

**LINKING RURAL HOUSING
AND SOCIAL SERVICES:
CASE STUDIES**

HOUSING ASSISTANCE COUNCIL

Meeting the social service needs of low-income tenants or homeowners in rural areas poses special challenges. Few social service providers exist in these areas, and many rural communities lack the capacity to design and attract program resources. This report describes eight local rural programs through which housing development and social service organizations have successfully connected permanent housing with such social services as job training and placement, welfare and other income maintenance programs, and health care, among others.

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HAC, founded in 1971, is a nonprofit corporation which supports the development of rural low-income housing nationwide. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, research and demonstration projects, and training and information services.

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INTRODUCTION

Purpose and Background

While improved housing is critical to the health, safety and personal well-being of rural, low-income residents, housing improvement alone is not a panacea for the rigors of being poor in rural America. This study will examine some of the ways in which rural housing development and social service organizations are attempting to combine permanent housing with such social services as job training and placement, welfare and other income maintenance programs, and health care, among others, for the benefit of both low-income tenants and low-income homeowners.

Organizations in rural America attempting to address the physical housing needs of their clients find that meeting their social service needs poses special challenges: few social service providers exist in these areas, and many rural communities lack the capacity to design and attract program resources. Closing the social service gap is essential to the long term stability of the rural housing stock, and to the full integration of assisted housing clients into their communities. In communities where social service oriented organizations do exist, stabilizing a family or individual in decent, affordable housing may be difficult because the delivery system for such housing may not exist. Rural communities have benefited over time from the insights, risk taking and creativity of players on both sides of this housing/social services equation.

How they attempt to close the gap varies. This report has chosen to call the confluence of resources the “housing/social services nexus.” There is nothing unique about the concept of incorporating one with the other. In fact, the combining of the two is firmly embedded in federal policy. The McKinney Homeless Assistance Act of 1987 made this connection with enactment of the Supportive Housing Demonstration, which, in 1992, merged with the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) Program. The emerging program—Supportive Housing—linked dollars for housing to the availability of social services, on or off site, that are considered appropriate to the population being served. Rather than requiring a specific type of housing (emergency shelter, transitional, permanent), the program enabled localities to decide what was appropriate in their communities and for their clients’ needs, but required that social services be available to ensure successful tenure in the housing chosen and, if appropriate, services that would enable the resident to move eventually into unassisted housing.

Family Self-Sufficiency, another HUD program, provides a direct incentive to participating Public Housing Authority tenants and Section 8 certificate or voucher recipients who pursue supportive services that encourage upward mobility. As the participant's income increases, thereby increasing the amount of rent that must be paid, the increase is put in an escrow account that is given to the resident when he or she graduates to non-assisted housing. These programs, and HUD's core policy announced in 1994 by President Clinton—"continuum of care," which encourages communities to plan and make the necessary connections with services that will lead to a person's progression from shelter to transitional to permanent housing—all immerse federal policy in the housing/social services nexus. Although there may be some dispute about the results,¹ and clearly some concerns on the part of rural states and communities about their ability to compete for program resources,² the current direction of many rural organizations appears to be in combining housing and social services to promote the stability or upward mobility of their clients.

There are many differences between how these organizations and similar organizations in urban areas might achieve this nexus. For the most part these differences result from the geographic isolation of many rural communities, the small populations that defy economies of scale, and the resulting lack of local services. In an August 1996 "Evaluation of the Service Coordinator Program," a program that funds a service coordinator staff position for the frail elderly and for persons who are disabled to allow them to continue living in a noninstitutional setting, HUD Assistant Secretary for Policy Development and Research, Michael Stegman, noted that for "those in more rural and isolated areas, the service coordinators' ability to perform their responsibilities were severely limited. Furthermore, their ability to obtain the required training was hampered by their geographic location."³

¹ An evaluation performed by the Vanderbilt University Institute for Public Policy Studies of the "Homeless Families Demonstration," a joint project of HUD and the Robert Wood Johnson Foundation, questions the role of social service provision in maintaining the housing stability of homeless people once they have secured housing through the Section 8 program.

² Some observers believe that the 1996 Continuum of Care needs formula and ranking process provided a fair distribution of funding that enabled rural communities and rural states to compete; however, changes in the program issued on June 3, 1997 may have undermined this fairness by emphasizing renewals of current projects possibly at the expense of new projects that offer increased geographic diversity.

³ *Evaluation of the Service Coordinator Program, Volume I: Study Findings* (prepared by KRA Corporation, Silver Spring, Maryland, for the U.S. Department of

Being poor and living in a rural community often means that public transportation might not exist to get you to a place of employment, to a mental health counselor, to a hospital, or even to an emergency food provider, and you cannot afford to own and operate a car. Being poor and living in a rural community may also mean that when the local mine closes down or the manufacturing plant moves to another state or country, and the welfare department says your benefits are time limited so you better find a job, but the only jobs available are part-time, minimum wage, with no benefits at the local factory outlet, your options are limited. One of the organizations interviewed for this report noted that there were about 1,200 persons in their target area receiving public benefits, but with welfare reform legislation enacted in 1996 requiring most beneficiaries to work, there simply are not that many jobs to be found at any level of pay.

In 1995, USDA's office of Rural Economic and Community Development (RECD), now known as Rural Development,⁴ organized four regional conferences on rural homelessness. These meetings were intended to inform policymakers of the extent, conditions, and responses to what was perceived as an almost invisible problem. Although the case studies that follow focus primarily on a housing/social services nexus intent upon keeping people *in housing*, the genesis for some organizations' activities was a response to rural *homelessness*, which is a continuing issue in most rural communities. RECD "listened" to advocates, program administrators and the homeless or people who at one time were homeless. What the policymakers heard is relevant to this study:

Although many rural communities have become adept at helping homeless people through active networking among service agencies, these agencies, serving large areas and dispersed populations, are typically over-extended. Rural-area homeless shelters are rare, as are transitional housing and job training opportunities. Jobs, even when available, are likely to be low-wage, lacking benefits and security. Joblessness in many rural areas remains high—and with industries in many metropolitan areas continuing to "downsize," rural people who had previously

Housing and Urban Development, Office of Policy Development and Research, August 1996).

⁴ Rural Development is a mission area within the U.S. Department of Agriculture that includes three agencies, one of which is the Rural Housing Service (RHS). Rural Development and RHS administer the rural housing programs formerly overseen by the Farmers Home Administration (FmHA).

outmigrated to urban jobs are returning, adding to the rural surplus of employable but unemployed people.⁵

On the more positive side, what RECD cautiously termed an “advantage” is the sense of community and personal service that people in need might receive in rural communities. The report noted that responses to need tend to be “personal and informal, even when a service agency is involved.” In many instances, the people providing assistance are well known to the people in need of assistance. Moreover, “service providers have long histories of referring back and forth to staff in other agencies whom, again, they have known all their lives.” And linkages are common, and informal, to churches and unofficial sources of assistance.

In this environment of isolation, poverty, and often stagnant economies, there are organizations that are meeting the challenge of providing housing and the services clients might need not only to retain their housing, but to lead healthy and productive lives.

The Case Studies

Some rural housing development organizations, such as Community Action Agencies, may already be social service providers and, therefore, should be able to refer their clients to needed resources within their own agency. Some migrant health clinics, reacting to the health needs of persons living in overcrowded, poorly ventilated and poorly wired units, and where sewage may be sitting above ground and water sources contaminated, became developers of housing as an antidote to these unhealthy conditions; here, too, in-house referrals for housing or health services can be made. More mainstream rural housing developers—those that traditionally only build or remodel and, in some instances, manage housing—have developed linkages with social, health and other types of social service organizations in order to address both immediate and long term needs of their housing clients. Some provide within their housing developments actual space for social services, including child care, Head Start, and English as a Second Language (ESL) classes, and may even have staff on board who make referrals or do more intensive case management.

The case studies are presented in the following order: first, organizations that started as health or social service providers and incorporated housing later

⁵ *Focusing on the Needs of the Rural Homeless: A Report on the Findings and Implications of RECD's Rural Homelessness Conferences* (Rural Economic and Community Development, U.S. Department of Agriculture, January 1996).

(Hazard/Perry County Community Ministries through Quitman County Development Organization); second, organizations that started as housing providers and incorporated social services later (People's Self-Help Housing [Kentucky] through Rural California Housing Corporation).

Each case study is similarly organized: the "environment," briefly describing the geographic area served, the economic conditions of the area, and the targeted population; the "organization," providing some history and purpose; the "housing/social services nexus," describing what the organization does in each field and how these services are combined; "organizational impact," noting what changes in fundraising, staffing, and focus result from combining housing and social services; and "community impact," discussing what differences the organization's efforts have made in their target community and whether alternatives exist.

Key Findings

These case studies represent only a small fraction of the 800 or so rural organizations that the Housing Assistance Council alone has identified as providing some level of rural housing assistance,⁶ so it is not possible to draw conclusions regarding the rural housing/social services nexus from this report only. Still, though the organizations presented are separated by thousands of miles, and have distinct community histories, cultures and geography, more often than not they offer similarities in the issues affecting their work and the approaches chosen to address these issues.

The Environment

Most of the case studies feature areas hard hit economically in recent years, as well as some suffering from long term economic decline. Loss of traditional employment opportunities—mines, lumber operations, manufacturing plants—is typical. Also typical is the replacement of jobs in these industries, *when* replacement occurs, with low paying, seasonal, and zero benefit jobs. Even in thriving agricultural areas, workers receive low wages and, generally, no benefits. This economic environment is particularly troublesome as federally mandated welfare reform becomes reality in rural America. Both social service and housing organizations are finding job development a key factor in continuing to improve the lives of their clients. In some instances, that job development has occurred within their own organizations.

⁶ See Housing Assistance Council, *Directory of Rural Housing Organizations* (Washington, DC: Housing Assistance Council, 1998).

Another similarity in these organizations' "environment" is the geographic isolation of many of their communities, and the impact this has on access to social services that might stabilize their clients. Public transportation, for example, generally does not exist, and many rural, low-income households do not own cars. Getting to a town where services are provided is a challenge for the rural poor, and even getting around town (for child care, health services, adult education, or employment training) may be a daunting task without the use of a car or public transportation.

The Organization

All of the organizations interviewed for this report share similar objectives of achieving social justice for disadvantaged, underserved, basically needy people. Also, each of the organizations made changes in its operation and structure over time to respond to the changing or newly assessed needs of its clients. For example, recognizing that their communities offered residents of emergency shelters no alternative housing, some of the organizations began building the alternatives: transitional housing, permanent rentals and homeownership units. Or, when it became clear that housing tenants or homebuyers could not stabilize their lives without further education, health care, day care or job training, many of the organizations began pursuing these services, making them available to their clients through referrals or on-site.

The Housing/Social Services Nexus

HUD refers to the "continuum of care," which incorporates the range of services needed to successfully move people from shelters to permanent housing. Most of the organizations in the case studies have either deliberately or less consciously created their own continuum, offering community residents the opportunity to gain greater independence in their housing situation. Most incorporated the housing or the social service function into an ongoing social service or housing operation. There are some exceptions. Hazard/Perry County Community Ministries (H/PCCM), for example, decided after developing some housing to create a completely separate entity to continue developing the housing that H/PCCM might purchase, lease or only operate. This allows the organization to carry out its fundamental social service operation without engaging staff in complex housing development tasks. Delmarva Rural

Ministries, Inc., while serving as owner and manager of housing, collaborates with a technical assistance provider to actually develop the housing.

Most, not all, of the organizations are their *communities'* focal point for certain social services, whether or not the person in need of help resides in the organization's housing. These services might be provided directly by the organization's staff, or in classes or at facilities hosted by the organization.

Another similarity among the organizations is the difficult experience many had in competing for or successfully using federal programs that combine housing with social services. The Family Self-Sufficiency program, for one, requires that supportive services be provided by local service providers, yet the community in which the participants find housing may not have the services available.

All of the organizations offering homeownership housing as a choice also offer or insist upon homeownership counseling as a way not only to screen out applicants who may not be ready for this responsibility, but also to ensure that the homebuyer obtains the knowledge and skills to ensure long term ownership and maintenance of the housing.

Organizational Impact

For most of the organizations, pursuing the housing/social services nexus has meant some philosophical and structural changes within the organization and, except for the lone community action agency, all have had to either find new sources of funding to accomplish this nexus, or redefine what staff currently does to incorporate new tasks. Most have done both. For several of the organizations, the Community Housing Development Organization (CHDO) provision of the National Affordable Housing Act of 1990 has been critical to their success. So has the use of primarily federally funded volunteers, including those from AmeriCorps and VISTA.

Community Impact

These organizations have had substantial impact in their communities. Most of them are fulfilling a role or roles within their respective communities that no other organizations or combinations of organizations fulfill. They are making concrete changes in the lives of the rural poor, and they are staunch advocates of this otherwise unserved population.



There are two appendices to this report. A glossary is included to identify some of the housing and social service jargon. Also, although there is little literature in this area of study, particularly as it relates to rural communities, some references are listed.

Since telephone interviews to obtain the case studies were lengthy, and the interviewees especially generous with their time and insights, acknowledgment of each of them is important. They were Gerry Roll, Hazard/Perry County Community Ministries; Scott McReynolds, Housing Development Alliance; Machel Poier and Carol Elkins, Northwest Montana Human Resources; Debra Singletary, Delmarva Rural Ministries, Inc.; Bernard Handy, Quitman County Development Organization; David Kreher, People's Self-Help Housing (Kentucky); Neil Essick, Milford Housing Development Corporation; Jeanette Duncan, People's Self-Help Housing (California); and Marta Erisman, Rural California Housing Corporation. In addition, Clanton Beamon, Delta Housing Development Corporation (Miss.), and Mike McCauley, Southern Maryland Tri-County Community Action Council, provided considerable information about their organizations that provide alternatives to the case studies found in this report. Alan Dahl, Homeless and Housing Coalition of Kentucky; Joe Meyer, NCALL Research, Inc.; and Dave Lollis, Federation of Appalachian Housing Enterprises (FAHE) were most helpful in identifying specific organizations for consideration.

CASE STUDIES

Hazard/Perry County Community Ministries and the Housing Development Alliance (Kentucky)

The Environment

In the heart of Appalachia, Perry County, Kentucky (population 30,000) still recognizes coal as “king,” but one in his declining years. Coal mines close each year, reducing employment by 200-400 jobs. Hazard, the county seat and a community of 4,800 residents, helps balance some of the loss of coal-associated jobs with those in the health care professions. Serving as a rural health center established by the University of Kentucky, in part to serve the many health needs of coal mine workers and their families, the community offers a four-year Registered Nurse (RN) program. There may be more graduates than local jobs, particularly since some local people are being trained in the health care professions away from Perry County and are returning in search of jobs. Whereas mostly women are being trained as nurses, local men are seeking training in physical therapy and radiography.

Elderly individuals and families are abundant in this area, and these are people who lived their entire lives in the county more than retirees returning to their roots. Younger people still mostly move away for college and other

opportunities and do not return to the county. Single-parent, male heads of households are common, but so are two-parent households; minorities are not. Hazard/Perry County Community Ministries (H/PCCM) estimates that about 17 percent of the people it serves are minorities. A growing minority population in the area is East Indians, mainly foreign born health care workers doing community service work to further their entry into the U.S. medical professions.

Perry County's economy is diversifying but, at the same time, many jobs are being lost. This is of particular concern as welfare reform measures begin to take hold. It is estimated that about 1,200 families in Perry County are on cash assistance and will need to seek work as their benefits disappear. The area, however, does not offer 1,200 jobs that pay a liveable wage and benefits. H/PCCM already is planning to increase its day care facility capacity, now at 175 children under six years old, 80 between six and twelve years, and 18 elderly, so that the parents (or, in the case of elderly day care participants, their adult children) can work or perform required community service. A fragile economy, as well as the county's rural isolation, contributes to the continuing need for the services of the Hazard/Perry County Community Ministries and its partner, the Housing Development Alliance.

The Organization

In the early 1970s, women in the Methodist Church participated in a "prayer and self-denial offering" that raised money to create ten community ministries nationwide. One of these was Hazard/Perry County Community Ministries, founded in 1972 with seed money from the Methodist Church. Responding to immediate and local needs, the ministry started with a food pantry and a crisis aid fund for such items as emergency hotel costs, bus transportation and payment of electric bills. A community developer was hired to perform a needs assessment, leading to the establishment of a 60-child day care center in 1980. The center, in addition to providing much needed assistance to the community, also made some money. In 1990 this enabled the broad-based, church-oriented board of directors to hire its first and current executive director and respond to a growing need—that of homelessness—as well as to expand the day care center, which, according to the ministry's director, was "bursting at the seams."

H/PCCM opened a homeless shelter in Hazard in 1991. Although this building provided immediate assistance to its residents, the board of directors began considering what to do with shelter residents once they were at less risk of returning to homelessness. Transitional housing with case management services became the next step in what eventually became the organization's

own concept of a “continuum of housing.” During these same years, the Appalachian Service Project was bringing volunteers into the area to do home repairs, then opened a year-round project in Perry County to do both rehabilitation and some new construction work. The Project was not perceived as a locally based group, and it had difficulty establishing roots and gaining the community support that would enable it to flourish.

In response to the lack of permanent housing development, the Community Ministries became a Community Housing Development Organization (CHDO) and immediately began the incorporation of the Housing Development Alliance (HDA), an organization devoted to housing development rather than social services. Although there is limited overlap in board membership (the H/PCCM executive director, for example, is on the HDA board), the organizations share office space, often collaborate on grant writing, provide their resources as leverage for each other’s projects, and clearly see their operations as part of the “continuum” of housing that Community Ministries fostered. The HDA hired its own director in 1993 and, while the HDA became the housing developer, H/PCCM retains ownership of rental units requiring social services, such as transitional housing; rental and homeownership units that do not incorporate ongoing social services are owned by the HDA.

The Housing/Social Services Nexus

Both Hazard/Perry County Community Ministries and the Housing Development Alliance have developed, owned and operated housing within their shared target area. What has changed since the founding of the HDA is that the physical development of housing now is performed by the HDA for both organizations, but the ownership and operation of the housing is vested in the most appropriate entity: housing with incorporated social services in H/PCCM, and housing without incorporated social services in the HDA. Community Ministries recognizes that many of the services it provides are for the community at large, since alternative social service providers do not exist. Consequently, HDA tenants and homebuyers who find themselves in need of help (child care, emergency assistance, food, counseling) will gravitate to the H/PCCM. There are no barriers to help based on who owns the housing.

What does each of these organizations provide to the community? Hazard/Perry County Community Ministries began as a social service provider, eventually developing some emergency and transitional housing resources in an area where no other organization was providing them. Apparently recognizing the complexity and time involved in developing housing, the H/PCCM board opted to create a new entity to focus on housing development exclusively, yet one that would be a full partner in improving the lives of

H/PCCM clients. As mentioned earlier, the decision was made that the Housing Development Alliance would be the housing developer, but ownership and/or operation of the units developed would depend on whether social services were directly provided to the development's residents by the H/PCCM. Therefore, Community Ministries continues to operate a 20-bed shelter it leases at no charge from the HDA, which acquired it from H/PCCM with a HOME grant. It is also providing social services to teenage parents living in a new construction project called New Chance Housing, which is part of a welfare reform effort that includes counseling from the local community college intended to prepare the residents over a five-year period for homeownership. Both facilities enable residents to stay for up to several years, if necessary, but the shelter may provide emergency housing assistance, too.

In addition to this direct involvement with housing for its clients, the H/PCCM provides day care services for children and elderly adults, enabling their parents and the adult children of the elderly to work. H/PCCM staff find that the day care allows them to identify and work on a range of problems the families may be experiencing, including unemployment, budgeting, mental and physical health issues. With start-up funding from the federal Department of Health and Human Services, H/PCCM created the Family Support Center that currently provides case management services to about 50 families. Through the Kentucky Housing Corporation, some families receive vouchers to obtain private rental housing but must also receive social services. In many rural areas, these services are not available, thereby making the vouchers unusable. The Family Support Center can provide these services for families in their service area, although it has been difficult for families with vouchers to find rentals that meet the program's housing quality standards. Hazard only recently adopted the state building code and now has a city building inspector who can determine whether a unit does meet the required standards.

Using AmeriCorps volunteers, the Housing Development Alliance began, in 1993, to perform minor repair and weatherization work in Perry County. More recently, professional carpenters were involved to complete repairs on four homes funded by the Rural Housing Service's Section 504 program, and to begin building new homes. With financing from the Federation of Appalachian Enterprises (FAHE) and local banks, the HDA has raised about \$600,000 in mortgage funds to finance the development of ten new homes, of which two are completed. The HDA also is the recipient of Self-Help Homeownership Opportunity Program (SHOP) loan funds from the Housing Assistance Council to begin the development of 12 new homes incorporating the "sweat equity" of

the homebuyers.⁷ In partnership with FAHE and Habitat for Humanity, four new homes also were to be constructed in 1997 for low-income families. All of these new homes are the final step along the continuum of housing that the HDA and H/PCCM have designed.

Since many families still remain in transition, not yet ready for homeownership, at the time of this research the HDA was involved in two rental developments: a ten-unit single room occupancy (SRO) building that the HDA has acquired and will rehab, and the acquisition of a ten-unit building to provide two- and three-bedroom units for families. The first development will be retained by the HDA, and although social services will be available, they will not be mandatory for the residents. The second development will be turned over to the H/PCCM to manage and to provide services through a Supportive Housing grant.

Organizational Impact

The Methodist Church provided seed money to start the Hazard/Perry County Community Ministries, but it was run by volunteer staff. The day care program eventually raised enough revenue over expenses to enable the organization to hire an executive director and to expand upon its efforts to match resources with assessed needs. Although the organization produced some housing, its recognition of the complexity and time demands of housing development coalesced after the enactment of CHDO and HOME legislation. These new resources enabled the Community Ministries board to create a separate housing development corporation, the Housing Development Alliance. In essence, this off-shoot of H/PCCM would enable both organizations to focus on what each could do best, yet their close ties would foster activities providing a comprehensive response to community needs.

Two organizations, where once there was only one in a small, isolated community, could result in intense competition for dollars. Instead, the organizations have worked jointly on fundraising for projects in which each has a stake: the HDA seeking development or repair funding, the H/PCCM seeking social service funding to support the residents of HDA-developed projects. Moreover, the HDA has leased several of its developments to the H/PCCM at no cost, and the H/PCCM has taken the responsibility of raising funds through federal, state, and local sources, foundations and grass roots efforts to ensure

⁷ For general information about self-help housing development, see Housing Assistance Council, *The Self-Help Housing Development Process in Rural Areas* (Washington, DC: Housing Assistance Council, 1997).

a level of support services that will enable residents to develop the personal resources needed to transition out of the housing that H/PCCM manages.

Like groups throughout the country, each organization must scramble for resources. The HDA has been assisted through CHDO administrative funding and the use of AmeriCorps volunteers. Development technical assistance has been provided by FAHE, and predevelopment and construction/repair funding has come from numerous sources. Yet among Community Ministries' lengthy list of funders, the unique nature of providing social services in an isolated part of rural America is not truly understood.

Community Impact

Perry County is 471 square miles of mountainous terrain, isolated and lacking in public transportation, and home to a declining coal fueled economy. In the past 25 years or so, Hazard/Perry County Community Ministries has taken the lead in defining critical community needs and finding the resources to address these needs. Affordable and decent places to live, at each point on a continuum from emergency shelter through affordable homeownership, clearly ranked high in their community needs assessment, but there was no local building industry ready to meet this challenge. H/PCCM stepped into the void and created shelter, then focussed on finding longer term housing solutions for families who were ready. The only other developer was not locally based, which hurt its chances of gaining community trust. Creation of the Housing Development Alliance, locally operated and situated, helped gather local community acceptance. Together, these organizations are taking a holistic approach to community building, addressing a range of family issues—housing, day care, employment, food assistance, etc.—as if they were one. H/PCCM calls its approach “community based services.” The organization's director neatly sums it up: “if you don't have the services, it doesn't matter what kind of housing is provided because the housing won't solve the family's problems.”

Northwest Montana Human Resources (Montana)

The Environment

The four counties—Flathead, Lake, Lincoln and Sanders—that comprise Northwest Montana Human Resources' target area are mountainous, scenic, isolated and undergoing considerable economic change. Where once timber and mining provided most of the employment in Flathead and Lake counties, tourism, along with lower paying, often seasonal jobs, has taken hold. To

combat the loss of traditional jobs, officials in these counties and Lincoln County are promoting “value-added” manufacturing (for example, transforming logs into wood products rather than shipping the logs out for processing) and some light industry that will not impact the pristine natural environment.

Sanders County’s unemployment rate looms at 17 percent (versus 7 percent in Flathead County), and national media attention has focused on the locale’s growing separatist movement. Sanders is a mostly rural county which, like Lincoln County, is home to a large proportion of elderly retirees. Many working age residents moved out of these counties when timber and mining jobs diminished. In contrast, Flathead and Lake counties have a larger proportion of families in their overall populations, including many single-head-of-household families. These are the areas where alternative, albeit lower paying, jobs have taken hold.

All but Lincoln County contain a Native American minority population, but in Flathead County the highest percentage of minority population belongs to

people of Asian heritage. Many are the descendants of Asian railroad workers with local roots extending to the latter part of the 1800s.

The four county area is reached along two main roads only. The commercial locus of the region is Kalispell, home to Northwest Montana Human Resources, and near enough to fishing, skiing and Glacier National Park to attract a growing tourism industry.

The Organization

Until 1976, the Missoula Human Resources Development Council, a community action agency, staffed a satellite operation covering the area that is now served by Northwest Montana Human Resources (NMHR). Like its parent agency, NMHR is a community action agency providing social and related services to poverty level individuals and families with core administrative funding from the federal Community Services Block Grant (administered by the Department of Health and Human Services). This funding enables the agency to use program funds for program purposes rather than agency administrative needs.

Since the latter part of the 1970s, working in partnership with local governments in each of its four counties, the NMHR has acted as administrator of the Section 8 rent subsidy program for the region. It also provided some advice and support to various housing efforts in the counties, but had never developed its own projects until the City of Kalispell provided a challenge and opportunity. In the early 1990s, Kalispell was in a dilemma: housing prices had skyrocketed as outsiders moved into the area, and the city's vigorous housing rehabilitation program no longer seemed cost effective. The city decided that new housing development was needed for lower-income people who otherwise could not compete in the housing market. HOME funding had become available and Kalispell housing staff recognized the opportunity for partnership with a CHDO. NMHR was approached about working together on a rental development that would serve specific needs within the community.

At this time, the NMHR board of directors saw the increased strain on its clients as more homeless families were appearing and seeking their place on the Section 8 waiting list. A backlog of five to eight years existed and, without new housing development, the wait could increase dramatically. The Board decided to amend the agency's bylaws to make affordable housing specifically a part of its mission, then sought and attained CHDO status. This enabled it to obtain HOME funds for a joint development with the City of Kalispell that

merged the agency's social service experience with the provision of much needed new and affordable housing.

The Housing/Social Services Nexus

Northwest Montana Human Resources, created as a community action agency, operates as a traditional social service agency for its target community: poverty level individuals and families in a four-county area. Employment related services are a focal point for its clients, particularly in response to changes in the welfare system. JTPA and Montana's WoRC welfare reform program provide training and employment opportunities for unemployed or underemployed clients, and the agency operates a microbusiness loan program to encourage client entrepreneurial activities. Typing and computer skills training also are provided through the NMHR, and volunteers are available to provide literacy training. Life skills training (running the gamut from personal hygiene to job interviews to self-esteem classes) is provided to clients, as well as parenting education classes, a requirement for families who have had children removed from the home for any reason. Staff also provide drug and related counseling, and referrals are made for mental health counseling services. Agency staff also will refer needy individuals and families to shelters for persons fleeing violent situations. These services, and others, are available primarily to the poverty level community at large.

As an outgrowth of its social services commitment, the agency also provides a growing range of housing services generated or assisted by NMHR in-house staff. In addition to its long term administration of the Section 8 program in the four-county area, the agency developed its first project in partnership with the City of Kalispell. "The Courtyard" is a 32-unit rental development, in which 16 units of transitional housing are owned by the NMHR, and 16 units of permanently affordable rental housing are owned by the City of Kalispell. The NMHR purchased a portion of the land from the city, and the city provided infrastructure improvements through its CDBG funds. HOME funds were provided to both entities, along with construction financing from the Montana Department of Commerce. Both state and banking entities are providing long term financing, and the city has supplemented some costs with federal UDAG program income. All of the units are managed by the NMHR under an agreement with the City of Kalispell.

The NMHR housing staff also is administering a first time homebuyer program in an expanded target area that includes its four counties as well as Glacier County. HOME, CDBG, the Affordable Housing Program (AHP), Glacier Bank and the Glacier Affordable Housing Foundation are providing downpayment assistance to enable households with incomes no higher than \$21,000 to

purchase homes at costs no higher than their current rental costs. The Montana Board of Housing is providing the mortgage financing at low interest rates over a 30-year fixed term. NMHR provides basic underwriting services and offers a nine-hour homeownership workshop that is a prerequisite to being referred to the participating bank.

NMHR housing staff also have provided technical assistance to private developers seeking to rehabilitate affordable housing; one such development was the restoration of a burned-out hotel to preserve affordable rental housing. Several projects were in the planning stage at the time of this research, including the purchase of up to five “at risk” rental developments. The agency was awaiting congressional action on the Title VI LIHPHRA program to see whether funding would be available to help save these rental developments from certain sale that would result in the displacement of low-income tenants. In the meantime, the agency is seeking other funding through the state, the Low Income Housing Tax Credit, HOME and CDBG.

Even while pursuing housing, social service provision is always a top priority for NMHR. As mentioned, a prerequisite for the first time homebuyer program is participation in the homeownership counseling sessions that help families recognize their stage of readiness for homeownership and identify what changes are needed in their lives to make homeownership successful. Case management is provided and, in fact, required for residents of the 16 units of rental housing owned by the NMHR. Residents meet twice monthly with the case manager, who is located at the NMHR office. If the resident is on welfare, Montana’s WoRC program, a job search and training component that grew out of federal welfare reform, is emphasized. GED classes also are held at the NMHR office, and assistance is provided regarding food stamps. The case manager also will provide budgeting assistance, independent living skills training and help in returning a child to his or her family, if this is an issue.

Residents of the city-owned, NMHR-managed 16 units of rental housing may seek assistance from the case manager, but participation in case management is not mandatory since no subsidies are provided to the tenants. Staff report that these residents do take advantage of the assistance offered.

Organizational Impact

When Northwest Montana Human Resources began its housing development activity in the 1990s it already had a housing staff of two persons whose primary role was to administer the Section 8 program in the four-county area. A staff person was assigned to coordinate the housing development activity with the City of Kalispell, and to develop in-house expertise to further the

agency's housing endeavors. The housing staff now numbers five. Because NMHR is a community action agency, core administrative funding was available through the Community Services Block Grant program, enabling the agency to develop its first project without additional fundraising for staff time. The Courtyard operates on a self-sufficient basis through rental income and federal program funds; the first-time homebuyer program also pays for its own staff time through fees charged, including a fee for homebuyer education classes. The expansion of the agency's housing program, while resulting in increased staff, has not had any financial impact on the agency's budget or its fundraising strategy.

The primary challenge in merging the agency's social service core with the provision of housing has been to resist pressure to favor one over the other when it comes to a decision about an individual household receiving agency assistance. For example, for any rental housing development to maintain its viability, rents must be collected in a timely fashion. Yet a resident's case manager might be acutely aware of that person's or family's financial or emotional stress, which may hinder its payment of rent. The housing side of the agency might say "collect the rent," while the social service side might say "let's give the family time to get on its feet." Some balance has to be struck or the housing development as a whole could suffer. For the most part, the agency attempts to work out a comfortable payment plan, but sometimes has to make the decision that in order to cut possible financial losses, the non-paying resident has to go and another resident be found. This dilemma is handled on a case by case basis, but the potential exists for conflict within the agency.

Community Impact

Although parts of the NMHR target area are becoming a destination for tourists and for new settlers, much of it remains mostly rural and isolated. Northwest Montana Human Resources is the principal provider of social services for the four-county area; other providers are highly targeted, such as Flathead Industries in Kalispell, which focuses on the developmentally disabled population. The network of social service providers is informal and limited. Two small public housing authorities exist within the four-county area providing limited housing assistance. A small number of private developers have built Rural Housing Service (formerly FmHA) Section 515 rental developments, primarily in Kalispell, but funding for this program has all but disappeared. As the Section 8 administrator for the four-county area, NMHR finds that the lack of new rental developments and the consequent competition for existing rental housing limits the utility of the Section 8 subsidy.

A lack of competition in either social service or affordable housing provision thrusts Northwest Montana Human Resources into a prominent community role, creating opportunities for both its traditional poverty-level clientele and households that have low incomes, but are economically stable enough to pursue homeownership. Its homebuyer education program is open to the community at large, and its case management assistance is available to households in other than the transitional housing units. Stimulating the interest of other resources in each of the counties is an agency activity. NMHR holds “in-service” training sessions with agencies in all of the counties, and through its board of directors maintains an informal network of organizations in each of the target counties.

Delmarva Rural Ministries, Inc. (Delaware, Maryland, Virginia)

The Environment

The peninsula area bordered by the Chesapeake Bay and the Atlantic Ocean, and comprised of the entire state of Delaware, and parts of Maryland and the eastern shore of Virginia, is mostly rural and agricultural. Poultry enterprises and agricultural crops vie for workers with similar low wages, although poultry workers generally receive some benefits that the agricultural workers rarely see. Migrant workers dominate the agricultural labor force, and the complexion of that work force has changed dramatically since Delmarva Rural Ministries, Inc. (DRM) began its work in 1978. At that time, the migrant population was mostly African-American, Jamaican and Puerto Rican males. After a sudden and brief influx of Jamaicans in the early 1980s, the black population increased to 99 percent, only to shift dramatically in 1984 to 50 percent African-American and 50 percent Hispanic (primarily Puerto Rican and Mexican) workers. The Jamaican population had settled out into the local communities about that time. By 1997, according to DRM staff, 90 percent of the migrant population is either from Central America, or of Mexican descent, migrating mostly from Florida.

Along with these noted shifts in the makeup of the agricultural work force are related changes in gender and family structure. As the population went from African-American to Hispanic, there was a change from a primarily single male work force to families traveling and working together. Several crops, mostly potatoes and melons, still attract older, male African-American crews but, for the most part, families are replacing single workers.

As federal worker enforcement policies changed and growers ceased hiring their own crews in the 1980s, independent crew chiefs moved in to fill the void. In the Delmarva peninsula, DRM staff say, this shift in hiring had dire consequences: widespread abuses, including onerous working conditions and hazardous and overcrowded housing, were foisted on workers. There were many legal challenges and local observers seem to think that, as a result, the abuse has lessened.

The Organization

The Delaware and Maryland Council of Churches initiated the Delmarva Ecumenical Agency in 1972, which created several task forces on a variety of issues. The Rural Ministries Coalition was asked to focus on migrant needs, and it ranked health care and emergency food as the top priorities. Much of the resulting assistance was through volunteer efforts and donations until federal support for farmworker needs emerged in the latter 1970s. At that time, however, no legally appropriate entity existed in the target area to apply for available federal funding. Thus, in 1979, Delmarva Rural Ministries, Inc. was incorporated as a 501(c)(3) nonprofit organization and it immediately

applied for and received federal funding. It also expanded its target area to the eastern shore of Virginia, the southernmost area of the peninsula.

For much of the early 1980s, DRM emphasized a nurse-based approach to health care services for the seasonal workers in the area. Nurses provided much of the care and outreach, while doctors were available on a contract basis. The work of both the nurses and the doctors brought into perspective the dire health consequences of bad and overcrowded housing. With farmworkers serving on the DRM board of directors, the agency responded favorably to inquiries made by NCALL Research, a regional housing technical assistance provider, about developing new housing for farmworkers and their families. Under the leadership of a new director, the agency began its partnership with NCALL to undertake its first rental housing development. Housing became a means for “attacking health issues as well as meeting basic unmet need.”

The Housing/Social Services Nexus

Health services remain the focal point of Delmarva Rural Ministries’ program, but the nurse-based model has shifted over time to a medical model that retains a core of mostly Hispanic physicians who operate a community health center serving both farmworkers and other persons with unmet medical needs. This health service focus, besides providing much needed medical assistance, enables the agency to maintain broad contact with the migrant and seasonal farmworker population and to provide outreach to this population in several ways, including the provision of housing resources.

In addition to providing health services, in 1980 DRM became a community food and nutrition conduit for a five-state region, and it continues to maintain emergency food pantries in each of its housing developments. At the Elizabeth Cornish Landing development in Delaware, on-site case management is provided on an as-needed basis; additionally, English as a Second Language (ESL) classes are taught on-site. As part of the Leonard Apartments in Maryland, a community center was built to house on-site classes and activities for the residents. At this development, resident staff identify service providers, provide a broad range of information, and will act as the residents’ advocate on social service related issues. In the development planned for Virginia, DRM has applied for Affordable Housing Program (AHP) funding to establish a learning center on-site; if funded, a local community college will provide job skill training at the learning center. Each DRM development incorporates some level of social service referral or provision, and all residents are able to use health services resources operated by DRM.

Delmarva Rural Ministries, Inc. began its first housing development in 1985 with packaging and development technical assistance provided by NCALL Research of Dover, Del. Leonard Apartments near Salisbury, Md. was funded by the Rural Housing Service's (then FmHA's) Section 514/516 loan and grant programs for farmworker housing, with the development acting as a pioneer in combining year-round and migrant units in the same development (18 and 16 units, respectively).

Organizational Impact

Delmarva Rural Ministries, Inc. evolved from a social/health services organization into one that also develops and owns housing for the benefit of its social/health services clientele. It pursued this course in partnership with NCALL Research, a regional technical assistance provider, thereby enabling DRM to focus on all aspects of its comprehensive program without devoting full time staff to the housing development effort. The Executive Director acts as the point person on housing development matters, and one other staff person has housing responsibilities. Both these positions are partly compensated to work on farmworker housing development through a grant from the Office of Community Services (OCS) in HHS. In addition, federal Community Services Block Grant (CSBG) funding administered by the State of Delaware has provided housing development funding to DRM within that state.

After 12 years of this close and productive partnership with NCALL, DRM is in the process of evaluating the organization's future direction, including whether to institutionalize the property management function within the organization and, as importantly, whether to fully develop its own capacity to pursue future housing developments. This latter query also incorporates the board's interest in possibly broadening its housing program to homeownership, and to providing housing opportunities for individuals and families who may not be farmworkers but whose housing needs are not currently being met. Although the board has not fully answered these questions, the organization has applied to Fannie Mae for a grant that would assist in a capacity building program. Additionally, DRM is considering pursuing CHDO status in the states of Delaware and Virginia, thereby opening opportunities for both administrative and housing development funding; however, since DRM is a regional organization, some legal restructuring may be needed that would separate the housing development from the social/health service component.

Community Impact

As DRM evaluates its future role in housing development, it is looking at whether there are other entities that are, or could be, developing affordable housing for the DRM clientele. At this point, the answer appears to be “no.” NCALL Research has endeavored to find other organizations that will commit to housing development for farmworkers, but without success. In the health/social services area, other resources are in limited supply. In Maryland, there are other federally funded health centers, but not so in Delaware and Virginia.

Throughout the peninsula, no other organization fits the farmworker advocacy role to the extent that DRM does. Staff at DRM will schedule appointments for food stamp enrollment for large numbers of farmworker families, and provide transportation from the labor camps to the appropriate social services agencies, or to the health centers, as needed. As a result, DRM provides a positive impact in the farmworker community; its challenge now is to decide whether that impact should reach beyond this targeted community, and how.

Quitman County Development Organization (Mississippi)

The Environment

The target area for this organization is one county only—Quitman, population 10,500—in northwest Mississippi, often referred to as the “Delta” area. When one speaks of the Delta, the reference most often denotes rural poverty, particularly for the area’s majority African-American population. Quitman County Development Organization (QCDO) background materials paint a challenging picture: a poverty rate of 40 percent overall, but 51.9 percent for African Americans; inadequate education; unemployment at 20.5 percent for African Americans compared to 3.3 percent for the remaining population; per capita and median income less than half that of the white population.

Large scale—2,000 acres and more—farming is prevalent in the county. The production of cotton, soy beans and rice probably employs more machines than people, although some migrants work in the area, primarily workers of Mexican descent migrating from Texas. Consequently, although agriculture seems to be the main industry in the county, it does not offer much employment. There are a few manufacturing plants, including car rubber hose and tire manufacturing, and the production of some automobile light fixtures. Most workers commute across the county’s boundaries for work, and many travel 50 miles each way for casino work.

The Organization

Quitman County
Development

Organization was formed by church and lay leaders in 1977 in what one staff person calls an attempt to “transform hard earned civil rights” successes into economic and political benefits. The founders were concerned with developing the capacity to organize and develop personal and community skills.

QCDO is a membership organization governed by a board of directors that consists of two representatives from each of the county’s election districts as well as several at-large representatives.

In its earliest days, QCDO rented a building without water or electricity to start its job training and employment programs. Its work eventually attracted outside interest, and with eight years of Ford Foundation funding it was able to bring in resources from several other foundations, purchase a new building and expand its programs and focus. The operation of a thrift store brought in at least part of its administrative funding, and QCDO was also able to capitalize a community based credit union to provide financial resources in communities and for a population generally ignored by conventional banks.

The Housing/Social Services Nexus

QCDO's focus has always been on building leadership skills and offering opportunities—through “social, educational, community and economic development projects” (as the organization's written materials put it)—in which those skills can be used. Among its earliest, and consistently important, projects was the creation of the Quitman County Federal Credit Union, a financial resource primarily for low-income, African-American residents whose credit needs were not being met by conventional lending institutions. With over two million dollars in assets, the credit union makes loans for college tuition, housing development and automobiles, and is located in QCDO's own building. The building itself tested QCDO's organizing strengths: members picketed the local government of Marks, Miss. for 29 days over the refusal to grant a building permit.

Job training and employment development, first using the federal CETA program, also marked the organization's early years, along with emergency food provision. QCDO operates “Food Share,” a wholesale food buying cooperative, while continuing to provide emergency food when needed. The organization leases space from the local school district to operate a day care center open to all members of the community. In-house, it also provides teen parenting and pregnancy prevention services, as well as offering “Meals on Wheels” service to the homebound elderly. In many ways, QCDO operates like a community action agency, offering a range of services to the poor with the underlying goal of helping empower them through the successful use of these services.

Housing became part of QCDO's operation as the board and staff witnessed over several years the exodus of county residents, including those who had gone away to college and had intended to return but did not because there was no place to live. A substantial portion of the client population's housing was in deplorable condition. QCDO's first foray into housing was a FmHA (now RHS) Section 533 Housing Preservation Grant (HPG), which enabled it to design a housing rehab program, and to receive administrative funds to operate the program. The initial grant allowed QCDO to rehabilitate 13 homes. Then, in 1990, the organization was instrumental in creating Big River Housing Development Corporation, a completely separate organization, and QCDO turned over the Section 533 grant to get the new group started. QCDO did obtain a second HPG grant under its own name. Although it was QCDO's intention in helping form Big River that the latter organization would assume QCDO's housing function, this did not result. While it was hoped that the two organizations would work together closely, each organization has pursued

housing development opportunities independently, but apparently without competing with the other.

In 1993, QCDO successfully competed for a HOME grant of \$258,000 to enable it to purchase eight FmHA (now RHS) inventory homes, rehabilitate them, and rent them to both Section 8 voucher holders and other low-income households. It borrowed funds from the credit union to purchase four more homes to rehab and rent, thereby obtaining 12 units being sold by FmHA. QCDO has emphasized rental housing because of its assessment that most of its Quitman County clients are too poor to achieve homeownership. It is exploring self-help housing development, successfully operated by Delta Housing Corporation in nearby Indianola, Miss., but has not yet made a commitment to this approach. Instead, it is pursuing more multifamily rental housing development, including a 24-unit project for which it has an assignment of tax credits and is assembling other financing. QCDO also has applied to HUD for Section 202 financing of a 24-unit elderly rental development.

Within QCDO's operation, the person who runs the housing program also makes referrals to social service providers both within QCDO and to outside providers. At present, the housing client community remains small, so staff is able to get to know residents and assess their needs. This facilitates the matching of QCDO and community resources. In addition to this informal referral effort, QCDO has on staff an AmeriCorps volunteer who specifically advises clients on welfare reform related issues, and will match people with jobs programs, GED classes, food provision, and other services.

Organizational Impact

QCDO has been able to incorporate housing development along with its social services provision through administrative funding obtained in the Section 533 HPG program and, now, through its capacity building funding from Rural LISC. Its proposed multifamily rental development should produce a developer's fee that will further sustain the housing component.

Social service provision is an integral part of Quitman County Development Organization's operation and has been since it was founded. The organization provides job training and referrals, hosts GED classes, counsels on welfare reform related matters, makes food available, and provides the location for a host of services to the community, including the community based credit union. It continues to fund these resources with foundation grants and rental lease proceeds, among other sources.

Community Impact

QCDO's staff believe that QCDO's housing program and Big River Housing Development Corporation do not compete for clients or resources; the target population's housing needs are so great that each can produce without diminishing the other's chances. There are no other housing development entities, private or public, attempting to serve the needs of the very low-income, African-American population. In the social service arena, QCDO is the only community-based organization offering resources to the poor; consequently, the availability of QCDO's services is critical to the target community.

People's Self-Help Housing (Kentucky)

The Environment

Located in the Eastern Kentucky foothills of the Appalachian mountains is Lewis County, population 13,000. Unlike in Perry County, featured earlier in this report, the economy here is not based on the coal industry. In fact, the biggest employer in Lewis County is the school system. With the recent closing of a shoe factory, and the loss of 500 jobs, unemployment is predicted to rise to about 20 percent, from nearly 16 percent prior to the factory closing. There is logging in Lewis County, but most logs are cut and shipped out of the county for processing; only a few mills manufacture wooden pallets thereby retaining more of the economic value of logging. Some agriculture exists in the Ohio River area, but crop production (mostly tobacco) is a small part of the county's sparse economy.

The stagnant economy forces young people to leave Lewis County in search of jobs. Those who stay behind are mostly very low-income, and are elderly. Family ties tend to be very strong in this area, contributing to the emigres' return upon retirement, sometimes as much as 40 years after leaving. Those who stay behind adhere to a tradition of extended families. People's Self-Help Housing staff say that taking care of one's own creates a serious incidence of overcrowding and temporary housing in the area.

Traditional preferences also have influenced the choice of housing opportunities in the county. In the late 1970s, FmHA (now Rural Housing Service) financed a subdivision of 400 homes in Lewis County. Apparently local preferences were not fully understood. People did not like the idea of a large subdivision, preferring homeownership but "in the country," so there was considerable turnover. Much of this housing ended up in the agency's inventory through foreclosure.

The Organization

The Glenmary Home Missioners, Catholic priests and brothers working in Appalachia on social justice issues, established People's Self-Help Housing (PSHH) in 1982 in an effort to address poverty issues through the provision of

affordable housing and jobs. For many years, the organization brought in college and high school age students to fix the many homes in disrepair. Although volunteer labor was used, there was some economic stimulation through the local purchase of materials.

Toward the end of the decade, the person who was director at the time raised concerns about having a more permanent impact on the area through local job creation and a broader range of housing opportunities. It was this person's thinking that homeowners could and should become more involved in improving their own homes rather than depending on outside, volunteer labor. This new direction caused the organization to seek different funding sources, including CDBG and the then FmHA, now RHS Section 504 home repair loan and grant program. Since bids were required for these programs, and contractors were in scarce supply, PSHH established its own construction crew to employ local workers and to bid on federally funded repair activities that PSHH was helping to generate in the county. This change in approach moved the organization in the direction of becoming a full-scale housing development corporation, and brought it closer to realizing the initial goal of job creation as a means of addressing local poverty.

The Housing/Social Services Nexus

Enactment of the Cranston-Gonzalez National Affordable Housing Act of 1990 raised the visibility of “homelessness” on the national agenda and helped PSHH to think about its own response to the often hidden homelessness of rural Kentucky. The Catholic Church had run a shelter for 25 years—a four-bedroom house then sleeping 17 adults and 10 children—and it was apparent that the overcrowding was unacceptable. The wait list was about eight to nine months long, causing many homeless families to continue living in their cars. PSHH decided to address this problem through HOME funding to purchase and convert a hardware store into a 10-unit rental development. Residents would pay operating expenses only, about \$90 for a one-bedroom unit, and were encouraged to form a tenant association and attain some degree of self management. Residents took it upon themselves to tend the plantings, water and sweep pathways.

PSHH also developed a fourplex to serve the rental needs of very low-income tenants with Section 8 certificates; this particular development is intended for single-parent households whose average annual income is somewhat less than \$3,000. More recently, PSHH was developing a total of nine units of transitional housing in two single homes, two duplexes and one triplex; one of the homes was purchased from the RHS inventory, five units are receiving HUD supportive housing funding, and the others have received foundation and religious organization funding. Because there are many elderly residents in the county, PSHH is developing a 14-unit rental complex in Vanceburg, where PSHH is located. This facility provides nursing services and will enable elderly people without families to care for them to move from their places “in the country” to a place where they can be looked after.

Like other organizations interviewed for this report, PSHH is creating its own housing continuum: relatively short-term rental units, transitional housing, very low-income permanent rental units, and new construction homeownership units, as well as a variety of other types of housing along the continuum, such as elderly rental units with nursing care and rehab of owner-occupied homes. Over time, the organization has developed 85 new homes, eight in the year before this research was conducted. Many of these new homes have replaced deteriorated mobile homes. Before HOME funding became available, PSHH mostly made repairs to bad housing, including housing without foundations. Now it is able to replace those units with small, energy efficient homes that follow a model used, with local variations, by many groups associated with FAHE (Federation of Appalachian Housing Enterprises). HOME funds provide

a deferred mortgage that enables a family to afford one of these homes with a monthly income as low as \$485.

Throughout the “continuum” PSHH is serving residents who not only are economically needy, but also suffer from the social and health problems so often related to poverty. These problems not only have an impact on their ability to afford and retain their housing—a critical concern for PSHH as an owner and developer—but on their ability to move up the continuum ladder. In recognition of these issues, PSHH is actively involved in assuring that its clients receive the social and health services they need.

In the shorter term, shelter-type rental housing, PSHH has positioned an AmeriCorps volunteer who helps guide the residents in developing “plans of action” for changing their circumstances to allow them to move out of this temporary housing situation. For example, if a family decides that within a certain time frame it wants to achieve homeownership, then the staff member will help the family to recognize the steps along this path: obtain a GED, find suitable work, establish credit or clean up credit problems, create a savings plan, etc. Staff then makes referrals to appropriate organizations that might aid the family in achieving each of these steps. The staff member might also maintain a “jobs” board, or coordinate ridesharing to GED classes, particularly when transportation is scarce, or arrange for child care or enrollment in Head Start. Follow-up is important to the process, so the AmeriCorps volunteer might ask for proof of a job search, for example.

PSHH contracts with another organization to operate the shelter, and this organization will provide medical transportation since there is no hospital located in Lewis County. The organization also maintains a food pantry at the site and will provide residents with used furniture and clothing as needed. Residents in each of PSHH’s developments also are referred to the local community action agency (CAA) for social services. There is reciprocation as the director of the CAA is on the board of People’s Self-Help Housing, so CAA clients may be referred to PSHH for housing assistance.

In the homeownership program, counseling and referrals are done on an “as needed” basis. The small population and its physical and personal closeness enable PSHH staff to keep aware of problems. When PSHH learns that a family is falling behind on payments, a staff member will visit the family and see what plan of action might be employed. PSHH anticipates that a small number of homeowners might be affected by welfare reform measures and is aware that these families may need the organization’s assistance as a result.

Organizational Impact

People's Self-Help Housing has been able to sustain its housing/social services nexus primarily, though not exclusively, through its AmeriCorps volunteers. PSHH has three volunteers: one who works directly with families on their "plan of action," and two who work in construction. In 1997, the volunteer providing "plan of action" assistance to PSHH residents was on a two-year contract only, and the organization hoped to retain this service. To do so, PSHH may be able to bring the person on staff on at least a part-time basis using revenue from management fees obtained in all of its rental developments. PSHH has found that among the many benefits of having AmeriCorps staff on board is that their presence seems to appeal to funding sources.

Like most housing development organizations that have been around for a while, PSHH has developed a level of expertise that could be valuable to communities outside of the organization's target area. PSHH anticipated developing transitional housing several counties removed from Lewis County, but found that these counties were close knit and contained factions that an outsider could not be expected to comprehend. PSHH was not local, so the organization dropped its development effort in these other areas and decided only to focus on "its own backyard" where developments could be closely monitored.

Community Impact

PSHH is an outgrowth of the Catholic Church, which when it first entered the county was considered an "outsider." It has taken years to develop insider credibility, but it appears now that the community players are working together and there is acceptance of the several roles that People's Self-Help Housing plays within Lewis County. There is no competition among developers for the housing that PSHH is building through its continuum from homelessness prevention to very low- and low-income homeownership. Moreover, through its housing program, it is identifying and matching people in need with services within the community it is serving and it reciprocates when it opens housing opportunities for the social service provider's needy clientele.

Milford Housing Development Corporation (Delaware)

The Environment

The State of Delaware processes about 25 percent of the chickens consumed nationwide, and much of the raising and processing of chickens is done in the two counties, Kent and Sussex, where Milford Housing Development Corporation operates. The organization is named for the community in which it is located, a town that straddles the border between the two counties. Close to half (about 400,000) of the state's small population lives in several urban areas of Kent County, but the remainder of this county is agricultural, including chicken processing. Sussex County's western portion has the same economy as rural Kent, but the eastern seaboard portion also depends on tourism and is home to many retirees. Low-wage, part-time jobs with no benefits predominate in this area, which appeal to persons retiring from full-time positions, but make it difficult for families with children to sustain themselves and obtain affordable housing.

Low and very low-income households, of which there are many, are Milford Housing Development Corporation's target population. In the agricultural economy, these households mostly are migrant workers from Guatemala, some of whom appear interested in obtaining property in the two-county area and settling out of the migrant stream.

The Organization

Milford Housing Development Corporation (MHDC) was incorporated as a nonprofit organization in 1977 by a Methodist minister. MHDC then purchased a vacant school building, tore it down, and built an 11-unit rental development with Section 8 rent subsidies. Through 1982, the organization was able to purchase five additional acres of land, install infrastructure, and sell low-cost lots to 11 families. The purchasers built homes and the organization witnessed very little turnover through the years. After selling these lots MHDC experienced a lengthy period of dormancy, finally emerging in 1993 when a different minister joined the board of directors and challenged the organization to either act, or shut its doors. It chose to act, applied for and received some operating funds from a foundation, and then applied for CHDO status, which it also received. With a four-person staff, the organization moved forward at a rapid pace experimenting with a variety of funding sources.

The funding sources have been as varied as the types of housing that Milford HDC pursued. Like other organizations interviewed for this report, MHDC began putting together its own continuum of housing while seeking social service partnerships, formal and informal, to ensure that the housing would remain financially viable for the residents.

The Housing/Social Services Nexus

Milford HDC's earliest developments—the 11-unit rental with Section 8 subsidies, and the 11-lot subdivision that was sold to low-income buyers—showed the organization's diversity in responding to different housing needs in its target area, but then its housing development work stopped for more than a decade. With new board membership, and new federal funding sources created by the National Affordable Housing Act of 1990, MHDC began producing again in 1993, and the products continued to show responsiveness to different community needs. The first development during this new era was 18 units of transitional housing in Milford, the community in which the organization is located. Although MHDC is pleased to have provided this resource to the community, revenue has not matched the operating budget, causing a cash drain that must be supplemented by other organizational resources.

The other development at this time was 28 units of rental housing with equivalent rental assistance (RAP) financed by the RHS (known then as FmHA) Section 515 rural rental housing program. This development in the town of Greenwood is for the elderly. Demand for these units indicates a strong market for more of this type of housing, but the Section 515 program has been

severely cut, lessening the probability of developing comparable rentals in the near future. No other sources of funding have been identified that provide the deep subsidy of Section 515.

In subsequent years, MHDC pursued several housing developments that are reaching fruition in 1997. In May, the organization closed on a property in Georgetown (the Sussex County seat) that will enable it to make available a total of nine lots for its first RHS-financed “self-help” housing development. MHDC will act as the technical assistance and construction supervision provider under a Section 523 grant from RHS. A loan from the Housing Assistance Council’s SHOP program provided the funding to purchase eight of the lots and to develop the infrastructure.

A month later, the organization closed on a 48-unit rental development in Milton, for the first time using the Low Income Housing Tax Credit as one source of financing. Targeted for this housing are workers on what is claimed to be the largest ranch east of the Mississippi. Workers tend both beef and dairy cattle, and others are involved in vegetable canning operations. A shortage in available tax credits caused MHDC to withdraw another application it had for a 60-unit rental development.

MHDC also is exploring funding opportunities to purchase and then resell to lower income buyers RHS properties subject to foreclosures and/or sheriff sales. MHDC’s initial analysis indicates that it will be able to sell these properties at between \$8,000 and \$10,000 before rehabilitation.

To enhance the ability of MHDC-assisted tenants and homeowners to sustain their housing and, in some cases, move up the ladder to homeownership, the organization has formed both formal and informal partnerships with both social service and housing providers. One such partnership has been forged with both NCALL Research and New Start to provide homeownership and other life skills counseling targeted to different MHDC clients. New Start is an offshoot of NCALL Research and another group called People’s Place, which provides counseling to prepare battered women for homeownership. The intent of New Start is to help transitional housing residents move from shelter type housing into permanent housing, either rental or homeownership. New Start interacts primarily with MHDC’s transitional housing residents, while NCALL Research is providing budget and more extensive homeownership counseling to MHDC’s self-help housing participants. In order to arrive at the nine households participating in the first self-help development, 300 potential applicants were screened or participated in the counseling workshops; many of those who did not appear to qualify for homeownership financing failed because of unresolved credit issues.

With the influx of migrants from Guatemala, NCALL is incorporating in its counseling the opportunity for ESL classes to enhance the applicants' ability not only to communicate more easily in general, but perhaps to seek non-agricultural jobs, and to attain citizenship.

Organizational Impact

There are many reasons why somewhat similar housing developments in different locations might produce different results, i.e., cash flow at one, cash drain at another. "Location" may be a chief factor, since this affects costs vs. rental income, as well as vacancies and marketability. Whatever the reasons, MHDC has not realized revenues from some of its several developments that would enable the organization to incorporate a social service component within its own staffing. The tax credit project's developer fee might change the organization's revenue stream, but this does not necessarily mean that it would hire a social services provider—and this may not be necessary anyway. The organization has forged a close relationship with several such providers to assist MHDC's residents and homeownership participants to pursue activities that will help ensure their success in obtaining their housing of choice. However, in recognition of the population in its Georgetown self-help development, MHDC has hired a bilingual housing coordinator to ease communication with some of the self-help builders.

The organization has chosen not to rely on its CHDO status and the related administrative funding to sustain a social services component. As with so many funding options, whether they are public or private (such as foundations), their long term viability is always in question. This thinking has resulted in MHDC using its CHDO resources for housing development purposes, and continues to encourage it to seek and maintain partnerships with organizations that will fulfill the social service needs of its clients.

Community Impact

In Kent County, where there are concentrations of Delaware's generally sparse population, housing options exist for the more urbanized and higher income residents. Once outside the main cities, however, low-paid workers have few housing options. This contrast also is seen in Sussex County, where private developers have purchased and developed 200-300 acre subdivisions primarily for retirees, but have not focused on the low wage earners who are employed at the fast food and hotel/motel complexes catering to the tourist trade. This population has been the focus of Milford Housing Development Corporation, but it has not only built affordable housing. The organization also has provided for ongoing services to the occupants whose economic stability may

constantly be at risk.

MHDC has been resourceful in matching its housing clients with social service providers through partnerships with intermediaries such as New Start and NCALL Research. These groups have concentrated on providing residents and homeownership applicants with the tools, including referrals to appropriate social service agencies, that will help maintain their stability and allow them to achieve the housing they desire. Milford HDC, in fostering these partnerships, serves a unique role in its target area.

People's Self-Help Housing (California)

The Environment

California's scenic "central coast" exhibits great contrasts between opulent lifestyles and poverty, and not much in between. People's Self-Help Housing (PSHH) is most active in much of San Luis Obispo County, and to a lesser extent in Santa Barbara, Ventura, San Benito and Monterey counties, each with high land costs and many low paying jobs in agriculture and tourism. Labor intensive crops predominate, so there are many farmworkers in these counties including those who do seasonal work for much of the year. In Ventura County, workers harvest seeds and tend seedlings, as well as work in fruit and vegetable freezing plants. The farmworker population in the late 1990s is mostly from Mexico and Central America, with many Mixtec Indians (from Mexico) and Guatemalans.

Other members of PSHH's target population of very low- and low-income households work on assembly lines (microchips, plastic implants and packaging materials, business forms, weapons and space industry parts, and shoes), while others earn their low incomes at the many factory outlets. Higher wages are found at a large state prison, universities and colleges, some high tech firms and the area's nuclear power plant. Middle level wages are not in much evidence. There are many single-parent households and large families among PSHH's target population, but the organization's move into rental housing for special populations has broadened its target population to the elderly and people with physical and mental disabilities.

The Organization

In the late 1960s, a local community action agency administrator began exploring the emerging U.S. “self-help” housing movement centered in California’s Central Valley and he shared the information he was gathering with community activists in San Luis Obispo County, including a Methodist minister, a legal aid attorney and a planning director. This group traveled to Goshen, California and witnessed firsthand the development of the nation’s first federally financed (Farmers Home Administration) homeownership units built by groups of owners. Their goal became to create a similar organization and to become recipients of a federal technical assistance grant to guide local families, working as a group, in the building of their own homes. People’s Self-Help Housing, which is not related to the Kentucky group of the same name featured in this report, was incorporated in 1970 and immediately applied for a Section 523 technical assistance grant.

The first request was denied since the organization did not have any land under its control. Ten Methodist Church members and their minister pooled resources and bought an option on a piece of land for PSHH. The board of directors then hired the CAA administrator as PSHH's first director and he reapplied for the technical assistance grant, this time successfully. For nearly six years, PSHH put all of its resources into the promotion of self-help housing. Although the organization's by-laws specify a five-county service area, they do not exclude geographic expansion, nor do they prohibit the proliferation of housing types that now defines PSHH. In addition to the 1,000 units of self-help housing built in the organization's 27-year history, PSHH pursued the rehabilitation of housing, which it no longer does, and numerous rental developments for farmworker households and for special needs populations. In recent years, the organization has looked closely at its long history and made internal changes that will better reflect the goal of "community building": ensuring that its developments both reflect community needs and contribute to residents' stability and full participation within their communities.

The Housing/Social Services Nexus

The heart of PSHH's housing program has been "self-help" housing development in which groups of families build their homes mutually under the supervision of the organization's staff. As mentioned earlier, in 27 years PSHH has produced about 1,000 new homes in three counties. For nearly six years, this was the only housing development program that PSHH employed but, in 1976, the organization decided to broaden its housing work to include rehabilitation, eventually making use of most financing resources—Section 504 loans and grants, Section 502 rehab, CDBG, Housing Preservation Grants, weatherization, state programs—available for low-income homeowners in rural communities. These rehab efforts were focused in San Luis Obispo and Santa Barbara counties and continued until 1994. Then PSHH ceased its rehab activity entirely, concluding that such staff-intensive work was not accomplishing enough for the most needy families in the target areas: mainly, those who had no housing to rehab and were on a lengthy waiting list for participation in self-help construction of new housing. An interim solution was needed for this population.

This recognition moved PSHH into the development of rental housing, although it also had become apparent that sites for self-help subdivisions were becoming more scarce in the coastal counties. Immersion in rental housing development immediately brought PSHH in contact with the social service provider community, and helped the organization to refocus on its earliest commitment to building "community," not just housing. As it embarked on its first HUD-financed Section 202 elderly rental housing development, the City of Santa

Maria requested that half the units be made available to people with developmental disabilities. The key to winning HUD support of this request was obtaining a commitment of expert services for the affected residents. The Tri-County Regional Center agreed to provide a case manager who would work with the property manager to ensure that residents took appropriate medications and were not taken advantage of because of their disabilities. For the elderly residents, PSHH asked the local office of the Department of Social Services to do evaluations to determine health and other resource needs (for example, should a resident apply for SSI?).

This early initiation into the social service arena affected the organization's thinking with regard to all future rental developments, and particularly those for farmworkers. The decision was made to provide "total enrichment" opportunities within each farmworker housing development. This meant that each development would contain a community center where day care, Head Start, after school education, ESL classes, homeownership and health training, and a variety of related classes and services could be provided. The job description for PSHH property managers was changed over time to make it clear that coordinating social service provision-seeking resources to benefit residents and even, when necessary, providing such assistance as help with tax preparation-had become an integral role along with rent collection.

Many of the services provided on-site are performed by other organizations, but PSHH provides the space, seeks out the resources, and publicizes their availability. PSHH also has forged strong linkages with social service providers in another important way through its participation in the San Luis Obispo Housing Consortium, a group of organizations concerned with the housing needs of people with special needs, such as people with AIDS/HIV, the developmentally disabled, and those in homeless shelters. This group, after reviewing a housing development pro forma, recognized that for each of them to pursue housing development on their own would lead to intense competition for scarce resources and might force them to pursue work for which they might not be qualified. Instead, the Consortium has asked that 10 percent of units developed by PSHH, rental or homeownership, be made available to Consortium clients. In return, a Memorandum of Understanding (MOU) commits the Consortium to providing necessary social services to this client group. In one development, thus far, 209 Consortium clients were referred for three or four units in a 20-unit rental development, seemingly a small number. Yet these were three or four units that otherwise would not have been available to people with special needs in this county.

Organizational Impact

People's Self-Help Housing's refocusing on community building through the blending of housing development with the provision of social services has had a profound impact on the organization. The director describes the organization as having been on a "production train" some years ago. This was not unlike many other housing development groups, rural and urban, that responded to development opportunities that might keep the organization going—and might fill a need, as well. Doing "deals," for some organizations, became a powerful stimulus, not easy to set aside. When PSHH decided to slow down the train, and take on new passengers with added baggage (such as intensive social service needs), there was some staff resistance and some staff departed. The property management staff was reorganized and trained in its additional responsibilities. In one instance, a person who had been referred to PSHH for housing through the social services network was hired on the property management staff and was able to leave AFDC behind.

The changes in responsibility and approach resulted in some funding changes. For example, for its farmworker housing developments, PSHH applied to the Office of Community Services (part of the federal Department of Health and Human Services) to obtain funding for on-site staff to coordinate social services, including developing a directory in Spanish for each tenant on all services provided in San Luis Obispo County. Generally, PSHH has not found the incorporation of social services within its developments to be a financial burden. Using its own management company, the organization has always been able to break even.

Community Impact

Although it is important for PSHH to fund its social services agenda adequately, the pay-off in making these services available is considerable for the community: for example, several rental housing residents, thus far, have been able to move into homeownership, and the children of some residents have received scholarships to major universities. PSHH attributes some of this success or changes in these families' lives to the services available through the organization's housing programs. As residents make the commitment to homeownership, they become more integrated into their own community. This is PSHH's approach to community building, and the organization is beginning to see the results.

Important, too, is the connection made among housing and social service providers, thereby reducing the likelihood of competition for scarce resources and encouraging the groups to do what they are best qualified to do. Housing development for lower-income people always is a challenge, but having the support of related organizations in a community can enhance the possibility

that a development will be approved, particularly if the surrounding community understands that the prospective residents will be assisted in their efforts to succeed.

Rural California Housing Corporation (California)

The Environment

The physical, economic and even political environment of the 14-county area served by Rural California Housing Corporation (RCHC), forming a radius of 70-80 miles from the state capital, Sacramento, is as varied as the state itself. From mountains to large valleys, the Sacramento River “delta” and vast expanses of agricultural lands, the people and places are diverse. Yet, in many of the rural communities served, and even in some of the more urbanized areas, 60 percent of the homeowners and renters assisted by RCHC over the years have been farmworkers and, of these, probably 100 percent are Hispanics. When one considers that RCHC has provided technical supervision in the building of over 2,000 self-help homeownership units, rural and urban, the minority population impact of its work is considerable and represents its continuing commitment to this generally underserved population.

Although agriculture is a primary industry in most of the 14 counties, tourism and related low-paying jobs also are an economic factor in some of those counties. Also, in some of the Sierra foothill communities, there is a growing elderly population as city people move to less crowded and, for them, less expensive places to retire. Housing for retirees, as well as vacation home purchases, have placed a considerable burden on local, primarily very low- and low-income residents who cannot afford to compete in the escalating housing market. RCHC’s client population is almost exclusively very low-income.

Like several of the long-time rural housing development organizations in California, RCHC’s experience and track record has made it a particularly attractive low-income housing developer for the more urban parts of its target area. While strong advocates of rural housing programs and policies, RCHC and its counterparts in other areas of the state have become important developers in the programs and networks that characterize urban, low-income housing development.

The Organization

Rural California
Housing Corporation
turned 30 years old in
1997 and follows only
Self-Help Enterprises
(SHE) of Visalia,
California as the earliest
grantee under the then
FmHA Section 523
technical assistance
program for self-help
housing development.

The organization, in
fact, was created to
develop homeownership
opportunities for low-
income households

using the self-help development process with financing from FmHA, now RHS. For the first 20 years of its existence, RCHC did only self-help housing development. With the retirement of the original executive director, the board of this nonprofit organization hired a new director who was given the mandate to diversify the organization's housing program. Rehabilitation and rental housing development—including the preservation of “at risk” projects—were incorporated into the organization's overall program.

RCHC is a large and growing organization. Its development department now contains a community development division that includes rehabilitation, community facilities, economic development and rental operations. It is within this division that the organization's social service strategy has taken root.

The Housing/Social Services Nexus

Rural California Housing Corporation is among the largest and certainly most experienced nonprofit housing developers in the state. In its 30-year history, it has assembled land and provided the technical supervision for the construction of over 2,000 single-family units mutually built by the homeowners themselves. Most of these units have been in the rural parts of RCHC's 14-county target area, and have been financed by the Rural Housing Service under the Section 502 loan program, but RCHC has also supervised the construction of similar developments in more urban areas using state financing resources when they have been available. Technical assistance grants, not readily available for urban developments, keep costs down for the homebuyers, thereby enabling lower-income families to achieve homeownership.

About 10 years ago, RCHC expanded its housing vision to include rehabilitation and the development or preservation of rental housing. Until 1996, the organization was producing three rental housing developments each year; in 1997 it owns 20 projects, including nearly 1,170 units. More than half of these projects were made possible through the sale of federal and state Low Income Housing Tax Credits. One development for elderly residents was financed by the RHS Section 515 rental housing program, and another by the HUD Section 202 program. More than 440 rental housing units—all urban—were at risk of prepayment and sale for other than low-income use. RCHC was able to preserve these for low-income use under the federal LIHPHRA program (Title VI).

Many of RCHC's rental housing developments are urban, so many of its social service activities are in these areas, but the approach the organization is taking in these urban developments is transferable to rural developments—and there is experience in a rural development, as well. RCHC's board of directors has adopted as an organizational priority the building of "communities," not just housing. To move the organization more in this direction, the board decided in 1996 to start its own management company that would institutionalize the community building concept. Two people were hired to perform a needs assessment, initially to determine ways in which tenants could become more responsible. Then federal welfare reform was enacted, and the property managers expressed concern about the legislation's impact on residents,

particularly how many tenants would be able to continue paying their rent, and even how many homeowners would be at risk of defaulting on their mortgages.

One small step—small in terms of the numbers of residents affected, but large in terms of commitment—in counteracting the potential impact of the welfare reform legislation was to begin hiring residents within the rental housing developments. JTPA program funds have made it possible, for example, to hire residents to do landscape work, with JTPA paying half of their salaries for the first three months of work, as well as paying for uniforms and tools. Other state programs have been used to pay salaries partially. This hiring approach has enabled several residents to move off AFDC.

Within the organization, there is one “resident services coordinator” for every four to five rental developments. This workload does not allow the time to learn enough about each resident in order to make appropriate referrals to social service resources, if needed. Instead, RCHC successfully applied to VISTA for eight volunteers and assigned many of them to work with residents on mitigating the impact of welfare reform. One VISTA has been assigned to look at the homeownership program and address the impact that welfare reform is having during post occupancy; for example, the impact of losing food stamps as part of the homebuyer’s income. Each of the VISTAs has done resident surveys that are intended to uncover resident social service needs.

In a related effort, Sacramento State University has assigned to RCHC several interns from its master of social work (MSW) program to provide more direct services to residents. One of the problems the organization has found in providing this type of service in-house is locating private space for resident interviews. The lack of places to sit, use the telephone and work on a computer reduces the number of volunteers that can be used, and their effectiveness.

Although the staff member who coordinates all of these efforts thinks it is too early to assess their effectiveness, there already is a practical effect for residents of a rural rental development—formerly military housing—in Wheatland. The development, called Sunset Valley, was purchased and completely rehabilitated using the tax credit, state rehab and HOME funds. Employment opportunities are provided to tenants within the development. From this small community it is a 30-minute drive to the nearest town where various social services are provided. For many residents in this development, however, transportation is not available, so the fact that social service

assessment and counseling has come to the development has made a difference for some residents.

Organizational Impact

In recent years, and with welfare reform accelerating its transformation, RCHC has established community building as its priority. Much like People's Self-Help Housing (California), it has examined the current and long term needs of its residents and homebuyers to stabilize their lives and attempted to adjust its staffing and orientation to address those needs. No specific funding exists for the provision of in-house social services, but a limited number of positions have been created or realigned to accommodate the coordination of this effort. The actual provision of social services has a volunteer base, both in VISTA and interns from university programs.

Perhaps the greatest impact of this transformation has been in the hiring of residents for jobs normally filled by non-resident workers. For some of these jobs, specific funding has been obtained, particularly to cover the training period for workers who might not be skilled in the positions for which they were hired. Federal and state resources have been found, including JTPA, and the state's GAIN program, which pays the first two months of salary and the costs of required uniforms and/or equipment.

Community Impact

What RCHC appears to be doing is refocusing its attention on the people its housing programs are intended to serve, in an effort to ensure that they will be stable, possibly upwardly mobile tenants, as well as homeowners who will continue to benefit from having a permanent stake in their community. The effects of the organization's activities in this regard are not fully known, since the effort is somewhat recent, but there have been some clear changes. For example, residents have been hired and have been able to leave welfare behind. This is a considerable achievement at a time when welfare dependency is not only risky, but also when minimum wage jobs generally are the only ones available and these rarely are a substitute for welfare.

GLOSSARY

AHP: Affordable Housing Program. Administered by each of the 12 regional Federal Home Loan Banks on a competitive basis, the AHP provides below-market-rate loans for purchase, construction, and/or rehabilitation of rental or owner-occupied housing for lower income households. A developer cannot apply directly for AHP funds; the developer must work with a lending institution that is a member of the Federal Home Loan Bank System

AMERICORPS: Federal program that provides funds to pay “volunteers” for community-based work.

CAA or CAC: Community Action Agency or Community Action Committee or Community Action Council. A nonprofit comprehensive social service agency often serving a large area (several counties) and created as an anti-poverty organization under requirements of the Office of Economic Opportunity (OEO), which became the Community Services Administration (CSA), and is now part of the federal Department of Health and Human Services (HHS). CAAs are also known as CAP (for Community Action Program) agencies, and operate an array of assistance programs, such as weatherization and emergency housing, shelters for the homeless, and employment training.

CDBG: Community Development Block Grant. Created in 1974 to replace eight former categorical grant and loan programs with a system of unified block grants, the CDBG program funds a variety of community development projects benefitting low- and moderate-income people, from parks and economic development to housing. All central cities of metropolitan areas, all other cities of over 50,000 population, and urban counties are “entitled” to an annual CDBG grant. Communities under 50,000 are eligible to compete within their respective states for non-entitlement CDBG funds.

CETA: Comprehensive Employment and Training Act.

CHDO: Community Housing Development Organization. A community-based nonprofit organization certified by a participating jurisdiction (in rural areas, usually the state) as meeting requirements specified in the HOME regulations. CHDOs are eligible for some set-aside funding under the HOME program.

CONTINUUM OF CARE: Provision of housing opportunities from emergency shelter, to transitional housing with services, to permanent housing.

CSBG: Community Services Block Grant. Federal program administered by the Department of Health and Human Services, providing grants to states and federally recognized Indian tribes, most of which is passed through to local CAAs for a variety of social services and anti-poverty activities.

FAHE: Federation of Appalachian Housing Enterprises. Nonprofit technical assistance provider and lender working to provide affordable housing for low-income residents of central Appalachia, primarily through a network of more than 20 local member organizations.

FAMILY SELF-SUFFICIENCY: A HUD program providing a financial incentive to tenants of public housing or recipients of Section 8 assistance to participate in supportive services that will aid upward mobility.

FANNIE MAE: Formerly known as the Federal National Mortgage Association or FNMA, a government sponsored entity (i.e., a government-created, shareholder-owned, for-profit corporation) that purchases housing loans from private lenders in the “secondary market.” (“Fannie Mae” was originally a nickname, but has now been adopted as the corporation’s formal name.)

FmHA: Farmers Home Administration, U.S. Department of Agriculture. Rural housing programs formerly run by FmHA are now administered on the national level by the Rural Housing Service (RHS) and in state and local office by Rural Development staff.

GED: General Equivalency Degree that upon successful completion of a test substitutes for a high school diploma.

HABITAT FOR HUMANITY: International organization working through local affiliates, which use volunteer labor and donations to build or rehabilitate affordable homes. Habitat makes no-interest loans to purchasers.

HAC: Housing Assistance Council. Founded in 1971, HAC is a nonprofit corporation that supports the development of rural low-income housing nationwide. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, research and information services, and training.

HHS: Federal Department of Health and Human Services.

HOME: HOME Investment Partnerships Program (the letters HOME are not an acronym). Created by the Cranston-Gonzalez National Affordable Housing Act of 1990 and administered by HUD. Provides relatively flexible funding for activities connected with low-income housing. Funds are distributed through participating jurisdictions—in rural areas, primarily states—and CHDOs.

HUD: Federal Department of Housing and Urban Development.

JTPA: Jobs Training Partnership Act, administered by the federal Department of Labor to provide job training and related assistance to economically disadvantaged individuals and those facing significant employment barriers.

LIHTC: Low Income Housing Tax Credit. The LIHTC is a reduction in the dollar amount of federal taxes owed by an individual or corporation, in exchange for their investment in low-income rental housing. The investor provides funds for the development of the housing, and in return obtains a dollar-for-dollar reduction in tax liability. The amount of credits available each year is limited, and credits are allocated by state agencies.

OCS: Office of Community Service within HHS.

RHS: Rural Housing Service, U.S. Department of Agriculture. Successor to FmHA at the national level.

RURAL LISC: Offshoot of the Local Initiatives Support Corporation, created in 1995 to help improve rural housing and community development by providing grants, loans, training, and technical assistance to a selected group of rural community development corporations.

SECTION 8: HUD program providing payments to owners of rental housing generally equal to the difference between fair market rent (as determined by HUD) and 30 percent of family income. Includes new construction, substantial rehabilitation, certificates and vouchers.

SECTION 202: HUD program that provides funds for nonprofits and cooperatives to construct or substantially rehabilitate multifamily housing for low-income elderly households.

SECTION 501(c)(3): Section of the Internal Revenue Code designating a nonprofit corporation with tax-exempt status.

SECTION 502: RHS program that provides mortgage loans to low-, very low-, and sometimes moderate-income households, usually to purchase homes. Section 502 direct loans are made by RHS; guaranteed loans are made by private lenders, with RHS guaranteeing repayment.

SECTION 504: RHS program that provides loans and grants to very low-income homeowners for home repair, primarily to remove health and safety hazards.

SECTION 515: RHS program that provides low-interest loans to developers of multifamily rental or cooperative housing.

SECTION 523: RHS program that provides administrative funding to nonprofit organizations sponsoring self-help housing development. Also provides loans for the development of self-help housing sites.

SECTION 533: Also known as the Housing Preservation Grant (HPG) program. RHS program providing grants to organizations for rehabilitation of ownership or rental housing for low- and very low-income households.

SELF-HELP HOUSING: Generally, a model of housing production in which purchasers reduce the cost of their homes by contributing “sweat equity” -- their own labor -- in the construction of their own homes. In rural areas, much self-help housing is produced with technical assistance funded by the RHS Section 523 program, and many self-help purchasers receive mortgages from the RHS Section 502 program. RHS uses the “mutual self-help” method, in which participants build homes in groups of six to twelve, working on each others’ homes until all are completed.

TITLE VI, LIHPHRA: The Low Income Housing Preservation and Resident Homeownership Act, passed as Title VI of the Cranston-Gonzalez National Affordable Housing Act of 1990 to supplement earlier legislation in dealing with the problem of prepayments of federally subsidized mortgages taking units out of the low-income housing stock. Imposes restrictions on prepayment by owners of properties subsidized by HUD or RHS, and provides financial incentives to those who retain their units for low-income residents.

TRANSITIONAL HOUSING: Generally, subsidized housing that incorporates social services to help residents make the transition to permanent housing.

UDAG: Urban Development Action Grant, a discontinued HUD program.

VISTA: Volunteers in Service to America, a federal volunteer service that places people of all ages in community-based organizations.

WELFARE REFORM (federal): The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, replaces the Aid to Families with Dependent Children (AFDC) program with a block grant program called Temporary Assistance to Needy Families (TANF). Every state receives a TANF allocation and has a great deal of discretion on how to use it. The Act requires states to impose work requirements on TANF recipients and made numerous other changes, including restricting federal aid to legal immigrants.

WoRC: A work readiness component of “Families Achieving Independence in Montana,” that state’s welfare reform program.

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