

HOUSING ASSISTANCE COUNCIL



1971 / 2021 _

ANNUAL REPORT



WWW.RURALHOME.ORG



HAC

Housing Assistance Council

Dear Friends,

For 50 years, the Housing Assistance Council (HAC) has worked with rural communities to build a better future. As we celebrate the first half-century of HAC, we are prompted to look back on the lessons of the last 50 years. But more importantly, we are **inspired** to look ahead. We envision a future in which **everyone in rural America will have a safe, healthy, and affordable place to call home**. Since our ambitions are mighty, the challenge before us in 2021 was to build the launchpad for that vision.

In many ways, 2021 was **our most impactful year yet**. But, we didn't just help build 820 homes, publish 11 new research products, and train 1,894 housing professionals. We did all that in ways that set up HAC and the communities we serve for long-term success.

In December, we hosted the **National Rural Housing Conference**, welcoming over 550 rural housing experts and on-the-ground professionals from across the country. With speeches from members of the President's Cabinet, Congressional leadership, and civil rights icons, and discussions with panels of industry leaders, the conference was a platform for innovative ideas about **how to harness the innovation of rural America**. Through more than 40 workshops, our attendees gained the knowledge and skills they need to create meaningful, lasting change in their communities.

We also deepened our relationships with the policymakers who oversee federal rural housing programs. These relationships resulted in the inclusion of new and expanded rural programs in response to the COVID-19 pandemic. Through a variety of coalitions and working groups, HAC is bringing the rural housing industry together to advocate for the programs our communities need to succeed. As HAC expands our policy work, we'll be guided by **policy priorities** we crafted in 2021—priorities for both 2022 and for the next 50 years.

While we are celebrating the work HAC has done since its founding in 1971, we are laying the foundation for **our next fifty years of rural success**. We are building support for our ambitious vision of rural America's future through a new campaign: **Vision 2071**. Through the Vision 2071 campaign, we published stories that explore what local organizations need to address their communities' housing challenges and what role a national intermediary like HAC can play in bringing us all together. Over the next three years, HAC will raise funding and capital to help all of us achieve the vision of a rural America **where everyone has a safe, healthy, and affordable place to call home**.

Our work in 2021 was the launchpad for achieving that goal. Thank you for supporting the Housing Assistance Council's work this year. We're excited for what the next 50 have in store.

David Lipsetz
President & CEO

Maria Luisa Mercado
Board Chair

HAC'S IMPACT IN 2021



Units Financed:
820



Communities Served:
171



Total Invested:
\$15.3 million



Trainings:
8



Training Attendees:
1,894



Research Products:
11



Comments & Testimony:
15



In 2021, HAC worked in 45 states and the US Virgin Islands

50 years
of HAC

For 50 years, HAC has helped build homes and communities across rural America, with a special focus on the most underserved, highest need groups and regions.



PRIORITIZING POLICY

Long a crucial element of HAC's work, we established **Policy** as an official line of business in 2020. The result of this pivot was immediately apparent in 2021: it expanded HAC's and rural communities' ability to influence federal programs and the nation's housing policy.

We spent the year pursuing HAC's 2021 Annual **Policy Priorities**. These priorities included building the capacity of local affordable housing and community development organizations deeply rooted in rural places; expanding access to credit and safe, affordable lending in underserved rural communities; improving the overall quality, availability, and affordability of housing to buy and rent in small towns and rural places; and preserving, increasing, and tailoring resources for federal affordable housing programs serving rural populations.

Throughout 2021, HAC's staff and partners worked tirelessly to promote these priorities and advocate for greater geographic equity in federal policymaking. Together, we realized several important wins.

In March 2021, Congress passed the **American Rescue Plan**, which included pandemic relief funding for several critical rural housing programs. The package included \$39 million for mortgage relief for Section 502 and 504 borrowers and \$100 million for rural rental assistance (Section 521), which was specifically targeted to currently unassisted families in USDA multifamily properties.

Though not yet passed, the Biden Administration's **Build Back Better** plan included several significant provisions to support housing and community development in rural America. The framework included a \$150 billion investment in affordable housing nationwide, which would build more than a million new affordable homes, expand rental assistance, and help families afford down payments. The proposal also included funding specifically to address to USDA's rural multifamily preservation crisis and to establish a new Rural Partnership Program, empowering rural communities (including Tribal Nations) with capacity building resources.

HAC's Policy Priorities

1. Building the capacity of local affordable housing and community development organizations deeply rooted in rural places;
2. Expanding access to credit and safe, affordable lending in underserved rural communities;
3. Improving the overall quality, availability and affordability of housing to buy and rent in small towns and rural places; and
4. Preserving, increasing and tailoring resources for federal affordable housing programs serving rural populations.

And finally, several important rural housing programs, including HUD's Self-Help Homeownership Opportunity Program, USDA's Section 515, and the Multifamily Preservation and Revitalization Program, saw **funding increases** in the FY2022 omnibus spending bill in large part due to HAC and our partners increasing our efforts to educate policymakers on the need for these critical resources.

This expansion of HAC's policy work **would not be possible without the support of our partners**. In particular, the Wells Fargo Foundation's general operating support has been critical to this success. "**Wells Fargo** recognizes the challenges of housing affordability across America," says Eileen Fitzgerald, Head of Housing Affordability Philanthropy, Wells Fargo Foundation. "We are proud to support HAC's work in making sure that federal policy and programs meet the needs of rural communities."





DOUBLING LOANS CLOSED

Building a future where everyone in rural America has a **safe, healthy, affordable home** requires a significant investment into the supply of housing affordable to today's poor and middle-income families. For 50 years, HAC's Loan Fund has provided vital financing to help rural communities build affordable homes. In 2021, as America faced one of the tightest housing markets in history, HAC pushed as hard as we could. The result was a doubling of our lending. We are rising to this moment and laying the foundation for the future we envision.

By closing 34 loans, HAC invested **\$15.3 million** in rural communities and leveraged \$165 million of additional investment. This financed the construction, preservation, or rehab of **820 affordable homes across rural America**. HAC's investment will help hundreds of rural families find safe, healthy, and affordable places to call home. Forty percent of these families live in persistent poverty counties, where the poverty rate has been at least twenty percent for the last 30 years.

In particular, HAC focused on addressing the **critical need for affordable rental housing** in rural communities. Across the country, including in rural areas, the cost of homeownership has become increasingly prohibitive for many families. That is why HAC worked with borrowers to finance the building or preservation of 611 units of affordable rental housing in rural America. "In many rural communities where we lend, individuals and families have few options for rental housing they can afford," explains Eileen Neely, Director of Lending. "As rents increase nationwide, investing in affordable rental housing stock is how we ensure that more people can find **somewhere affordable to call home.**"

HAC's Loan Fund also emphasized preserving the existing stock of affordable rural housing, particularly units originally financed through the USDA's Section 515 program. Unfortunately, thousands of these affordable homes lose their rental assistance every year when their USDA mortgages mature or are prepaid. For example, our \$967,500 loan in Jamestown, Tennessee, will rehab 24 units of affordable housing, including new insulation, roofing, and HVAC.

820

Affordable homes financed by
HAC's Loan Fund in 2021

94%

Growth of HAC's Loan Fund
portfolio in 2021

40%

Proportion of units financed in
persistent poverty counties

Our preservation loans don't just invest in long-term improvements like new roofing and HVAC; **they also preserve the much-needed rental assistance.** On average, residents at this property make \$10,480 per year (the town's median income is less than \$20,000). Ensuring access to rental assistance and energy savings is critical to the **long-term affordability and financial health for these residents.**

Investing in rural America helps alleviate the nation's deepest, most persistent poverty and unlock the potential of rural communities. By doubling its lending, HAC's Loan Fund is helping rural America reach for a future where everyone has a safe, healthy, and affordable place to call home.



Ute Creek Apartments in Fort Garland, Colorado.
10 affordable homes financed by HAC's Loan Fund

CITIZENS' INSTITUTE ON RURAL DESIGN™

The Citizens' Institute on Rural Design (CIRD)—a design initiative of the National Endowment for the Arts co-operated by HAC and tbd Studio—**empowers rural communities** to improve their quality of life through design and creative placemaking. In 2021, CIRD hosted two local design workshops.

Over each three- to four-day workshop, CIRD's national design team brought together local residents, nonprofit leaders, community groups, and government to design actionable solutions to a specific design challenge.

Each workshop is a launchpad for community success. For example, one workshop developed plans to transform a closed school in Midway, Alabama, into a hub for education and healthcare.

Photos by Omar Hakeem





INFORMING RURAL AMERICA'S FUTURE

Access to **high-quality, objective research** is critical to informing sound decisions for a community's housing needs. As HAC has long noted, data on rural communities is often insufficient, if it's available at all. Since its founding, HAC has compiled and analyzed a variety of available data to create a more comprehensive picture of the housing conditions in rural America. In 2021, HAC released six Rural Research Briefs and Rural Research Notes. These research products **helped equip rural communities and policymakers with information they need.**

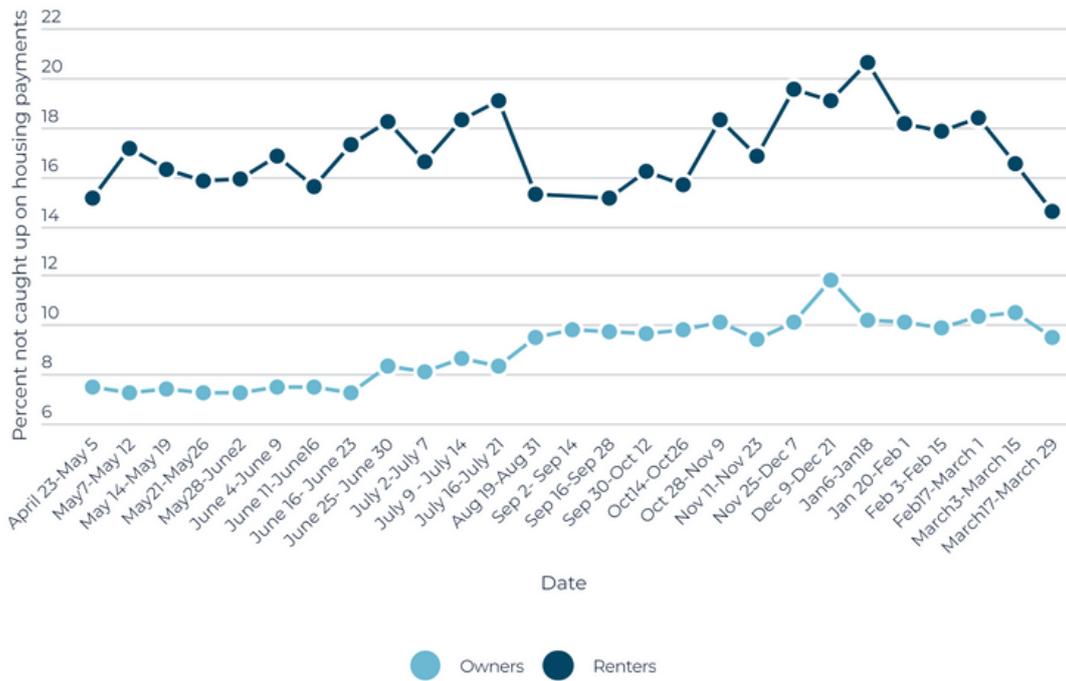
HAC began the year by exploring the **impact of COVID-19 on housing insecurity**. Released four months before the federal eviction and foreclosure moratoriums were lifted, the Rural Research Brief highlighted the **uneven effects the pandemic has had on renters and homeowners alike**. Throughout 2021, HAC released three more research products tracking COVID's spread through rural America, which was especially important during the Delta Variant's surge through rural America. "Most of the national conversation around COVID's impact on housing focused on urban and suburban communities. That's why it was so important to inform a better understanding about the coronavirus's impact in rural America," says Lance George, Director of Research and Information.

HAC's Rural Research Briefs also provided valuable information about changing demographics of rural communities. From evolving patterns of population growth and decline to the **growing diversity of rural America**, our breakdowns of demographic trends help rural communities make decisions for their future. In addition to analyzing the data, HAC provided thoughtful explanations on the changing methodologies employed by the US Census Bureau, revealing insights that might otherwise be missed—such as the decline in the population identifying as Native American alone but drastic rise in the population identifying as Native American in combination with other races.

"These research products are the perfect example of how timely, relevant data enables housers and policymakers to make decisions that will reap benefits for years to come," says HAC CEO, David Lipsetz, "I am extremely proud of the leading role we have played in research since 1971. The information and resources our team has designed will continue that tradition and **inform housing policy and strategies for the next 50 years.**"

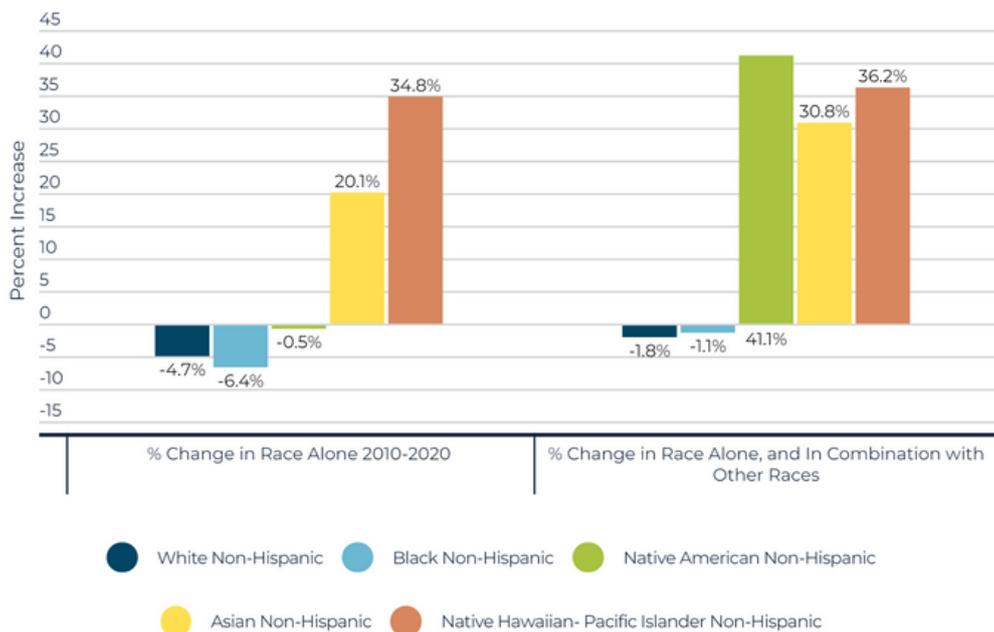
VISUALIZING RURAL DATA

HOUSEHOLDS NOT CURRENTLY CAUGHT UP ON HOUSING PAYMENTS April 23, 2020 - March 29, 2021



Source: Housing Assistance Council Tabulations of the U.S. Census Bureau's Pulse Survey

Change in Rural Race Alone* and In Combination with Other Races, 2010-2020



Source: Housing Assistance Council Tabulations of the U.S. Census Bureau's 2010 Census of Population and Housing and 2020 P.L. 94-171 Redistricting Data.

*Data are for race alone and do not include Hispanics



TRANSITIONING TO CAPACITY BUILDING

The success of rural housing and community development depends upon the **knowledge, skills, and involvement of nonprofits** as leaders in their communities. It is why HAC has maintained technical assistance and training as a core component of our work since 1971. In 2021, HAC's Training and Technical Assistance Division (TTAD) laid the groundwork to evolve both its approach and delivery into a **more holistic, structured, and sustainable capacity building model**. It has been extraordinary to watch the TTAD staff take 50 years of learning and intentionally structure a new model of service delivery that proactively addresses the fundamental capacity requirements for nonprofits to function in a sustainable and high-performing manner.

With support from the Capital One Foundation, HAC is developing curricula to improve capacity beyond our historic model of discrete engagements tailored to a current or defined issue. We are developing a system that will offer local partners a clear path to **growing stronger and more sustainable**. "Affordable housing is central to building equitable, healthy, and stable communities," said Lydia Jackson, Manager, Community Impact and Investments at Capital One. "Capital One values its partnership with HAC to continue building capacity to meet the growing needs of rural communities across the nation."

Under the evolved model, capacity building engagements will be more structured and comprehensive, focusing on **creating sustained capacity**. The evolved approach will provide the necessary tools and resources to both support and create self-sustaining, high-performing rural organizations that are better equipped and prepared to effectively address the housing and economic development challenges of the communities they serve.

As part of the planned evolution, TTAD expanded its capacity building efforts to include Community Facilities Technical Assistance. Through investment in the effectiveness and sustainability of rural nonprofits, HAC's Community Facilities initiative was created to build the capacity of community agencies around assessing, planning, and implementing programs of community infrastructure development. Because

community infrastructure is key to ensuring residents enjoy basic quality of life and services, HAC's Community Facilities efforts intend to foster growth, awareness, and resources to increase the capacities of **rural communities to attract and retain businesses** that provide employment and services for their residents.

TTAD also increased the scope of its capacity building work by launching the Creative Placemaking for Rural (CPR) Initiative under USDA Rural Development's Rural Placemaking Innovation Challenge initiative. With an intentional focus on high-need, economically distressed communities, HAC's CPR Initiative specifically targets areas throughout rural expanses of the United States Southern Region, including Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. HAC's CPR Initiative is further designed to connect with local communities, support economic vitalization and resiliency, and **improve the quality of life for residents**. Designed using best practices, each plan is uniquely adaptable to each communities' unique needs and will evolve based specific community recommendations and goals.

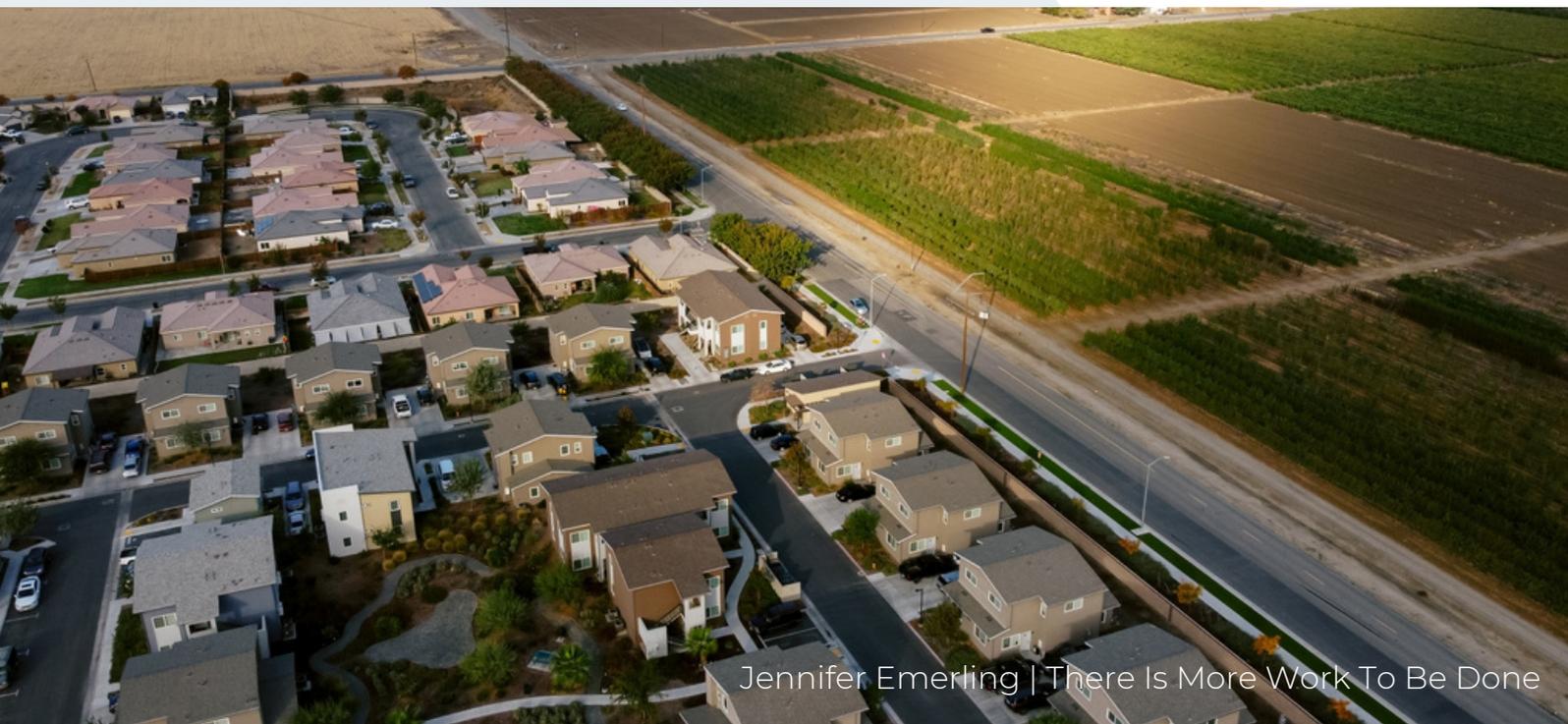
"Through this modified approach," says Shonterria Charleston, Director of Technical Assistance and Training, "HAC will serve a more diverse set of organizations, build critical relationships with local and state housing agencies that administer on-the-ground housing programs, and **foster lasting internal capacity for rural nonprofits**."

79

Organizations that received HAC technical assistance & capacity building in 2021

1,894

Attendees of HAC trainings and webinars in 2021



2021 NATIONAL RURAL HOUSING CONFERENCE

In December 2021, HAC hosted the Virtual National Rural Housing Conference. More than 550 housing professionals registered and heard from national leaders like HUD Secretary Marcia Fudge, USDA Secretary Tom Vilsack, House Majority Whip James Clyburn, and the Rev. Dr. William Barber. They attended over 40 workshops, trainings, plenary speeches and networking sessions. We reconnected as an industry, bringing together affordable housing professionals from 44 states, DC, and the US Virgin Islands.



HAC STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021*

ASSETS

Cash and cash equivalents	\$ 1,365,296
Investments	19,661,949
Contracts and grants receivable	799,743
Loans receivable, net	27,809,914
Interest receivable, net	363,262
Prepaid and other assets	89,055
Land held for resale	137,106
Furniture and equipment	15,774

Total Assets **\$50,242,099**

LIABILITIES & NET ASSETS

Liabilities

Accounts payable	\$ 104,917
Accrued and other expenses	310,600
Notes and bond payable	16,224,131
Lines of credit	1,000,000
Deferred rent and lease incentive	401,375

Total Liabilities **\$18,041,023**

Net Assets

Without donor restrictions	\$9,651,521
With donor restrictions	22,549,555

Total Net Assets **\$32,201,076**

Total Liabilities and Net Assets **\$50,242,099**

*Audited

INVESTORS & DONORS

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Bank of America
Capital One Bank
Fahe
Fannie Mae
Federal Home Loan Bank System
Greystone
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Home Missioners of America
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Morgan Stanley
NACEDA
National Endowment for the Arts
NCALL
NCBA-CLUSA
NeighborWorks America
Northern Trust
Opportunity Finance Network
Reinsurance Association of America
The Seed Fund
Self-Help Enterprises
Sisters of St. Francis of Philadelphia
Tennessee Housing Development Agency
U.S. Department of Agriculture
U.S. Department of Housing and Urban Development
U.S. Department of the Treasury – Community Development Financial Institutions Fund
U.S. Small Business Administration
Truist
Wells Fargo
Woodforest National Bank

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A photograph showing several construction workers in various work clothes and hard hats working on the wooden roof truss system of a house. The workers are positioned around the trusses, some standing on the ground and others on a ladder or scaffolding. The background shows a residential neighborhood with houses and blue recycling bins under a clear sky.

Housing Assistance Council

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A circular logo with a white background and a dark blue border. The letters "HAC" are written in a bold, dark blue, sans-serif font in the center of the circle.

HAC