
HOUSING ASSISTANCE COUNCIL

2022 ANNUAL REPORT

ruralhome.org



HAC

Housing Assistance Council

DEAR FRIENDS,

The Housing Assistance Council (HAC) is soaring to new heights. For our 50th anniversary last year we turned our attention to building a launch pad for rural prosperity over the next 50 years. We are proud to report that in 2022 HAC built momentum to broaden the ways we help rural communities build a better future.

In 2022, HAC lending and technical assistance built the capacity of 168 rural housing organizations. We published 24 editions of HAC News and 13 new research products, including 3 guides to recovery resources after major natural disasters. And in fiscal year 2022 (October 2021–September 2022), we invested more than we ever have before: \$16.6 million to finance the construction, preservation, or rehab of 689 affordable homes. Plus, more than 35% of our loans were made in counties that have had a poverty rate of at least 20% for the last three decades. At the same time, we increased our staff by 21%, expanding the footprint of our work.

Last year, HAC enhanced our position as the national source for independent, non-partisan policy solutions for rural housing and community development. With the help of our first-ever Director of Policy, HAC led the effort to secure historic federal investment in manufactured housing communities, including testimony before a subcommittee of the United States House Committee on Appropriations.

2022 was also a big year for HAC's "housing-adjacent" work on community facilities and placemaking. We've always known that community is more than a collection of houses. By finding new ways to engage rural places as they develop community facilities—such as parks, libraries, and childcare centers—HAC has helped them cultivate a feeling of belonging while providing tangible benefits for every resident. In 2022, we also focused on harnessing placemaking, which uses design and the arts to bring communities together, as a catalyst toward sustained community betterment and economic growth.

We also spent 2022 deepening our impact on affordable housing development. Through a focus on rural rental preservation, HAC has used financing and technical assistance to ensure that more existing affordable homes remain high-quality and rent assisted for years to come. We have also redoubled our efforts to better understand our impact and identify areas of growth through data and metrics.

HAC has been hard at work increasing the depth and breadth of our impact across rural America. As we reach further and do more, we thank you for supporting our work. We're excited to show you what this momentum will help all of us achieve.

David Lipsetz
President & CEO

Maria Luisa Mercado
Board Chair

BY THE NUMBERS: HAC'S IMPACT



168

RURAL ORGANIZATIONS
SUPPORTED THROUGH LENDING
& TECHNICAL ASSISTANCE



689

HOMES BUILT OR PRESERVED
THROUGH HAC LENDING

IMPACT MEASUREMENT

Metrics to measure just how much HAC is moving the needle

In the last few years, HACsters have worked hard to build the capacity of more rural communities so they can develop even more affordable housing. Following the adoption of new priorities across HAC's lines of business in 2019, we have made major progress expanding our work in housing affordability and capacity building for rural nonprofits. But we recognized the need to better tell the story of growth, impact, and progress that HACsters see every day in the rural communities where we collaborate.

So, to fortify a growth in impact, HAC leadership prioritized telling our story through narrative and data. This included refining how we measure our progress, identify areas of growth, and celebrate the tangible impacts of HAC's approach on rural communities.

In August of 2022, HAC hired its first Impact Specialist wholly dedicated to the task of telling HAC's story through metrics: Omer Yousuf. He is tasked with working cross-organizationally to derive metrics and data that speak to HAC's impact. Currently in the early stages of identifying outcomes achieved through HAC's current work, Omer is bringing together data from across our lines of business to show our growth and progress.

He is also assisting in the operational process of developing HAC's next Strategic Plan. Once our six-month strategic-planning process – which will bring together staff, board members, and key stakeholders to imagine HAC's future—is complete, Omer will be responsible for measuring how HAC practicalizes those goals in the transformative work each HACster engages every day.

Seven months into his role, Omer feels invigorated about the nature of working at HAC. “We have space to test ideas and an incredible emphasis on providing support that is tailored for each rural community's unique needs. It makes learning to build an impact method here exciting.”

Through our efforts to support affordable housing rehab, sustain placemaking efforts, and provide vital technical assistance, we know that HACsters are making a meaningful difference. Now, we're formulating the metrics to measure just how much they're moving the needle.



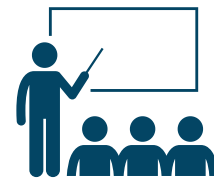
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NEW RESEARCH PRODUCTS
PUBLISHED



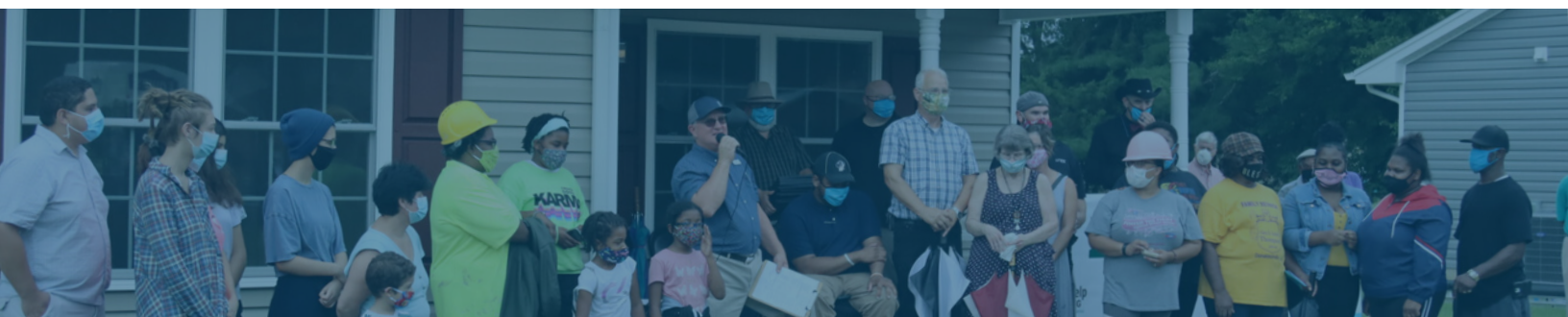
\$16.8

MILLION
INVESTED IN RURAL
COMMUNITIES



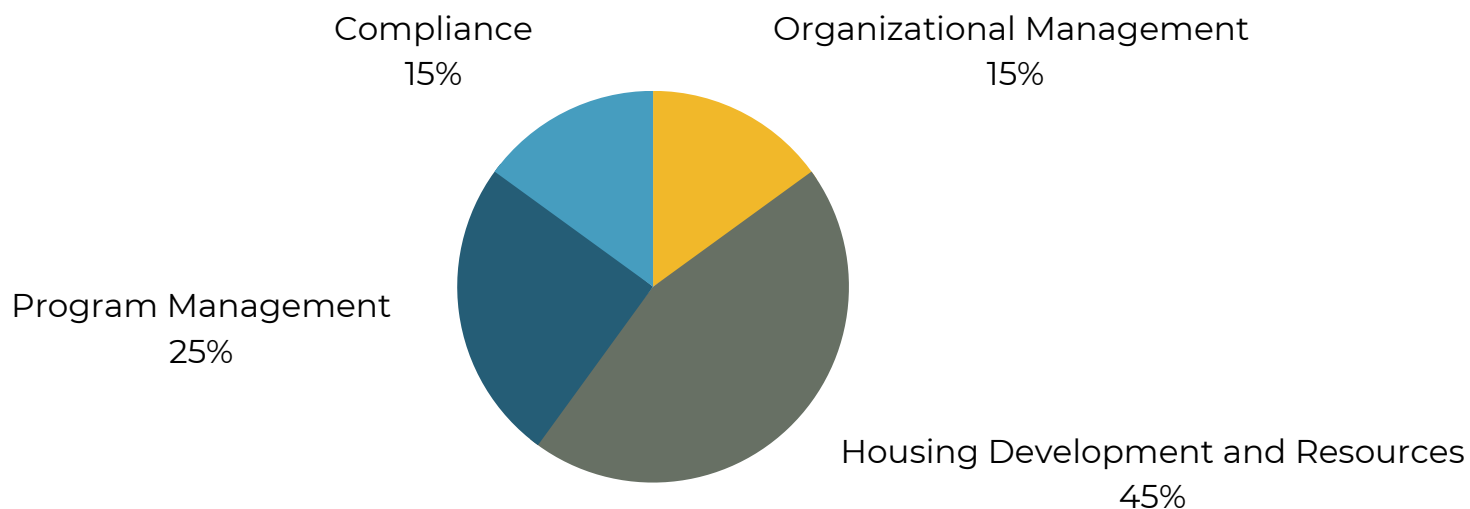
953

HOUSING PROFESSIONALS
TRAINED

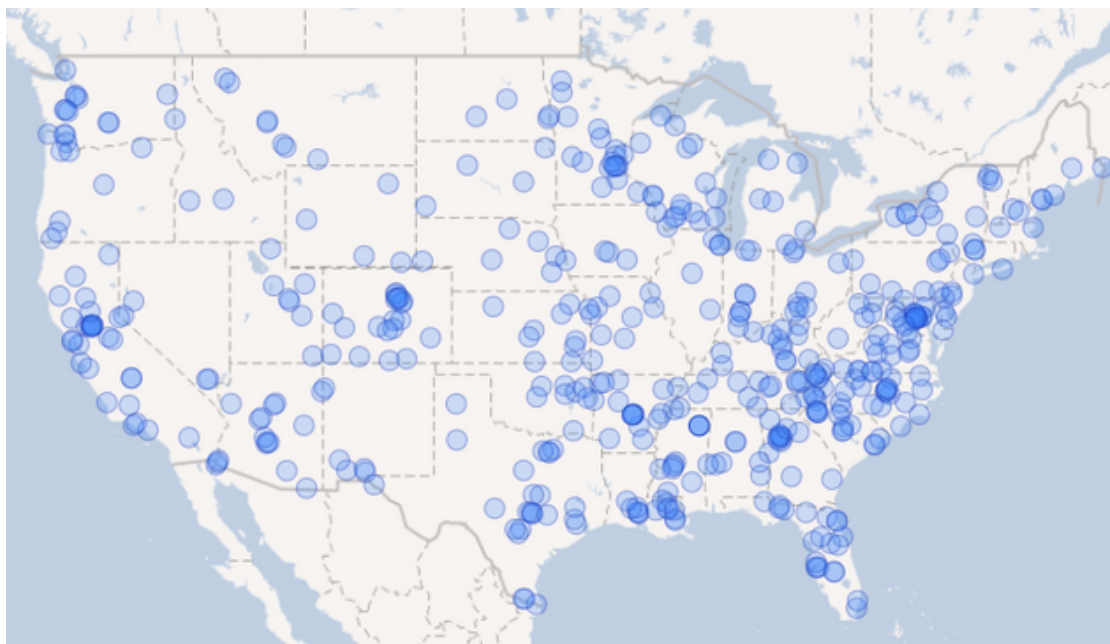
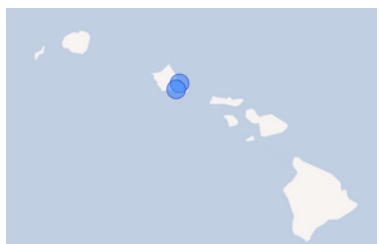
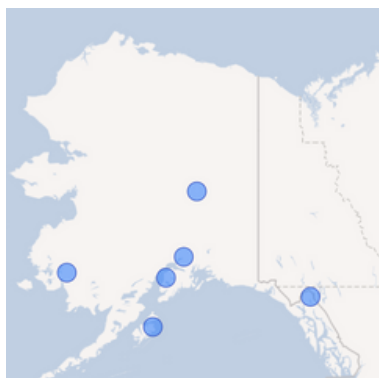


BUILDING RURAL CAPACITY

Focus of Training, CY 2022



Training Attendance, CY 2022



COMMUNITY FACILITIES

Hubs of connection that make every town a better place to call home

For over 50 years, HAC has delivered training and technical assistance that enhance the capabilities of rural housing and economic development organizations across rural America. Our commitment is driven by an understanding that stable, affordable housing is a vital component of thriving communities. To further strengthen the foundations of rural communities we expanded our core technical assistance offerings in 2022 to include support for Community Facilities. This expansion aims to build the capacity of small towns as they build or renovate essential community facilities, such as parks, libraries, and childcare centers.

To bolster our expanded technical assistance offerings, HAC welcomed Jon Wolseth as the Community Development Specialist. With previous experience at the City of Cleveland and Iowa State University Extension and Outreach, Jon brings a wealth of expertise in the field. His dedication to assisting organizations in achieving their goals significantly enhances HAC's ability to support local communities in developing community facilities.

While the projects themselves vary, Jon's technical assistance aligns seamlessly with the support HAC has been providing for decades. He works closely with community organizations to identify project opportunities, explore available resources for financing development, assist in preparing necessary application reports, and provide guidance for applying for funding from the USDA.

Jon's contributions have already begun to yield significant results. Six rural communities are now actively engaged in navigating the intricacies of the planning and development process under his guidance. These diverse projects range from the construction of a community center on the Cheyenne River Reservation to the establishment of a library and commercial kitchen in Garysburg, North Carolina. Each community facilities endeavor is tailored to address the unique needs of a rural community, thereby fostering growth and progress.

"I am excited to lead this new venture at HAC," says Jon. "Bringing people together is the heart of this work. Community facilities and civic spaces act as hubs for all types of connection and make every town a better place to call home."



CREATIVE PLACEMAKING

Collaboration to overcome each community's greatest challenges

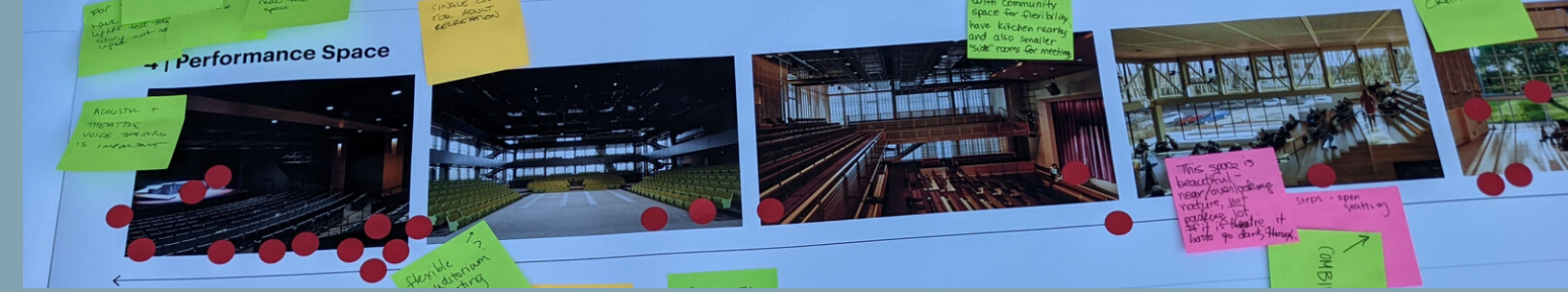
Placemaking is a cornerstone for community-building. It fosters meaningful connections among individuals, stimulates economic growth, and facilitates innovative solutions to various community challenges. That is why in 2022 HAC expanded our work helping rural America harness the power of placemaking.

In 2022, HAC joined USDA's Rural Placemaking Innovation Challenge (RPIC). As part of this program, HAC established a cohort of ten rural communities that will benefit from 15 months of comprehensive capacity building support, facilitated connections to a peer cohort, and seed grant funding. This initiative aims to uplift resident-led approaches that unlock the full potential of rural America, inject vibrancy into neighborhoods, and make communities appealing and engaging.

To lead this new cohort, HAC welcomed Community Placemaking Program Manager Hillary Presecan. With more than a decade of experience working with indigenous communities in the arts, Hillary has grown our ability to support communities as they use placemaking to overcome some of their greatest challenges. "Placemaking is all about partnership," Hillary explains. "My job is to help rural communities bring people together around a shared vision for a better future."

Our expanded focus on placemaking also includes the Citizens' Institute on Rural Design (CIRD)—a leadership initiative of the National Endowment for the Arts in partnership with HAC that enhances the quality of life and economic vitality of rural America through planning, design, and creative placemaking.

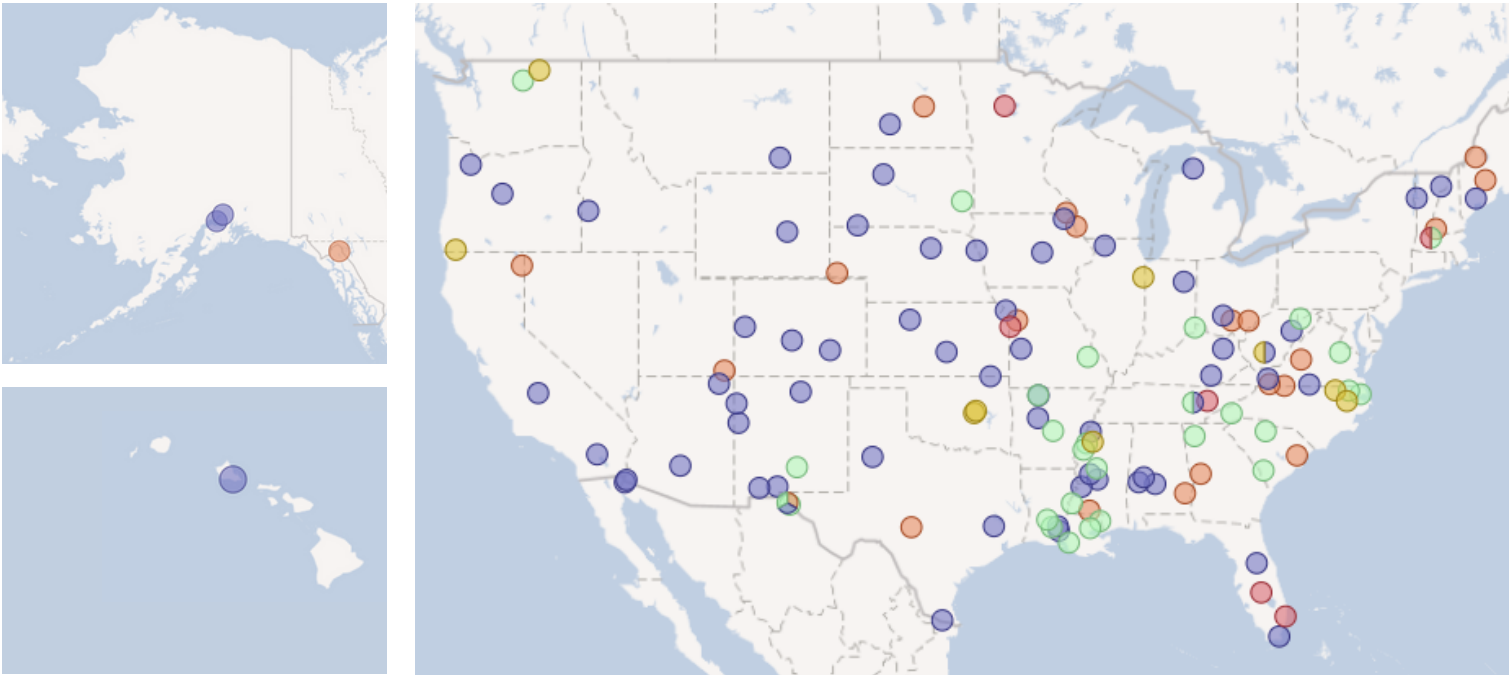




In 2022 CIRD hosted Local Design Workshops in three rural communities. From a revitalized fish market to a downtown arts corridor, local leaders and stakeholders worked with CIRD to collaboratively design solutions for their specific communities. Now, HAC can even more deeply engage these communities as well as those in CIRD’s Design Learning Cohort.

"Placemaking and housing work together to cultivate resilient families and communities," explains Shonterria Charleston, HAC's Director of Training and Technical Assistance. "Placemaking spans economic, educational, and social realms. It helps make communities more desirable places to call home and is a valuable complement to our work in affordable housing."

Technical Assistance, CY 2022

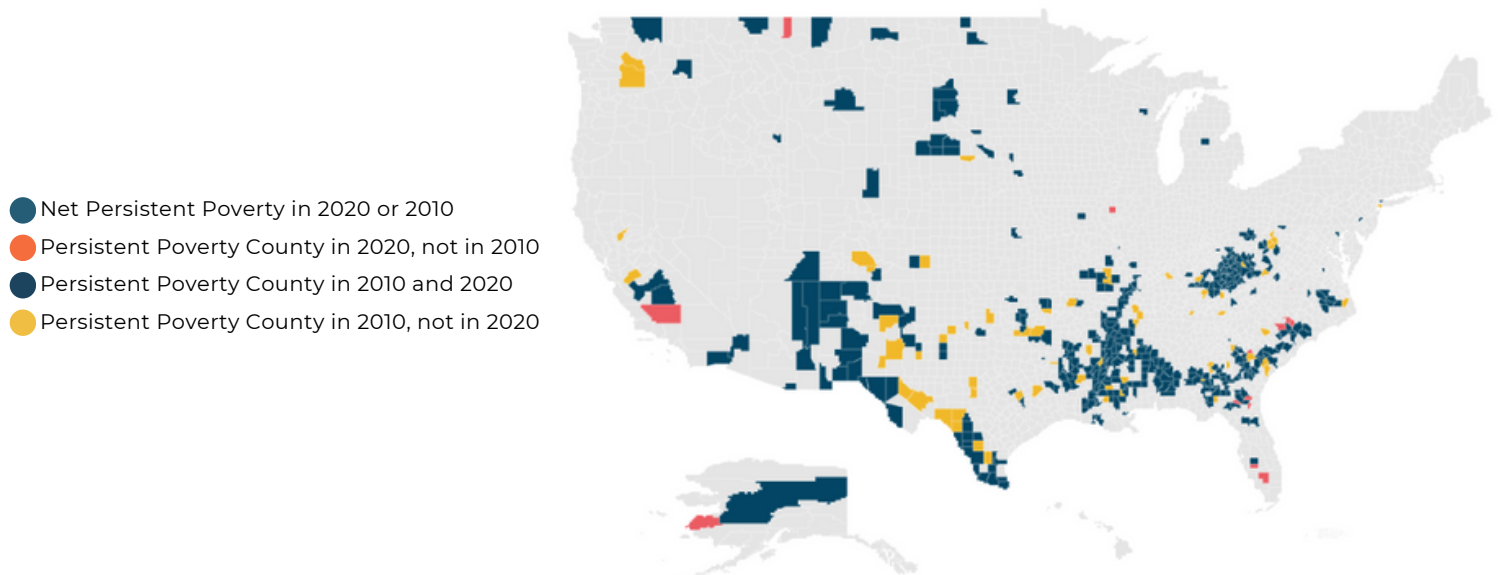


- Citizens Institute on Rural Design
- Rural Capacity Building
- Rural Community Development
- USDA 515 MHTFA
- USDA CFTAT

132
ORGANIZATIONS SUPPORTED
WITH TECHNICAL ASSISTANCE

INFORMING RURAL AMERICA

Change in Persistent Poverty Counties, 2010-2020



Source: Housing Assistance Council Tabulations of the U.S. Census Bureau's 1990, and 2000 Census of Population and Housing, and 2006-2010 American Community Survey, and 2016-2020 American Community Survey.

USDA Section 515 Property Exists, 2016-2021



Source: Housing Assistance Council tabulations of USDA Data

HOUSING RESEARCH

Informing strategies and solutions to complex housing issues

HAC is frequently consulted by public and private entities for insights into housing conditions, issues, and solutions. Congress and federal agencies such as HUD, USDA, the U.S. Treasury, and the Federal Housing Finance Authority, among others, regularly engage or consult with HAC on issues of housing research. HAC's researchers have developed a broad expertise and library on hundreds of topics and issues relevant to rural Americans and their housing.

HAC also strives to deepen research and understanding of both emergent and long-term issues that particularly impact rural America. For example, the nation's substance use disorder (SUD)-opioid use disorder (OUD) crisis has devastated parts of rural America, so this year HAC conducted much-needed research on housing as an element of recovery.

At the same time, HAC renewed research on a long-term concern, land tenure issues that constrain some rural households' wealth, equity, and sustainability. We are focusing specifically on the challenges and solutions to heirs' properties – land and homes whose residents do not have clear title because their property has been passed through generations of owners who could not access formal estate planning and died without wills – in often-overlooked communities of color.

The work on both SUD-OUD and heirs' property is led by Natasha Moodie, who joined HAC in 2022 as a Research Associate. But Natasha is not a new HACster. For the prior 11 months she served at HAC as a Stevenson Fellow in the Applied Community and Economic Development Program through Illinois State University. Natasha developed a deep appreciation for rural America during her Teach for America commitment and subsequent years living and working in the Rio Grande Valley of Texas. Her academic thesis focused on equity in the housing market.

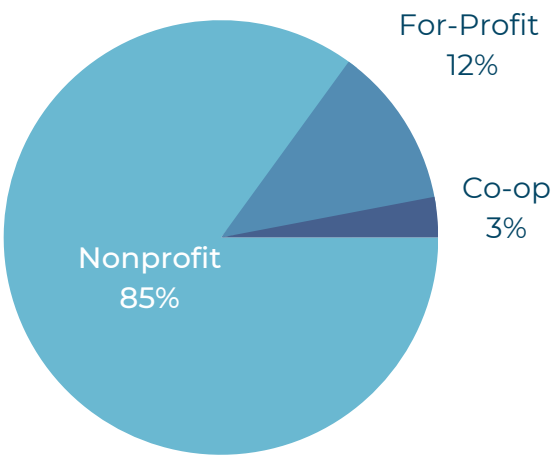




INVESTING IN RURAL AMERICA

HAC Borrowers

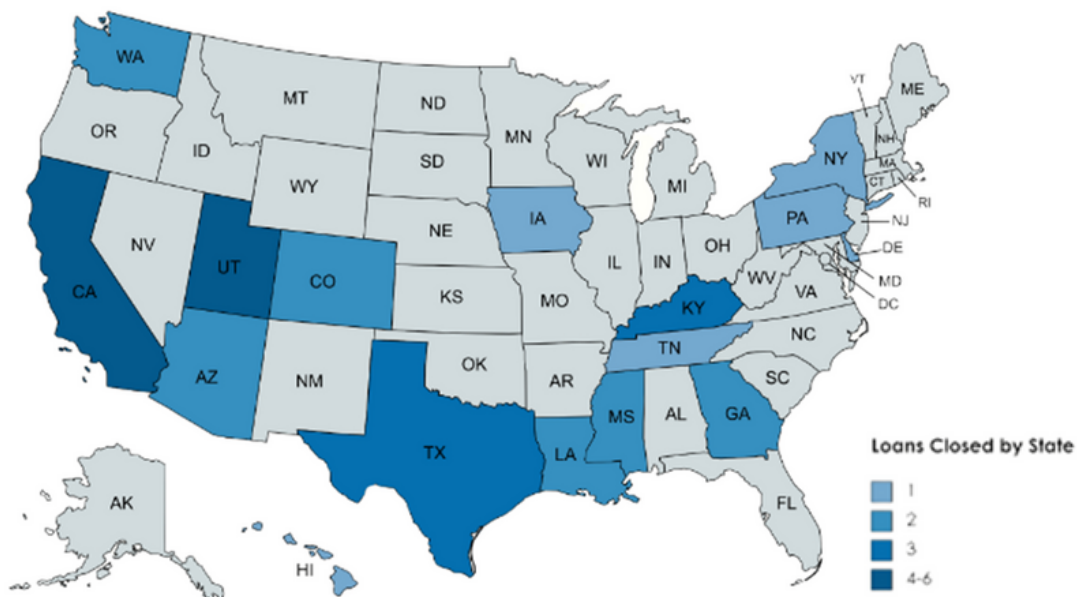
Loans Closed, FY 22



**\$115.4
MILLION**

**OF LEVERAGE FROM HAC'S
\$16.7 M INVESTMENT IN RURAL
COMMUNITIES**

Loans Closed by State



AFFORDABLE HOUSING PRESERVATION

Keeping rental homes affordable for decades to come

While the decline in affordable housing poses a risk to renters and communities, financial and technical resources are sparse for local organizations working to bridge the gap.

Since its inception in 1963, USDA Section 515 has financed nearly 28,000 rental properties containing over 533,000 affordable apartment units in small towns and rural communities. However, no new USDA direct-financed rental housing has been developed in years, and the existing properties are increasingly losing their affordability provisions. In addition, the remaining units have accumulated a backlog of necessary repairs and renovation totaling more than \$6 billion.

In 2022, HAC research highlighted the implications of Section 515 loss: tens of thousands of residents—of whom two-thirds are elderly or disabled—could lose their rental assistance over the next decade. That's why we are committed to working with rural communities to preserve existing Section 515 homes.

Last September, Ainsworth Thompson joined HAC as our newest loan officer. In this role, Ainsworth helps nonprofits navigate the financial challenges of supporting USDA Section 515 multifamily properties.

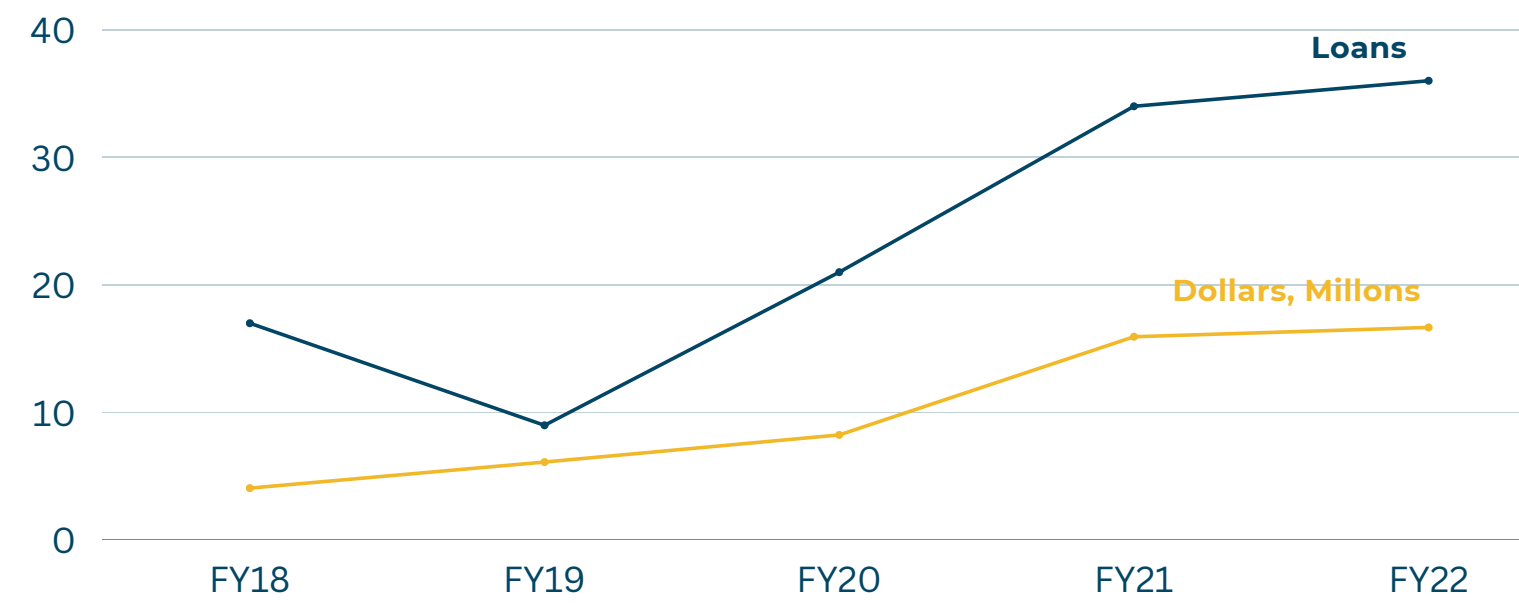
Ainsworth joins the organization with prior work developing loans and underwriting for multiple housing nonprofits—he understands how to design lending that enables rural nonprofits to preserve Section 515 homes.

His role is a sign of major growth for the HAC Loan Fund, which has increased its lending to rural communities (including historically excluded communities) and will now provide technical assistance to secure the success of HAC borrowers.

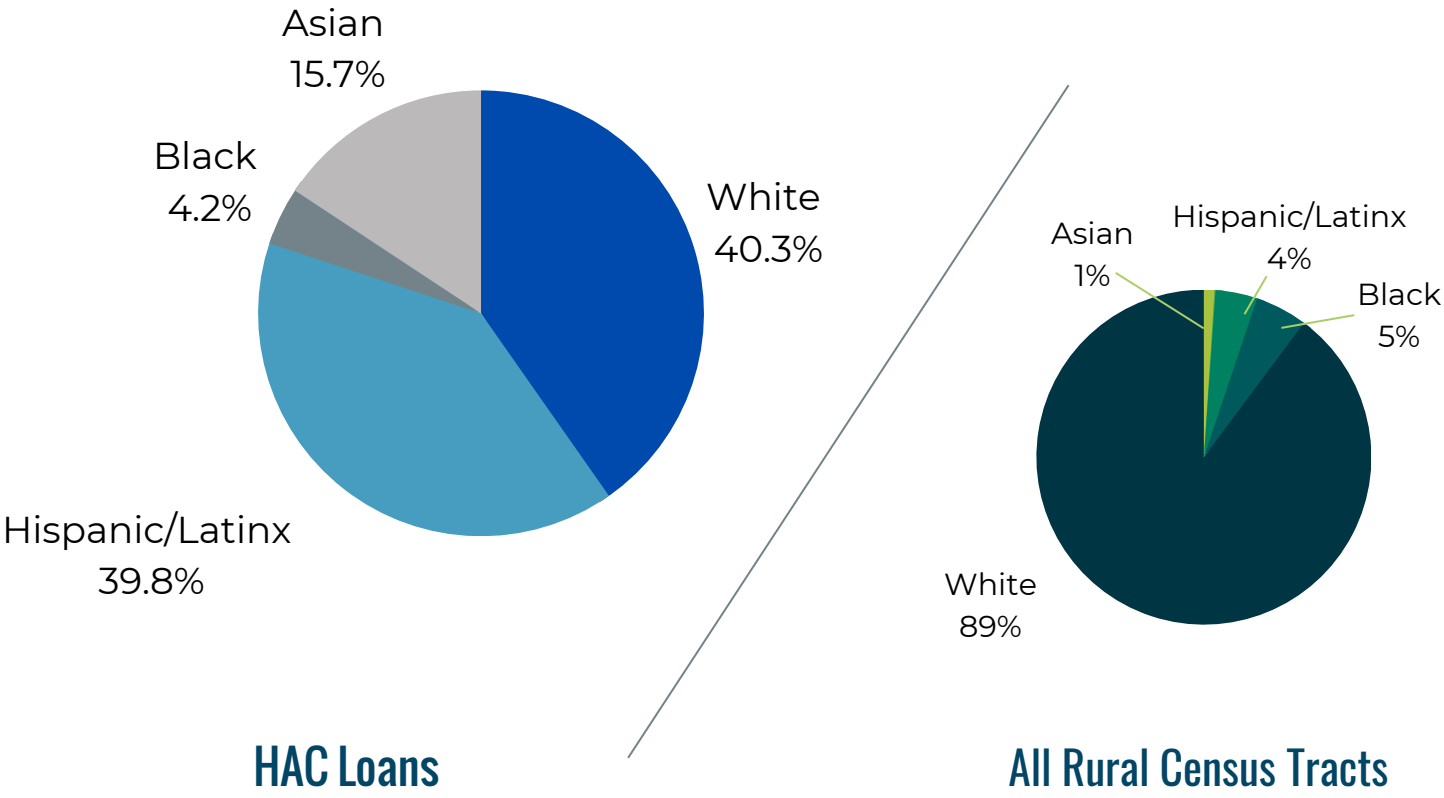


Overall Lending

From Fiscal Year 2019 to Fiscal Year 2022 (Loans Closed)



Homes in Majority-Minority Census Tracts by Race/Ethnicity





ADVOCATING FOR RURAL AMERICA

POLICY LEADERSHIP

Enhancing our position as "the voice of Rural America"

In the housing and community development sector, HAC is known for being the “voice of Rural America.” HAC has spent more than 50 years creating a body of research, influencing public policy, and leading thought on rural poverty and housing issues. However, until recently, policy was not a formal line of business of the organization. That all changed in 2019 when HAC’s board of directors approved a new strategic plan, elevating policy as a formal line of business with a defined budget. Additionally, HAC’s CEO, David Lipsetz, recognized that properly staffing HAC’s policy work was critical to deepening HAC’s position as the leading authority on rural housing and community development policy.

In March 2022, Jonathan Harwitz joined HAC as our first Director of Policy. Jonathan had previously served as Director of Housing Community Development and Insurance Policy for the House Financial Services Committee and Managing Director of Federal Policy and Government Affairs at the Low Income Investment Fund, a large national Community Development Financial Institution.

HAC’s policy team quickly got to work, focusing on issues identified in the organization’s 2022 Policy Priorities, including increased funding for rural capacity building programs, improved access to capital for rural communities, and expanded preservation of rural rental housing.

Just two months later, Jonathan and the team saw some significant wins. The team was actively



involved with Senators Mike Rounds (SD) and Tina Smith (MN) in the organization of a Senate subcommittee hearing on rural housing with USDA Undersecretary Xochitl Torres-Small. And HAC's Director of Research and Information, Lance George, testified before the House Appropriations Committee on the important role manufactured housing plays in rural affordable housing. Following that session, Congress included \$225 million for a new manufactured housing improvement and financing program in the FY23 appropriations bill.

"HAC has a well-earned reputation as the 'voice of rural America.' I'm proud that we used that voice to advocate successfully for game-changing federal investment in affordable housing for rural communities," Harwitz explains.

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.





HAC STATEMENT OF FINANCIAL POSITION

September 30, 2022*

ASSETS

Cash and cash equivalents	\$ 1,348,340
Investments	20,516,149
Grants and contributions receivable	938,515
Contracts Receivable	37,048
Loans receivable, net	32,710,453
Interest receivable, net	491,733
Prepaid and other assets	74,195
Land held for resale	108,801
Furniture and equipment	125,789

Total Assets **\$56,351,023**

LIABILITIES & NET ASSETS

Liabilities

Accounts payable	\$ 358,003
Accrued and other expenses	410,930
Notes and bond payable	16,658,386
Lines of credit	1,000,000
Deferred rent and lease incentive	358,123

Total Liabilities **\$18,785,442**

Net Assets

Without donor restrictions	\$17,256,268
With donor restrictions	20,309,313

Total Net Assets **\$37,565,581**

Total Liabilities and Net Assets **\$56,351,023**

*Audited

INVESTORS & DONORS

Organizations

American Express
Bank of America
Capital One Bank
Fannie Mae
Federal Home Loan Bank
System
The Home Depot
Foundation
Home Missioners of
America
Melville Charitable Trust
Morgan Stanley
National Endowment for
the Arts
NeighborWorks America
Northern Trust
Opportunity Finance
Network
The Seed Fund
Self-Help Enterprises
Sisters of St. Francis of
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U.S. Department of Housing
and Urban Development
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Treasury – Community
Development Financial
Institutions Fund
U.S. Small Business
Administration
Wells Fargo
Woodforest National Bank

Individuals & Trusts

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Laura Buxbaum
Peter and Cathy Carey
Robert Crites
Catherine Crosland and
David Lipsetz
Jeff Crump
Andrew Dumont
Sadie Gannett
Anne Johnson TTEE
Uwe and Karin Klusmann
Moises and Teresa Loza
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Picardi
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HAC

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