

Rural Voices

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Faith-based

I N I T I A T I V E S

and Housing Development

Dear Friends,

The theme for this issue of *Rural Voices*, faith-based initiatives, is ubiquitous these days. President Bush brought attention to the topic during his campaign, and he continues to make it a focal point of his administration. The U.S. House of Representatives recently passed a bill that would enact some of the president's proposals. (See *A View from Washington*, page 21.) But how do faith-based initiatives affect housing development for low-income rural Americans? We explore that question, from a variety of viewpoints, in the articles that follow.

First, Lisa Cummins of the White House Office of Faith-based and Community Initiatives explains President Bush's program for increasing government and private support of community-serving organizations. The subsequent article, by Florence Kimball of the Friends Committee on National Legislation, expresses concerns about the president's faith-based initiative.

Many rural low-income housing developers have been motivated by faith for decades, and we explore the topic beyond examination of the administration's initiative. We asked several representatives of religious and faith-inspired secular organizations to contribute their stories. JoAnn Kane of McAuley Institute, Linda Couch of the American Association of Homes and Services for the Aging and Mark Olshan of B'nai B'rith share their national organizations' motivations, experiences and lessons learned. Elliot Wright describes the faith-motivated activities of the Metropolitan Housing and Community Development Corporation of Washington, N.C.; Jo Ann Corum of Kentucky Mountain Housing provides an historical look at that organization's secular and religious-based collaborative abilities; Jean Miller's article on Tierra Madre provides examples of the many challenges faced by all rural housing developers; and Jim Upchurch of Interfaith Housing of Western Maryland dispels some myths about faith-based enterprise. Finally, a report by Judy Mason of the National Association of Community Action Agencies illustrates the prevalence of collaborations between secular and religious organizations.

We hope you find the following discussion of government's role in faith-based initiatives and the examples of faith-based accomplishments inspirational, informative and thought-provoking.

Sincerely,



William Powers, Chair



Charles B. Davis, President



Moises Loza, Executive Director



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HAC Celebrates 30 Years, Releases Loan Fund Report

To celebrate its anniversary, in May HAC released a report that analyzes the results of its approximately 1,500 loan commitments of more than \$118 million. Commitments were made to 600 local borrowers in 49 states and two territories. Most important, the commitments represented 38,500 homes and 13,425 water and wastewater connections for low-income rural Americans.

Over the years, 79 percent of HAC's borrowers have been nonprofits. Some of these organizations are featured as examples in the loan fund report. The report notes that when they apply for HAC loans, some borrowers are sophisticated developers and some have never produced a single housing unit. In most cases, however, they are the only entities attempting to provide subsidized housing for low-income people in their rural communities. Some of the families living in HAC-assisted homes are featured in the report as well. The median income of recently assisted households is \$19,386, more than 40 percent lower than the national nonmetropolitan median of \$33,021. Minorities, who have disproportionately high rates of poverty and substandard housing in rural places, comprise 60 percent of these HAC-assisted households.

Housing Assistance Council Loan Funds 1971-2001: 30 Years of Supporting Affordable Housing in Rural Communities, is available at www.ruralhome.org or from Luz Rosas, 202-842-8600, luz@ruralhome.org.

Regional Training Sessions Underway

Participants have been enthusiastic about the first two sessions of *Building Organizations, Building Homes: A Practitioner's Workshop on Affordable Rural Housing*, offered by HAC in June. The

Photo by Leslie Strauss.



Regional training in Portland, Ore., in June 2001.

workshop will be presented twice more in September. Two tracks, one basic and one advanced, are intended to meet the needs of those with varying levels of experience in financing and developing affordable rural

housing. For information about the training to be held September 5-7 in Burlington, Vt., and September 17-19 in Atlanta, visit www.ruralhome.org or call 202-842-8600, ext. 108.

RCDI Funds from HAC To Help 43 Groups

HAC has selected 43 local rural nonprofits around the country to share \$1.2 million in Rural Community Development Initiative (RCDI) funds. The U.S. Department of Agriculture granted HAC \$633,300 under its new Rural Community Development Initiative, and HAC raised an equal amount from private sources. The local grants are intended to increase rural groups' capacity to undertake housing development. Twenty-five will receive core support grants of up to \$30,000 for staff costs, training and technology improvements. The others will receive grants for training and computer technology. Some will also participate in a unique peer exchange training program, in which staff from more experienced nonprofits will work closely with less experienced groups. A list of RCDI grantees is available on HAC's web site at www.ruralhome.org/pubs/pressreleases/2001/rcdi.htm.

HAC and Enterprise Award More Capacity Building Funds

Photo by Leslie Strauss.



One RCBI recipient is the Community Action Commission of Fayette County, Washington Court House, Ohio. Patty Griffiths, Program Manager, and Bob Estle, Construction Manager, at a SHOP site.

HAC and The Enterprise Foundation recently announced awards to 27 rural nonprofit organizations around the country. A new round of the Rural Capacity Building Initiative (RCBI) program will provide a total of \$354,100. Averaging \$13,115 per recipient, the grants will cover core support costs such as salaries, staff training and equipment purchases. Funded by

Enterprise and administered by HAC, RCBI is a multi-year project. Through previous RCBI rounds, local groups have received aid such as core support grants, technology grants and copies of a community development library created by Enterprise. A list of RCBI grantees is available on HAC's web site at www.ruralhome.org/pubs/pressreleases/2001/rcbi.htm.

Welfare Reform and Rural Housing Examined

HAC's newest research report highlights the intersection of welfare reform and affordable housing needs in seven rural

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Support for the Armies of Compassion

by Lisa Cummins

“ Government has a solemn responsibility to help meet the needs of poor Americans and distressed neighborhoods, but it does not have a monopoly on compassion. . . . America is richly blessed by the diversity and vigor of neighborhood healers. . . . The indispensable and transforming work of faith-based and other charitable service groups must be encouraged.”

With these words President George W. Bush established the White House Office of Faith-based and Community Initiatives on February 20, 2001 and delegated its three-fold charge.

First, the office is to stimulate an outpouring of private giving to community-serving programs. The president proposed several initiatives in his budget, the most notable being that which would allow 80 million taxpayers who do not itemize deductions to deduct charitable contributions. Though the extent of the president's proposal was whittled down by Congress, its original impact was estimated at \$15 billion. Many corporations and foundations have a strong tradition of supporting community-serving organizations. We want to applaud their efforts and encourage others to join them by increasing the corporate charitable tax deduction. Additionally, we will help enhance private sector institutions' and individuals' understanding of community-serving organizations.

Second, the Office of Faith-based and Community Initiatives is to expand collaborative models of community-serving efforts. It is critical that at the local level, congregations, business and government work together to transform communities. Through the Compassion Capital Fund, we will work to establish programs of scale that deliver measurable results through collaborative efforts focused on several areas of need, including mentoring children of inmates, second chance maternity homes and technical assistance and capacity building for community-based organizations.

Finally, President Bush has ordered us to identify and remove unreasonable regulatory barriers that inhibit faith-based and other community-serving organizations' abilities to achieve results that our country's families and neighborhoods deserve. An extensive study of the city of Philadelphia by Professor Ram

Cnaan of the University of Pennsylvania found that communities of faith play a vital role in meeting community needs. If one would attempt to replace the services provided by these community-serving congregations, the cost for this one city was estimated to easily exceed \$250 million in any given year. We know that these types of services are made available throughout our country, whether by organizations like The Kitchen in Springfield, Mo. or at Mission Arlington in Texas. Though we know government cannot be replaced by these community-serving ministries, we also believe that government does not have the capacity to love people to wholeness. As a country, we should not resent these neighborhood healers as rivals but welcome them as partners.

Because of their significant investment of financial and human capital and their ability to address individuals in a holistic manner with round-the-clock presence in communities, our country should embrace, encourage and support faith-based and community-serving organizations' efforts to participate in the delivery of services procured through the government. Faith-based organizations are currently excluded from many federal, state and local procurement processes simply because they are unwilling to sterilize themselves from faith. For this reason, our office is pursuing the expansion of the charitable choice provision that was made law in several areas of government beginning in 1996. Simply put, charitable choice outlaws the discrimination that faith-based organizations face in the government procurement process and attempts to level the playing field in terms of accessing government funds. Some of the salient points of charitable choice are outlined below.

► ***Charitable choice protects the religious liberty of people in need by:*** (1) increasing their service options, (2) forbidding

Rural communities seem to have greater understanding of faith-based organizations than urban residents do because the impact is often more visible in rural communities.

providers from refusing to serve them, (3) ensuring that clients cannot be forced into inherently religious activities, and (4) guaranteeing an equivalent alternative service if a client objects to a faith-based charity.

▶ **Charitable choice focuses on funding valid, public services, not taxpayer-funded worship.** Charitable choice explicitly states that no direct federal funds “may be expended for sectarian worship, instruction, or proselytization.” Federal funds can only support valid and authorized social service purposes, not inherently religious activities.

▶ **Charitable choice safeguards the religious character and institutional autonomy of charities.** While taxpayer-funded worship is forbidden, charitable choice makes clear that faith-based groups do not have to purge the very qualities that make them so uncommonly effective. People of faith should not have to strip religious symbols or icons from their walls or secularize their programs. They have every right to hold, express and practice their deepest convictions, so long as any inherently religious and worship-centered activities are separate, voluntary and privately funded.

▶ **The Constitution requires evenhandedness and neutrality.** The First Amendment does not require government to insist on rigid secularism but rather to embrace pluralism. Government must widen access and insist on fairness. It should judge groups, sacred and secular, by their results, not their beliefs.

▶ **We will expand choices for needy Americans and will never force them to accept religion.** People must always have access to an equivalent alternative service and be able to get help without religious coercion or discrimination. We should expand the range of options for people in crisis.

▶ **Government will not pick and choose among groups based on their religion, but will select groups based on the quality of their programs.** Any group with a strong record of effective help and respect for clients should be eligible to compete for funding. Government should not blacklist groups, pre-select winners or losers, or arbitrarily decide who is a valid group and who is not.

Rural communities seem to have a greater understanding of faith-based organizations than urban residents because their impact is often visible in rural communities. The work of faith-based and community-serving providers is critical to our country. The White House Office of Faith-based and Community Initiatives encourages and supports these armies of compassion as they extend efforts beyond band-aid, temporary approaches to build whole families and healthy communities.



Lisa Cummins is an associate director at the White House Office of Faith-based and Community Initiatives. More information on the White House initiative can be found at www.whitehouse.gov.

HAC Facts

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counties with high rates of welfare use. The study identifies several ways in which rural welfare recipients face different obstacles than those in cities.

It can be hard to find and maintain jobs because of limited social service infrastructures, lack of public transportation, the predominance of seasonal employment in agriculture and

extractive industries, and scarce child care resources. In addition, housing costs and rehabilitation needs can burden many rural welfare recipients entering the workforce. *Case Studies on Rural Housing and Welfare Reform* examines Chicot County, Ark., Colusa County, Calif., Crawford County, Ind., Greene County, N.Y., McKenzie County, N.D., Rutland County, Vt., and Wise County, Va. The report is free at www.ruralhome.org, or \$7 in print from Luz Rosas, HAC, 202-842-8600, luz@ruralhome.org.



CONCERNS ABOUT THE PRESIDENT'S FAITH-BASED INITIATIVE

Opening Public Coffers to Religious Organizations

by Florence C. Kimball

At the heart of the president's proposal is an effort to expand the eligibility of religious social service providers to receive government funds.

ate in January, President Bush unveiled his faith-based initiative, a proposal to address human needs in the U.S. The president's vision is to greatly expand the role of religious organizations in providing social services. The president cited the diverse and sometimes unique contributions that religiously oriented social service programs have made to the well-being of U.S. society.

At the heart of the president's proposal is an effort to expand the eligibility of religious social service providers to receive government funds. The president also established a White House Office of Faith-based and Community Initiatives. This office would seek to expand opportunities for faith-based and other community organizations to meet social needs. Finally, the president proposed a program of tax code and other legislative changes intended to stimulate individual and corporate charitable giving.

The president has implied that his proposal breaks new ground in creating partnerships between government and faith-based charitable service groups. However, such partnerships are not new. Many religious organizations have a long history of such partnerships. What is new about the president's proposal is the effort to expand partnerships between government and pervasively religious charities. Pervasively religious organizations are ones that cannot separate their social service work from their religious activities. In the past, government-funded religious charities provided social services as a witness to the faith of their members but did not mix religious activities with the social services that they provided.

Charitable Choice: The Heart of the Faith-based Initiative

President Bush would extend the eligibility for federal funds to pervasively religious social service organizations through a

mechanism termed charitable choice. Charitable choice language first appeared in the 1996 welfare overhaul legislation. The president's faith-based initiative would broaden the applicability of charitable choice to diverse social service programs.

Charitable choice language forbids states, when awarding funds, from discriminating against social service programs that have religious content. Thus, programs that mix religious and social service activities must be considered on an equal basis with other programs. Although public funds cannot be used for "sectarian worship, instruction or proselytization," charitable choice language also stipulates that the "religious character" of the organization cannot be "impaired" as a condition of accepting funding.

Is Government Discriminating by Refusing To Fund Pervasively Religious Social Service Programs?

Many denominationally sponsored social service programs have long been eligible for and received public funds. Examples include Lutheran Services in America, Catholic Charities, and the Salvation Army. These faith-based charities have all separated religious content from the delivery of an array of social services such as care for children and the elderly, settlement of new immigrants, construction of affordable housing, substance abuse programs and halfway homes.

The central issue in charitable choice is the use of public funds to support programs that have a pervasive religious content. Church-sponsored homebuyer counseling programs are already eligible for public support on an equal footing with secular community organizations that sponsor such programs. However, charitable choice language would broaden the eligibility to permit public funding for church-sponsored programs that incorporate religious principles into the counseling process. Such public funding raises serious constitutional and public policy problems.

What Is Wrong with Publicly Funding Social Service Programs That Have Religious Content?

► Providing public funds to programs with sectarian content supports specific religious teachings. For example, a church-sponsored job training program that draws its instructional points from the Judeo-Christian scriptures is advancing those teachings over the teachings of other faiths. Government should not be in the position of choosing among different religions.

► Tax dollars that support the social service elements of religious programs free up organizational funds to support proselytization and outreach. Under charitable choice, Jewish taxpayers could find their taxes supporting programs with anti-Semitic content. Some Christian taxpayers might be dismayed to find their taxes supporting Wiccan religious practices. Charitable choice language that prohibits the use of taxpayer dollars for “sectarian worship, instruction or proselytization” is more cosmetic than real.

► When government bodies fund pervasively religious organizations they may also support discriminatory hiring practices. Religious organizations are exempt from employment non-discrimination laws (Section 702 of the Civil Rights Act of 1964). This exemption allows religious organizations to make hiring decisions on the basis of religious principles when those positions serve the faith community. This exemption is important. Without it, government could intrude in the affairs of religious organizations. However, when pervasively religious social service programs receive public funding, then the exemption poses a problem. A fully qualified substance abuse counselor might be disqualified for a publicly funded position just because he is of the “wrong” religion. Government should not fund programs that engage in discriminatory employment practices.

► Charitable choice could erode the religious freedom of some beneficiaries. Not all beneficiaries of social service programs participate voluntarily. Some may be assigned to programs as a condition of probation or as an alternative to juvenile detention. Charitable choice does permit a beneficiary to object to a placement that violates her or his religious beliefs. In that case, the state must provide an alternative placement. However, there is no requirement that beneficiaries be informed of their right to object and to receive alternate placement.

► Charitable choice raises the question of what constitutes a religious organization for the purposes of funding. For example, will religions that preach hate be eligible for federal funding? Who will decide what religious messages are or are not acceptable? Government should not be in the position of judging religious beliefs.

The administration’s faith-based initiative, with its emphasis on charitable choice, frames the church-state issue in a way that is both inaccurate and non-constructive. The proposal ignores the long and productive relationship that has existed between many religious social service providers and the government. Instead, it advances the public funding of pervasively religious providers. This is likely to heighten religious divisions within the United States.

What Is Missing from the Faith-based Initiative?

► **No new government funds.** The administration has not proposed additional public funds to expand faith-based social service programs. Net expansion in programs likely will depend on increased charitable giving. While such giving may help bolster the social safety net, it is no substitute for a well-designed and adequately funded federal program.

The president’s proposal would increase the pool of organizations applying for the current level of funds. Experienced, effective providers of housing and other social service programs could find their funding reduced as government funds are redirected to pervasively religious providers. The impact on the poor and vulnerable could be dire.

► **A failure to deal with root causes.** Programs that feed the hungry, clothe the naked, shelter the homeless, and minister to those who are sick or in prison are essential. However, soup kitchens, homeless shelters and prison ministries are but band-aids for a wounded society. They staunch the worst of the blood flow, but do not address the underlying problems that created the wounds in the first place.

The widespread poverty, drug abuse and crime in the U.S. have roots in the unequal distribution of wealth and opportunity. Yet the faith-based initiative makes no mention of root causes of poverty, homelessness and other social problems. Unless the root causes are identified and addressed, we in the U.S. cannot eliminate or even substantially reduce hunger, substandard housing, violence, substance abuse and myriad other societal problems.

A Better Way for Government To Partner with Faith-based Organizations

Government may cooperate with religious social service providers (including pervasively religious organizations) in non-financial ways without running into the problems that charitable choice raises. Here are a few examples:

► A government office may compile a list of social service providers in a town or district and make it available to anyone

inquiring about services. The list might consist of homeless shelters, soup kitchens, job training programs, and substance abuse programs. Such a list could include both secular and faith-based providers. Annotations might describe the nature of each program, including religious content.

▶ A government office might offer education and training opportunities for staff and volunteers of both secular and faith-based programs. For example, a knowledge of public health procedures for organizations that run soup kitchens and homeless shelters is important regardless of whether the sponsoring organization is religious or secular.

▶ A government office might encourage the business community to develop partnerships with social service providers as a way of developing additional financial resources for social services. In providing information to the business community, the office could make businesses aware of the full range of secular and faith-based providers in the community.

Religious organizations that feed the hungry, shelter the

homeless and, in countless other ways, serve those in need contribute in valuable ways to our society. Moreover, in some arenas, such as rehabilitating persons with substance abuse problems or those who have committed crimes, a spiritual approach may be particularly effective. By encouraging these efforts in a way that is neutral to religion, government can foster a society with justice and equity for all.



Florence C. Kimball is legislative education secretary for the Friends Committee on National Legislation (FCNL), a Quaker lobby founded in the public interest in 1943. Ms. Kimball notes that the terms “faith-based organization” and “religious organization” are used interchangeably in this article to refer to any organization that is motivated by faith, is affiliated with a faith tradition, or incorporates religion in its activities. The terms thus describe a range of organizations that run the gamut from houses of worship to separately incorporated nonprofits. Information on FCNL is available at www.fcnl.org.



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

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

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FAITH IN ACTION

Faith-based or Inspired by Faith?

by JoAnn Kane

No one can be left behind. At McAuley Institute, we believe that every person has a right to safe, decent, affordable housing.

The president's faith-based initiative has roots as old as recorded history. Prophetic leaders have long exhorted God's people to serve their neighbors on earth. McAuley Institute itself is part of a 170-year-old tradition as an organization inspired by faith. The Institute traces its beginnings to the day in 1831 when Catherine McAuley opened the door to her home to shelter, care for and educate women fleeing the ravages of the potato famine. Her actions were the foundation of the Sisters of Mercy, our sponsors. We are heartened by those who seek similar inspiration and embrace those who wish to serve people in need.

With tradition and history clearly in support of its strategy, why are so many wary of the direction being set by the administration's embrace of faith in action? Some concerns are more visible in the public dialogue than others. The issue of separation of church and state is very important to review as well as concerns about the possibility of divisiveness among those of different faith traditions. Those topics and others are being thoughtfully examined by experts at all levels.

I want to draw attention to lessons drawn from people of faith at the grassroots level that do not generate headlines. The history and successes of the community development movement and, by

Photos courtesy of McAuley Institute.



On the rural Eastern Shore of Virginia, this home was renovated by the New Road Community Development using a loan from McAuley Institute.

and large, the successes of low-income people, are firmly grounded in a social justice tradition that provides guidance and models that could improve components of the faith-based and community initiative President Bush has proposed. The models demonstrate inclusiveness and shared decision-making, target resources to the least fortunate (leaving no one behind), promote empowering strategies and require predictable funding sources.

First, as the administration's staff working on the president's faith-based initiative continue their policy developmental efforts, they should explicitly reach out to women of faith. Women are rarely included or directly consulted in the development of strategies to assist them. In McAuley Institute's groundbreaking study, *Women Creating Social Capital and Social Change*, the majority of local women leaders interviewed said that their work was sustained by their faith and spirituality. Faith has inspired women in this country to great heights. The study's authors, Marilyn Gittel, Isolda Ortega-Bustamante, and Tracy Steffey, note the long history of women as leaders in social change, both in programs to alleviate the suffering of individuals and as catalysts of positive social change.

For example, Catholic religious women were indispensable in the development of this nation's private health care system.

A major barrier to the successful implementation of federal initiatives is a weakness for expensive, one-of-a-kind approaches.

They are also among the earliest investors of seed capital for the community development financial institution industry. That skill and track record would be invaluable to the president's efforts to leverage local resources and meet the needs of those at risk.

Women of faith are also women of realism. Establishing a nonprofit corporation to receive and manage government funding can be an empowering strategy as well as a prudent risk-management tool. The field staff at McAuley Institute are all trained in organizational development methods to help support nonprofit corporations to fulfill their mission. Government-funded, faith-based programs should also invest in the nonprofit sector. A community-based nonprofit provides the structure and opportunity to remain accountable to clients and to tie community development to leadership development — the key to ongoing organizational sustainability. The corporate structures of many religious institutions are not organized to provide the daily oversight and direction needed to manage the complex work of community development. And one may have less fear of proselytizing when there is open dialogue with lay board leadership in program management and development.

According to a recently re-published Seedco study on the role of religious institutions in community development, "The most important contribution a religious institution located within a low-income community can make to a community economic development program is to provide leadership." I would add that it is also important to help create leadership.

Local control is a value lauded by the administration, and I hope that it is one that will also be embraced by the faith-based initiative. An important corollary to local control is flexibility in local program design. A good example to review for pointers is the former John Heinz Neighborhood Development Program (NDP) at HUD. NDP was a modest program. Its annual appropriation never rose above \$5 million. But it was a simple match program that helped generate new local dollars and gave a great deal of flexibility to the recipients in terms of eligible activities. The matching funds supported economic development, housing, job training,

organizing and social services — all with a minimum of government oversight.

In our experience, a major barrier to the successful implementation of federal initiatives is a weakness for expensive, one-of-a-kind approaches. At their best, funders allow the flexibility to weave together a wide variety of programs in a more cohesive approach. The administration follows that catalytic approach. It has creatively packaged a set of tools that will support faith-based programs; however, it has noticeably excluded any mention of any increase in funding for the hoped-for increase in activities. Even churches and synagogues have employees. The more complex the set of tools, the greater the need for experienced staff. A simple funding mechanism is a must for the initiative to be useful and successful.

No one can be left behind. At McAuley Institute, we believe that every person has a right to safe, decent, affordable housing. McAuley has assisted over 2,500 housing projects since 1983 to contribute to fulfilling that right to housing. One-half have been programs with religious sponsorship, staff, or funding. While some have missions set by a corporate process, the majority have been efforts grounded in the love of God and neighbor. It is difficult work and I do not think many could continue as long as they do on religious devotion alone. They are also inspired by the Spirit and their faith.

Dorothy Day, co-founder of the Catholic Worker movement, wrote, "We cannot live alone. We cannot go to heaven alone. Otherwise as Pequy said, God will say to us, 'Where are the others?'"

A faith-based initiative must have room for all. If the new White House Office of Faith-based and Community Initiatives welcomes the Spirit it must also embrace the direction of low-income people and grassroots people of faith. God is in the details.

 **JoAnn Kane** is executive director of McAuley Institute, a national, nonprofit housing organization founded by the Sisters of Mercy to provide technical assistance and financial resources to grassroots organizations that work to expand housing and economic opportunities for low-income women and their families. Information is available at www.mcauley.org.

AASHA Members' Faith-based Housing and Services for the Elderly

by Linda Couch

AAHSA is proud that approximately half of its 5,600 members identify as faith-based and work toward AAHSA's goal of healthy, affordable and ethical long-term care.

In a recent hearing on housing issues, U.S. Senator Rick Santorum (R-Pa.), a leader in elderly housing issues, was hopeful about the President's initiative to release the "armies of compassion" to address housing needs. Senator Santorum was referring to President Bush's faith-based and community initiative. The Department of Housing and Urban Development's (HUD's) faith-based office is being revamped and HUD Secretary Mel Martinez is requesting \$5 million for it. Other federal agencies will create new such offices, all in an effort to increase the participation and capacity of faith-based and secular nonprofits, and their armies of staff, in addressing community needs.

Armies may be a very appropriate term; where you see one faith-based organization there are likely many more working alongside to address housing needs. With more than 7.4 million elderly households paying more than they can afford for housing (and the greatest cost burdens on households with the lowest incomes) and an increasingly older and therefore more frail elderly population, armies may indeed be a key solution in meeting elderly housing needs. The experience of the American Association of Homes and Services for the Aging (AAHSA) has been that faith-based groups have often been the first to identify and respond to housing needs among low-income elderly people, especially in rural areas.

With missions that compel action, faith-based groups are also among the first organizations to demand sufficient public investment in affordable housing solutions. AAHSA is proud that approximately half of its 5,600 members identify themselves as faith-based and work toward AAHSA's goal of healthy, affordable and ethical long-term care. Many began as individual congregations witnessing housing needs locally, reaching out to other congregations with similar needs and organizing with statewide, regional and national organizations to address pressing needs. The experience of AAHSA's faith-based members may serve as a valuable road map to successful

government and faith-based partnerships.

"The needs that exist are tremendous. Faith groups cannot take the place of government, but they can provide the human face and touch to many who find themselves in need. Because their focus is on the people they serve, faith groups and not-for-profit organizations are also often the leading innovators in delivering social services and health care," according to AAHSA President Larry Minnix, an ordained elder in the United Methodist Church.

Harbor Area Housing, an AAHSA member in Harbor Springs, Mich., is one example of how a small group of people came together to make a difference. In the early 1970s, the Presbyterian Church in Harbor Springs encouraged its mission outreach committee to see what the church could do for its community by giving the committee a \$1,000 grant. The committee used the funds to conduct a survey of community needs and, eventually, to incorporate as Harbor Area Housing in 1975.

With the support of civic organizations, which this group says are critical allies in small communities, Harbor Area Housing established a board of directors with representatives from the Presbyterian, Episcopal, Methodist and Catholic Churches to address low-income senior housing needs. The board has also always included lawyers, bankers and city officials, all ties that are easy to make in rural communities, according to Roma Bolline, president of the board and a founding member of Harbor Area Housing. Says Bolline, "we worked hard to make sure the housing we identified as needed in the community fit into the community." According to Bolline, faith-based organizations have tremendous personal dedication to their projects and this dedication is evident in the quality of their housing.

Harbor Area Housing received its first grant in 1975 from the United States Department of Agriculture's Rural Housing Service (RHS, formerly the Farmers Home Administration)

and built 24 senior housing units. Two years ago, Harbor Area Housing built its second development with a HUD Section 202 supportive housing for the elderly grant. As soon as the organization realized its housing needed more professional management, Harbor Area Housing sought out a nonprofit, faith-based management firm. It found one in Presbyterian Villages of Michigan, another AAHSA member.

Today, the administrator of the RHS and Section 202 properties, Martha Cook, says she felt a call to work with Harbor Area Housing and its Hillside Apartments because of her “need to work with seniors and with a company that would support them.” Cook recalls that the residents wanted a beauty salon as none were readily available in the rural area. Says Cook, “The board raised \$16,000 for a beauty salon for residents. That’s where being faith-based comes through — to make things as good as possible for the residents.” Cook knows that the board she works with at Harbor Area Housing would only have hired a faith-based management company because of their reputation for caring. This year, Harbor Area Housing is applying for a service coordinator grant from HUD. If successful, it will have a staff person devoted to coordinating all kinds of services for residents, services that will ultimately help many residents stay in their current homes if they so choose.

In rural areas, issues like transportation to and from doctors and groceries can be major coordination challenges in and of themselves. Joining together as people of faith to address one need in rural areas, like housing, inevitably means addressing a host of related needs. Presbyterian Village’s vice president for

housing, Becky Carter, notes that obtaining and coordinating services is very difficult in rural areas when transportation options are limited, the geography is broad and services are not centralized. Presbyterian Villages, says Carter, thoroughly investigates the applications

it receives from small, and often faith-based, groups like Harbor Area Housing to build Section 202 elderly housing in rural areas. Carter believes that rural housing needs are different than urban ones, and she worries that people often live in substandard conditions longer because of a lack of housing choices and fewer service options. Data show that half of all elderly households living in units with physical problems do not have the financial resources to correct them.

The advantage to being a faith-based organization, according to Nancy Eldridge, executive director of the Cathedral Square Corporation in Burlington, Vt., is that her board “takes most seriously the resident services component for people’s needs.” At Cathedral Square properties, which are in six of Vermont’s 14 counties, the board is a strong advocate for incorporating needed services into projects’ operating budgets. Cathedral Square, an AAHSA member founded by the Episcopal Cathedral Church of Vermont, also acts as a property manager and can ensure that services are a priority within its developments. The effect, says Eldridge, is an increase in residents’ sense of security that there are adequate resources at the ready while meeting their mission of managing, developing and owning housing that is affordable to seniors, low-income Vermonters and others with special needs.

AAHSA supports its members by annually securing

Photo courtesy of AAHSA.



Cathedral Square Corporation's Cox House in Windsor, Vt. prior to redevelopment.

funding and advocating for additional funding, for low-income elderly housing developments and for service coordinators. AAHSA was the lead advocacy group for funds to enable the provision of services within the housing. This year, AAHSA is seeking increased funding for Section 202 housing for the elderly as well as funds for modernizing aging affordable housing communities. For example, Harbor Area Housing's board of directors recently purchased 33 acres of land for more senior housing in rural Michigan. AAHSA has also worked successfully with its members to increase federal expenditures for Low Income Housing Tax Credits so that more projects like Cathedral Square's Franklin Homestead can be constructed.

Franklin Homestead is an 18 unit senior housing facility with assisted services that will help fill the large need for affordable assisted living in rural Vermont.

One of President Bush's goals in establishing a White House Office of Faith-based and Community Initiatives is to strengthen groups' capacity to better meet social needs in America's communities. When asked how such an office could help her local efforts, Harbor Area Housing's Hillside Apartments Administrator Cook worries how much such an office can do if there are not sufficient resources to fund additional housing construction. "A lot of the churches here are already tapped out. They are already doing so much. If there's no new money out here, will this effort really bring progress?" wonders Cook. Presbyterian Village's Carter thinks such an office may best spend its time and resources providing technical assistance to new groups that do not have the substantial start-

up funds required in the pre-development phase. These costs, for architects, soil testing, feasibility analyses and legal consultants etc., can greatly inhibit projects from the start. Another avenue of work for a new White House office could be to

address the disconnect between HUD and the Department of Health and Human Services, believes Cathedral Square's Eldridge. Her nonprofit has received a grant to convert some of its subsidized elderly housing units into affordable assisted living. Organizations like hers are trying to meet local needs for such affordable, service-enriched housing but no national model or framework is in place to assist groups as they grapple to meet ubiquitous aging-in-place needs of

low-income residents. The difficulty in making pieces of the puzzle fit among different agencies should be addressed at the national level, Eldridge says. For example, the faith- and community-based offices at the various federal agencies could convene and work toward breaking down barriers between their programs and meeting people's needs.

As the nation ages, we are faced with a growing and increasingly frail population. AAHSA is working with its members, with Congress and with the administration to ensure a long-term care continuum where elderly people have choices that meet their long-term care needs in healthy, affordable and ethical ways.

Photo courtesy of AAHSA.



Cathedral Square Corporation's Cox House in Windsor, Vt. after renovation as housing for the elderly.

Linda Couch is a housing policy analyst with the American Association of Homes and Services for the Aging (AAHSA). AAHSA's web site is www.aahsa.org.



Photo courtesy of B'nai B'rith.

Sam J. Stone B'nai B'rith Apartments, Peoria, Ill.

The B'nai B'rith Senior Housing Program

by Mark D. Olshan

B'nai B'rith's senior housing program goes to the heart of our philosophy. It is a natural outgrowth of our commitment to community service.

Community. The word implies belonging, people sharing similar hopes and ideals. Individuals have always relied on a sense of community to reaffirm their identity, to celebrate joyous occasions together or to find a source of comfort during sorrowful times. In today's fast-paced society, friends are not always able to visit. Family members are often scattered across the country. It is easy to feel isolated, especially for someone living alone. Indeed, the need for warmth, security and human contact grows stronger as we grow older. B'nai B'rith has long recognized that need and worked hard to meet it. That is why we created the B'nai B'rith Senior Housing Program. Through this program, we have tried to bring happiness and a feeling of belonging to thousands of senior citizens—regardless of race, religion, or ethnic origin.

Founded in 1843, B'nai B'rith is one of the oldest and largest international service organizations, even pre-dating the American Red Cross. Committed to the security and continuity of the Jewish people, B'nai B'rith is dedicated to defending human rights, combating anti-Semitism, bigotry and ignorance, and providing service to the community on the broadest principles of humanity. Accordingly, B'nai B'rith is especially proud of the non-sectarian services it provides to the community, one of the most significant of which is our Senior Housing Program.

For more than three decades, B'nai B'rith has been involved in a cooperative partnership with the U.S. Department of Housing and Urban Development (HUD) to make rental apartments available for senior citizens on limited or fixed incomes. It is an opportunity to offer elderly people

with limited incomes quality housing in a community of their peers where they can enjoy their golden years in an environment that fosters warmth, friendship and independence.

Today, B'nai B'rith is the largest national Jewish sponsor of senior housing in the world. Our subsidized housing network consists of 34 apartment buildings in 24 communities across the nation. We provide over 3,900 apartment units and serve over 5,500 persons. And we continue to grow, as we anticipate the opening of a facility in Chesilhurst, N.J. and additions in Tucson, Ariz., Marlton, N.J. and Boston, Mass. Recently, we completed a \$60 million bond offering and began construction on a 232-unit development that will combine all three levels of housing and appropriate services (independent, assisted and nursing) on a single campus. This total “life care” concept is one of our most exciting projects and we look forward to providing more of this type of model in the future.

In addition to the United States program and activities, B'nai B'rith has developed a variety of housing alternatives around the globe. B'nai B'rith sponsors “parents’ homes” in Australia, New Zealand and Israel; senior citizens “flatlets” in England; an apartment building and a medical residence in Vancouver, British Columbia; and apartment buildings in Toronto, Ontario. Although funded through their own national programs and tailored to meet the particular needs of the host country, these facilities reflect the internationality of our housing network.

At B'nai B'rith, we recognize the importance and value of every stage in our lives. We know that our senior years can be as rewarding and productive as any other. Our residents enjoy dignified, comfortable, and affordable community living. They

Photos courtesy of B'nai B'rith.



engage in intellectually challenging and worthwhile programs and activities. Each of us grows older every day, and this program is our effort to make this journey immensely exciting and as fulfilling as possible.

Developed through a top-down, yet decentralized approach, our projects are planned and carried to completion by local B'nai B'rith volunteers within a framework of regulations and criteria established by a National Senior Housing Committee. Composed of B'nai B'rith members, many with experience in the building trades, this committee makes certain that each B'nai B'rith sponsored apartment building remains a vital, evolving facility, continually responsive to the residents in that community, while at the same time, remaining consistent with the general philosophy of the larger B'nai B'rith organization.

B'nai B'rith's senior housing program goes to the heart of our philosophy. It is a natural outgrowth of our commitment to community service. Our sponsorship of a housing project does not end with the ceremonial cutting of a ribbon. It begins there. This is where our local volunteer support is channeled into programming ideas, special projects and activities benefitting residents and B'nai B'rith members alike. The excitement and sense of accomplishment is brought to fruition by the hard work and devotion of the local group of dedicated men and women under the banner of B'nai B'rith. This is our fundamental affirmation: local volunteers providing a much-needed service to their individual communities, motivated by an enthusiasm generated by membership in B'nai B'rith.

To support this local involvement, B'nai B'rith maintains a senior housing office in our international headquarters in Washington, D.C. to provide a variety of services to its housing network. Professional staff provide ongoing support and assistance to the individual apartment buildings' boards of directors and management teams. Annual training conferences and seminars are held to give the boards of directors and management professionals the opportunity to meet with HUD

officials and other housing experts on a variety of topics of interest. Information is also disseminated throughout the network via a quarterly newsletter, which features articles related to developments at HUD, housing legislation, aging and housing-related resources, and stories about events and activities of the individual apartment buildings worldwide.

Additionally, B'nai B'rith has been a pioneer in developing programs that directly benefit the residents of the facilities it sponsors. Every two years, a three-day resident leadership retreat is held at the B'nai B'rith Youth camp in Starlight, Pennsylvania. Residents from each facility, all active leaders of their own resident councils and associations, are treated to a variety of seminars designed to enhance their own leadership and empowerment skills. Sharing their experiences and learning from each other, these residents become better able to structure a more active, involved lifestyle for the other residents of their buildings.

As the population continues to age, and governments find it increasingly difficult to deal with the problems of the aged, the commitment we make to our elderly is all the more important. It is imperative that current — and future — senior citizens be accorded the respect and dignity their years have earned.

Have we succeeded? We believe that the success of our program can never be judged only by the number of apartment units we have built. Buildings are mere bricks and mortar. Our success is measured by the many lives we have touched and, indeed, enriched. Using that as our barometer, the B'nai B'rith senior housing program has over the years proved to be a resounding success.



Mark D. Olshan, Ph.D. is director of the senior housing and services program at B'nai B'rith. For more information about the B'nai B'rith Senior Citizens Housing program, contact the national office in Washington, D.C. at 202-857-6581 or at seniors@bnaibrith.org.

A Collaborative Faith-based Initiative

by Jo Ann Corum

Helping families to achieve a better life by providing a safe, decent and affordable house, and providing jobs and job training to those with the lowest incomes appeals to almost everyone.

Since its inception in 1973, Kentucky Mountain Housing Development Corporation, Inc. (KMHDC) has built over 583 new houses and completed 394 major home repairs in an area where the 1999 median income for a family of four was less than \$19,000 and approximately 30 percent of the population lives in poverty. KMHDC has been successful in large part due to its founder's foresight in building a collaborative organization that benefits from both religious and secular resources. KMHDC has also benefitted from the broad appeal of its mission. Helping families to achieve a better life by providing a safe, decent and affordable house, and providing jobs and job training to those with the lowest incomes appeals to almost everyone. The houses KMHDC builds and the jobs it provides offer concrete evidence that something is being done to combat chronic problems in Appalachia. Based upon its broad appeal, KMHDC has partnered with many other agencies and organizations to provide the housing assistance still needed by many in its service area.

KMHDC began as a collaboration between churches, communities and government agencies. This cooperative effort was achieved under the direction of M. Dwayne Yost, a minister with the Church of the Brethren. Yost realized that many of the residents in Kentucky's Clay and Jackson counties were living in substandard housing and could not afford better. He sought the resources needed to provide these families with safe, decent and affordable housing. Over the next 25 years, Yost worked to make KMHDC one of the pre-eminent nonprofit housing builders in Appalachia.

Under the guidance of Yost, KMHDC sought various housing partners to help build affordable houses for low-income families. Initial funding came from the Church of the Brethren and the United Methodist Church's Red Bird Mission. The Church of the Brethren provided money for working capital, and many of its churches sent volunteers to help with home repairs. Churches and church-related organizations have been the mainstay of KMHDC. As KMHDC

endeavored to reach its goals of adequate, affordable housing for the largest number of families possible, the churches and church-related organizations provided volunteers, money and facilities to the fledgling organization, and they continue to support the organization today. Countless volunteers from Church of the Brethren visit KMHDC annually to work on new and rehabilitated houses in Clay and Jackson Counties. Many donations from Church of the Brethren members help KMHDC continue to build houses.

In the first four years of KMHDC's existence, the Church of the Brethren contributed \$84,000 and untold volunteer hours. The Red Bird Mission, an affiliate of the United Methodist Church, also provided initial funding, \$40,000 in working capital, to KMHDC. The Mission also established a line of credit in the amount of \$25,000, which KMHDC uses to purchase land for housing construction.

The Red Bird Mission is still very much involved in the overall operation of KMHDC. Established in the 1930s, Red Bird Mission provides educational and medical services to a very isolated area of eastern Kentucky. Its mission and that of KMHDC coincide so well that the by-laws of KMHDC establish a long-term board position specifically for the executive director of Red Bird Mission. Fred Haggard currently fills that position, continuing a tradition of providing leadership and guidance to KMHDC.

Among other organizations that provided assistance to KMHDC from the beginning was Daniel Boone Development Council (DBDC). DBDC, a community-based development organization, assisted KMHDC with training programs and administrative funds. The training programs provided KMHDC with carpenters and the carpenters with jobs. The administrative funds allowed KMHDC to maintain offices and administrative staff. A current KMHDC board member is a long-time employee of DBDC. Over the years, the organization has also received funds from the Presbyterian Church, Sisters of St. Francis of Philadelphia, Sisters of Charity, Sisters

of the Holy Cross, Christian Appalachian Project and the Commission on Religion in Appalachia, just to mention a few church-based KMHDC supporters.

In addition to providing direct funding to KMHDC, churches and church-related organizations provide in-kind services and support for KMHDC and its clients. Mutual Aid Association, a property insurance provider established by the Church of the Brethren, works with the organization to provide insurance to families served by KMHDC. Without this assistance many KMHDC families could not afford insurance for their homes.

KMHDC continues to be a model of collaboration between religious and secular resources. The organization was assisted in its early years by private businesses such as Shamrock Coal Company, which provided bulldozing and site development work free of charge. In recent years, the Thompson Foundation, a charitable organization established by the founder of Shamrock Coal Company, has provided KMHDC with grant money to be used exclusively in Clay County to help build houses for low-income people. KMHDC has also received loan funds and technical assistance from the Housing Assistance Council for much of its history.

Various government organizations have also worked with KMHDC almost from the beginning to help provide housing assistance. Among these are

Photos courtesy of KMHDC.



Substandard housing replaced by KMHDC [top].
 Finished replacement housing [center].
 KMHDC crew at work [bottom].

Kentucky Housing Corporation, the Appalachian Regional Commission, and the U.S. Department of Housing and Urban Development. These organizations provided funding for a myriad of purposes including working capital, site development, administrative costs, job training, technical assistance, capacity building and loan fund capitalization. Many of the 583 new homes and 394 major home repairs completed by KMHDC reflect the collaborative effort between KMHDC's Home Loan Fund and these agencies.

KMHDC has also been blessed by the charitable giving of some special individuals who have provided funding, equipment and other assistance throughout the history of KMHDC. One particular individual through his faith and vision has provided gifts for elderly and handicapped apartment facilities, job training and the construction of a new office building in Jackson County.

Charitable giving from individuals and organizations has greatly enhanced Kentucky Mountain Housing's ability to make a difference in the lives of hundreds of low-income Appalachian families. As KMHDC strives to fulfil its mission it will continue to seek various partnerships with other organizations, both religious and secular, in order to meet the needs of impoverished people in need.



Jo Ann Corum is director of development for Kentucky Mountain Housing Development Corporation. KMHDC can be contacted by phone at 606-598-5128.

Tierra Madre: Meeting the Challenges of Housing and Conservation

by Jean Miller

In our competitive society with its ever-increasing desire for profit, the human right to shelter is often overlooked and housing for a majority of the world's population is not a top priority.

As forests are being depleted by fire, clear cutting and natural disasters, the need to look for ways to preserve our planet for our children is essential. These two concerns motivated members of the Sisters of Charity, the Franciscans from Rochester, Minn. and the Incarnate Word from San Antonio, Texas, as they envisioned a response to the Gospel — which challenges us to justice, equality and options for those who live on the margins of society — and the Universal Declaration of Human Rights, which recognizes housing as a human right. That response eventually became Tierra Madre, a secular, community-based nonprofit organization.

Tierra Madre, which means Mother Earth, incorporated in 1995 as a community-based land trust serving the predominantly Spanish-speaking, Mexican-American community of Sunland Park, N.M. The long-term result of Tierra Madre's vision will be a sustainable community of 47 energy-efficient straw bale houses, a community garden, a community center, some micro-enterprises and a play area. The project is financed in part through a \$200,000 Housing Assistance Council Self-Help Homeownership Opportunity Program (SHOP) loan. At present one house, a play area and a community garden are complete. Eleven houses are under construction, and another 10 will be built by next winter. By completing 20 houses by February 4, 2002, Tierra Madre will meet its SHOP deadline, and 75 percent of its loan will be converted to a grant.

The organization and its unique housing project, which celebrated six years of existence in May, have faced many challenges, but the people who encouraged and supported Tierra Madre gave the necessary moral, physical, emotional and financial assistance to keep the dream alive. The biggest task was finding land in an area where one-quarter acres are selling for \$22,000 each with 12 percent interest. The New

Photo courtesy of Tierra Madre.



Mexico State Land Commission came to the rescue and provided Tierra Madre a 99-year lease on 20 acres of state land.

The second challenge was the difficulty of finding lenders willing to lend to low-income families building on state-owned land. After much negotiation and

dialogue the project lenders, the state and Tierra Madre worked out a document satisfactory to all parties whereby participant families will hold title to the houses and can pass their homes to their children or sell their homes in the future but the land remains in a land trust. Instead of property taxes the families will each pay an annual fixed amount for the use of their lots.

Tierra Madre also faced the challenge of preparing for its goal of keeping affordable housing in the area. This called for a future home sales formula that was worked out to include sub-lease agreements between project homeowners and Tierra Madre in order to maintain fair selling prices for both the homeowners and the new purchasers.

The project site's access road became one of the organization's final predevelopment challenges as it was owned by a local developer and needed to be improved to carry residential traffic. This is where lots of negotiation, patience and the assistance of many individuals and organizations were needed to get Tierra Madre beyond its land-locked stage.

Each member of Tierra Madre has learned that this kind of a project takes faith in the people and events that come together at unexpected times and in unexpected places to act as a community and bring a dream to fruition. It takes lots of patience, money and a great deal of belief in the call to work toward a different vision for people and the planet.



Jean Miller is co-founder and president of Tierra Madre, which can be reached at 505-589-4412 or at tmadre@whc.net.

Some Myths of Faith-based Enterprise

by Jim Upchurch

While some people believe that direct involvement by religious entities is the most effective model, the founders of Interfaith Housing took the opposite view.

Interfaith Housing of Western Maryland is an example of a broad-based, interfaith coalition that elected to form a 501(c)(3) nonprofit corporation to put its faith into action. Many faiths provide financial and volunteer support to the organization and several faiths are represented on the board of trustees. Interfaith Housing has worked in four western Maryland counties since beginning staffed operations in 1992. It has 18 staff and an annual operating budget of \$1.5 million and has developed 30 projects representing more than 500 units. Interfaith's housing projects meet a continuum of needs and range from basic shelters to various rental and homeownership projects.

While some people believe that direct involvement by religious entities is the most effective model, the founders of Interfaith Housing took the opposite view. They saw their individual places of worship to be ineffective housing developers in an era when housing development of any kind, and especially housing for the poor, had become a very expensive and complex business. Our founders briefly considered organizing several more local nonprofits in each county but even that approach was rejected when they realized that a new nonprofit housing developer must be able to quickly reach "critical mass" in terms of technical and financial capability. Thus, it was decided to create one strong regional organization.

Interfaith Housing does not require program beneficiaries to accept any given religious belief as a condition for receiving assistance. We believe that to do so would create a threat to our interfaith coalition, and we have not found any evidence to indicate that doing so would help produce more affordable housing.

Several myths about shifting our nation's social problems to faith-based entities surfaced in the 2000 political campaign. One was the belief that faith-based entities are always better implementers of social programs. As Interfaith Housing moved from a vision to the region's largest nonprofit housing developer, we were reminded, as we took over some failed projects, that a religious label does not inoculate sponsors against flawed business plans.

Another myth not likely to be repeated by chairs of church finance committees is that places of worship can take on big social problems with tiny amounts of money. As Interfaith Housing grew, it became clear that the huge costs associated with housing would require more financial resources than we could hope to raise from the local faith community. Today, places of worship provide only 8 percent of our operating budget, although religious leaders play a key role in linking us to grants and in-kind gifts.

Any federal faith-based initiative should avoid the unnecessary diversions of testing constitutional issues and fixing something that is not broken. Bringing moral suasion to bear on social problems with roots in justice and equity issues within our society is perhaps the most important reason for engaging the faith community. Interfaith Housing's interfaith governance is an example of how religious leaders who worship in very different ways can find common ground while promoting our affordable housing mission. We shall be very disappointed if the legacy of the Bush administration's initiative is to make religious collaborators into competitors.

Jim Upchurch is president of Interfaith Housing of Western Maryland, which is located on the world wide web at www.interfaithhousing.org.



Photo courtesy of Interfaith Housing of Western Maryland.

Detail of Bentz Street renovation in Frederick, Md.

'Little Washington' Has a Big Faith-based Housing and Economic Development Agency

by Elliot Wright

Washington, D.C. may be the best-known American city named for the first president, but Washington, N.C. is the oldest.

The village at the forks of the Tar River was calling itself after the revolutionary general by 1776. Today "Little Washington" in Beaufort County — which has 45,000 residents, many of them poor and minority — has another distinction: It is the home of one of the most remarkable community development corporations (CDCs) serving rural and small town communities.

The Metropolitan Housing and Community Development Corporation is as unlikely as it is successful. It emerged from the 150-member Metropolitan African Methodist Episcopal Zion Church but was organized and continues to operate as a community controlled nonprofit entity. In its 11-year history, it has reached beyond Washington and Beaufort County into surrounding counties and is casting its eyes into nearby South Carolina. Metropolitan CDC is rooted in the black community, but its facilities and services are open to all races.

Led by the Rev. David Moore, pastor of the founding congregation, the CDC engages in new home construction and rehabilitation for low- and moderate-income families and more. It has built and sold 30 new single-family homes and rehabilitated 29 more. Much of the single-family housing was developed in response to the destruction of 1999's Hurricane Floyd. Two complexes of senior housing developed by the organization have a total of 23 units. Metropolitan's nine-unit Metro House offers affordable housing to families with HIV/AIDS. Its Hope Village has four units, which provide independent living for emotionally challenged persons. New Horizons, a 24-unit rental property building with tax credits, reserves eight apartments for victims of domestic violence.

Beyond real estate, Metropolitan provides social services to the residents of the senior, HIV and domestic violence units. The CDC and the church jointly operate a homeless shelter with 20 beds. Metropolitan CDC also engages in physical and mental health services, an infant mortality reduction program in the black community, financial literacy and counseling, and

job creation. Agape Community Health Services, managed by the Metropolitan Community Health Services (a spin-off of Metropolitan CDC), opened in 1999. Its staff includes an Hispanic outreach worker. The Metropolitan Community Credit Union, another spin-off that was chartered in early 1999, serves economically challenged citizens in Beaufort, Hyde and Pamlico Counties. With more than 500 accounts, the credit union has made more than 100 loans to low- and moderate- income persons. One of Metropolitan CDC's recent ventures is the conversion of an abandoned shirt factory into job- and income-producing manufacturing and warehouse space, where more than 130 new jobs will be created. The success of Metropolitan is in no small part the result of the remarkable network of program and funding partnerships cultivated by Pastor Moore. Metropolitan's funding comes from government, foundation and other private sources. For example, the single-family homes were built with funds from the U.S. Department of Housing and Urban Development, in-kind services (curbs and gutters) from the City of Washington, N.C., first mortgage money (\$1.3 million) from First South Bank and a second mortgage (\$600,000) at no interest from the North Carolina Finance Agency. Resources for the clinic came from Ryan White CARE Act funds administered by the U.S. Department of Health and Human Services and from the Kate B. Reynolds Foundation. That foundation also assisted with the HIV/AIDS housing. Services in the supportive housing units come from a well coordinated network of public and private agencies, including Tideland Mental Health, Pamlico Sounds Legal Fund, the Salvation Army, the Beaufort County Department of Social Services, Metropolitan AME Zion Church, a local library and others.

Metropolitan Housing and CDC is an excellent example of how a faith-based organization can focus its energy and mobilize people, agencies and funds for the welfare of the community. Faith may be the base, but individual, family and

community empowerment is the product. Work like that of Metropolitan has been possible for decades. It requires no special presidential initiative. What it takes is local vision and energy. The Rev. David Moore is known across the Carolinas as a man of faith, action and insight. He and Metropolitan are inspirations to both African-American and white congregations

that become alive to the potential of community-based housing and economic development initiatives.



Elliot Wright, a professional writer, is a consultant to the National Congress for Community Economic Development (NCCED). Information about NCCED's faith-based initiative is available at www.ncced.org.

A HISTORY OF COLLABORATION

Relationships Between Community Action Agencies and Faith-based Organizations

by Judy Mason

Community action agencies, members of the national network of anti-poverty organizations established by the Economic Opportunity Act of 1964, have a long and productive history of close ties to the religious community.

Community action agencies (CAAs) partner with churches, synagogues, religiously affiliated charities, and other religious organizations in a variety of ways that address a range of community needs, according to a national survey. A summary of findings from the *Community Action & Faith-based Organizations Survey* conducted by the National Association of Community Action follows.

Community action agencies, members of the national network of anti-poverty organizations established by the Economic Opportunity Act of 1964, have a long and productive history of close ties to the religious community. A majority of CAAs were created with assistance from the religious organizations in their communities and have been sustained over the years by the involvement of those organizations. In response to the president's faith-based initiative, NACAA implemented a research project to document the nature and scope of the partnerships that already exist between CAAs and faith-based organizations. NACAA received 285 completed surveys from the more than 900 CAAs located across the country, resulting in a response rate of more than 31 percent.

NACAA believes that community action agencies' 37-year history of successful relationships with faith-based organizations (FBOs) provides effective models that can be used to encourage more FBOs to work with other service providers to meet local community needs. Clergy and other representatives of religious institutions sit on CAA boards of directors. There, along with others representing local government, community organizations and the poor, they guide the work of the agencies. More than 68 percent of the CAAs responding to the NACAA survey reported that their boards of directors each include at least one representative of a faith-based organization; one in five reported that its bylaws reserve seats for FBO representatives.

The partnerships between CAAs and local religious institutions have developed from a common interest in solving local problems. These partnerships enable religious organizations representing many sects and denominations to work in concert with other organizations to build community and at the same time carry out their own social mission. Southeastern Tidewater Opportunities Project (STOP), People's Equal Action and Community Effort (PEACE), Inc. and Community

Services of Calhoun and Cleburne Counties are examples of rural CAAs that collaborate with FBOs.

STOP serves eight jurisdictions that include the cities of Norfolk, Portsmouth and Virginia Beach and comprise one quarter of Virginia's low-income population. In rural Isle of Wight County, STOP works with the Main Street Baptist Church and the county school system to administer an after school tutorial program. The combination of tutoring staff employed by the CAA and space donated by the church provides a safe, enriching environment for students in the community who otherwise would be "latchkey kids."

Fisherman's Net is a partnership between PEACE and two churches in Tully, a small rural community south of Syracuse, N.Y. Members of the two congregations contribute to a fund to meet emergency needs of disadvantaged community residents. The CAA administers the program, screening applicants and providing individuals and families in crisis with emergency food, clothing, shelter, transportation and counseling services. The project expands the outreach capacity of the CAA, and at the same time provides the FBOs with an opportunity to perform their social ministry and meet needs in the broader community. But Bob Rice, acting executive director at PEACE, points out that this is nothing new. "[The faith-based initiative] is getting a lot of attention in Washington, but," he explains, "CAAs have been doing this from the beginning."

Community Services of Calhoun and Cleburne Counties in Anniston, Ala. collaborates with World Changers and the Calhoun Baptist Association on a seasonal program to provide home repairs to low-income, elderly and disabled residents. The project is designed to make the best use of the agency's Weatherization Assistance Program (WAP) funds, and to use donations to cover needed repairs that WAP cannot fund. The project operates for a few weeks each summer, with donations from local businesses, volunteer labor and meals and drinks for the volunteers provided by local churches. The pooling of public and private resources makes possible this joint effort to address the community's housing needs.

NACAA's survey responses indicate that CAA partnerships involve various types of FBOs. Eighty-seven percent of survey respondents work with nonprofit faith-based affiliates such as the

Salvation Army and Catholic Charities. Nearly 74 percent work with individual houses of worship, while 64 percent report working with interfaith alliances and ministerial associations.

More than 40 percent of survey respondents indicated that they contract with FBOs to provide services, and more than 43 percent operate specific programs jointly with FBOs. FBOs partner with CAAs based upon their interests, commitment and capacity. Collaboration is built on the complementary strengths that each organization brings to the partnerships. CAAs, due to their experience in grant administration, often provide management structure and fiscal accountability.

CAA programs are supported by contributions from FBOs, and in turn, CAAs support community-based religious organizations operating programs that benefit the community. Ninety-seven percent of CAAs that returned the NACAA survey cross-refer clients — that is, the CAA refers clients to FBOs for certain services and the FBOs refer people to CAA programs. In addition, more than 52 percent of CAAs report receiving cash support from FBOs, while 47 percent report the donation of space to house CAA programs and services.

The relationship between community action and faith-based organizations has been in existence since the creation of the community action movement. NACAA views the federal faith-based initiative as an opportunity to strengthen and build upon existing relationships. We believe that government policies addressing FBOs should encourage cooperation and community. We encourage the administration to use the existing CAA model, which provides trust and collaboration among local organizations, rather than competition and divisiveness. With the CAA as an intermediary between government and the FBOs, both constitutional and capacity issues are addressed. We also recommend that the administration redirect its efforts to increase overall funding for human services programs, rather than encourage a redesign of the service delivery system, so both existing and potential service providers will have sufficient funding to meet the needs of low-income individuals, families and communities.



Judy Mason is senior policy analyst for human services with the National Association of Community Action Agencies (NACAA). To receive a copy of NACAA's report on CAAs and faith-based organizations call 202-265-7546 or visit www.nacaa.org.



VIEW FROM

WASHINGTON

Faith-based Legislation Advances in Congress

by Joe Belden

The intent is “to supplement the nation's social service capacity by facilitating . . . efforts by religious and other community organizations in the administration and distribution of government assistance. . . .”

Faith-based initiatives in affordable housing have been around for some time, as the articles in this issue of *Rural Voices* show. Similarly a faith-based approach has been occurring in federal programs for a considerable period. Sponsorship of HUD Section 202 developments by church-related organizations is an example. Now Congress, urged on by the Bush administration, has expanded the idea. On July 19, the U.S. House of Representatives passed H.R. 7, the Community Solutions Act, by a 233-198 vote.

Sponsored by Reps. J.C. Watts (R-Okla.) and Tony Hall (D-Ohio), H.R. 7 would enact portions of President Bush's faith-based initiative, including an expansion of the “charitable choice” approach in federal funding. The intent is, as the bill says, “to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance . . .”

Significant for housing is that a provision of H.R. 7 brings HUD's Community Development Block Grant (CDBG) program under the charitable choice umbrella. Charitable choice allows faith-based groups to receive federal funding but also maintain their religious principles. Congress first created the charitable choice approach in the 1996 welfare reform act, and then added several other federal programs in 1997 and 2000. H.R. 7 extends the concept to CDBG and several other non-HUD programs.

H.R. 7 ran into a roadblock in the House when Democrats and Republican moderates objected to a provision that would

preempt state and local anti-discrimination laws. Of particular concern is language that would let religious groups receive federal funds but discriminate against gays and lesbians. Bill sponsors promised to more clearly address this issue in a House-Senate conference committee on the bill. Most people following the faith-based initiative's progress believe that the Senate will not allow passage without removal of the discriminatory language. The most active Senate Democrat on the concept of faith-based support is Joe Lieberman of Connecticut. He is expected to introduce his own bill with greater safeguards against discrimination.

The Community Solutions Act (and who can be opposed to community solutions?) also contains other policy steps: an expansion of the federal Individual Development Accounts (IDA) program and several tax incentives to encourage charitable donations. To see the full text of H.R. 7 and an explanatory legislative report, visit the congressional website, thomas.loc.gov.

Another very recent development is the White House release of *Unequal Playing Field: Barriers to Participation by Faith-Based and Community Organizations in Federal Social Service Programs*. This study of five federal departments, including HUD, concludes that their social service programs have a “widespread bias against faith- and community-based organizations.” The report is available at www.whitehouse.gov.



Joe Belden is deputy executive director of the Housing Assistance Council.

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