the final result was significant increases for many accounts in appropriations bills for both agencies. For RHS, the funding levels for the year that began Oct. 1 are the best in some time. And for HUD what initially appeared to be major reductions turned out to be increases or level funding in most major programs. Neither spending bill was complete by the beginning of the fiscal year, but they were cleared by Congress and signed by the President in October. Thus the housing programs avoided the year-end log jam and limbo of some of the other appropriations bills, which were not final until the second half of November.

Rural Housing Service

P.L. 106-78 increases spending in 2000 for most USDA rural housing programs and exceeds the Clinton Administration's original budget requests in several areas. No programs had reductions in the best rural housing budget in several years. Perhaps the only negative note is that Section 515 rural rental housing stayed at its 1999 level. P.L. 106-113, the omnibus appropriations bill enacted in November, adds more

funds to several RHS programs for disaster relief as needed during fiscal 2000.

In a long anticipated move, Congress also created a new Rural Community Development Initiative, with \$6 million available in 2000 for intermediaries to provide nonprofit capacity building. USDA expects to issue a notice of funding availability in February.

Table 1 has details of the RHS budget for 2000 and 1999 (dollars in millions).

Department of Housing and Urban Development

Most HUD programs also did very well in the VA, HUD and Independent Agencies appropriations bill for FY 2000. In a compromise with the Clinton administration, the final bill (P.L. 106-74) includes 60,000 new incremental rental vouchers and increases in several major programs. CDBG, public housing operations, homeless assistance, and elderly housing all got boosts. The HUD Office of Rural Housing received \$25 million and the SHOP program \$20 million, the same levels as 1999. HUD's Community Builders program was eliminated in the Senate VA-HUD bill, but the final law funded the program through Sept. 30, 2000. *Table 2* compares the House and Senate bills to 1999 HUD funding levels (in millions of dollars).

Financial Services and CRA

On Nov. 12 President Clinton signed into law S. 900 (P.L. 106-102), the Financial Services Modernization Act of 1999. The major provisions of the bill cover the elimination of legal barriers between the banking, securities, and insurance industries. This new flexibility had been sought by financial

USDA Rural Housing Service

Table 1

SECTION/PROGRAM	FY 1999 APPROPRIATION	FY 2000 APPROPRIATION	DIFFERENCE
LOANS			
502 Single Family Direct Loans	\$965.3	\$1,100	+\$134.7
502 Single Family Guaranteed Loans	3,000	3,200	+200
515 Rural Rental Housing	114.3	114.3	—
538 Rural Rental Guaranteed	100	100	—
504 Very Low Income Repair	24	32.4	+8.4
514 Farm Labor Housing	20	25	+5
Self Help Land Devel. Fund	5	5	—
524 Site Loans	5.1	5.2	+0.1
GRANTS & PAYMENTS			
Rural Hsg. Assis. Grants (504, 516, 533)	41	45	+4
523 Self-Help Technical Assistance	26	28	+2
521 Rental Assistance	584	640	+56
OTHER USDA RURAL DEVELOPMENT PROGRAMS			
Water/Sewer-Rural Utilities	1,324	2,090	+766
Rural Community Devel. Initiative	—	6	+6
Rural Devel. Loan Fund	33	38.3	+5.3

Figures in this table do not include the amounts added for disaster recovery efforts in FY 2000: \$50 million for Section 502 direct homeownership loans, \$15 million for Section 504 home repair loans, \$10 million for Section 504 home repair grants, \$5 million for Section 514 farm labor housing loans, and \$4.5 million for Section 516 farm labor housing grants.

HUD

Table 2

PROGRAM	FY 1999 APPROPRIATION	FY 2000 CONFERENCE REPORT	DIFFERENCE
Community Develop. Block Grants	\$4,750	\$4,800	+50
HOME	1,600	1,600	—
Housing Certificate Fund	10,327	11,377(1)	+1,050
Public Housing Capital Fund	3,000	2,900	-100
Public Housing Operating Fund	2,818	3,138	+320
Public Housing Revitalization (Hope VI)	625	575	-50
Drug Elimination Grants	310	310	—
Native American Housing Block Grants	620	620	—
Homeless Assistance Grants	975	1,020	+45
Housing Opps. for Persons w/AIDS	225	232	+7
Housing for Elderly (Sec. 202)	660	710	+50
Housing for Disabled (Sec. 811)	194	201	+7
Fair Housing	40	40	—
Self-Help Homeownership Opportunity	20 (2)	20 (2)	—
Office of Rural Housing	25 (2)	25 (2)	—

(1) Includes 60,000 new incremental vouchers and funding of all Sec. 8 contract renewals. (2) Part of CDBG.

services firms for many years. But there were also controversial changes to the Community Reinvestment Act (CRA). While not as drastic as those originally proposed in earlier versions of the bill, the CRA changes are still significant. Banks with assets of less than \$250 million will now be subject to a CRA review every four or five years, rather than the current two years. The other major change in CRA is a “sunshine” requirement: both banks and community-based groups will now have to report to federal regulators on any CRA agreement that includes a grant of \$10,000 or more or a loan of \$50,000 or more. CRA advocates opposed the bill,

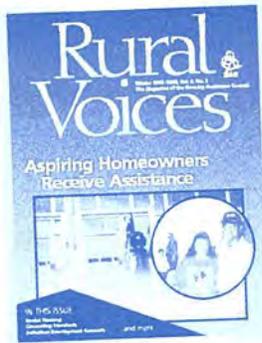
but the White House and most members of Congress in both parties supported it.

For more information on the financial services act and CRA, contact the National Community Reinvestment Coalition at 202-628-8866, www.ncrc.org, or Debby Goldberg at the Center for Community Change, 202-342-0567, goldbergd@commchange.org, www.commchange.org.

Full details and language of all the bills discussed above are available at the Library of Congress legislative web site, thomas.loc.gov.

Joe Belden is Deputy Executive Director of the Housing Assistance Council.





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