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HAC

Rural Voices

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APPALACHIA

Remembering the Past, Looking to the Future

Dear Friends,

In 1960, then Senator John F. Kennedy visited West Virginia on his presidential campaign to highlight poverty and injustice in America's poor rural areas like Appalachia. At that time, one out of every three Appalachians lived in poverty. This event and the conditions that it brought to light helped initiate President Lyndon B. Johnson's national War on Poverty, and also sparked local action within Appalachia. A flurry of grassroots social, economic, environmental, and cultural movements sprang up within the region. But after nearly half a century, where is Appalachia today? Many basic quality-of-life conditions have improved markedly since the early 1960s, but challenges remain, especially in Central Appalachia, where poverty, distressed economies, and poor housing conditions persist.

Appalachia is a paradoxical place. Its majestic mountains hold unparalleled natural beauty. At the same time, this rugged landscape has also hindered the region's accessibility and, consequently, the progress experienced by much of the United States. The region has vast reserves of natural resources, including coal, timber, and arable land. Yet despite the abundant wealth of nature, Appalachia's residents are often portrayed as "yesterday's people"—poor, rural, and white. But Appalachians have a rich culture and traditions of resiliency, community, and family that have helped them persevere through a tumultuous 20th century.

This edition of *Rural Voices* presents a unique glimpse of what is happening in 21st century Appalachia. Some influential and inspiring Appalachian voices share their trials and triumphs of working in this difficult but beautiful land. From the most remote Appalachian hills and hollows to bird's-eye overviews, the broad spectrum of articles that follow illustrates the central issues affecting the region and the strategies leading to success. Some highlight the power and inspiration of volunteers, or reveal the heartbreak of environmental degradation, while others chronicle the rise and potential of the nonprofit housing network in Appalachia, and much more. One common thread that runs through each article is a passion and commitment to improving the lives of Appalachians while preserving this region's distinct culture and beauty.

We hope you enjoy this edition of *Rural Voices*.

Sincerely,



Gideon Anders, Chair



Arturo Lopez, President



Moises Loza, Executive Director

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Cover Photo by Ann W. Olson, Appalachian photographer who resides on Mauk Ridge, in Elliott County Kentucky



Housing Assistance Council Executive Director Moises Loza, left, with Congressman Rubén Hinojosa (D-Texas) right, at the Library of Congress.

HAC Convenes Roundtable at Congressman Hinojosa's Briefing

On June 14, HAC Executive Director Moises Loza hosted a roundtable discussion at Congressman Rubén Hinojosa's (D-Texas) Regional Leaders Conference in Washington, D.C. Loza coordinated and moderated a panel discussion on the availability of funds for building low-income housing in Hinojosa's southern Texas district and across America. Panelists included Russell Davis, Administrator of USDA's Rural Development housing programs; Arthur Garcia, Director of the Community Development Financial Institutions Fund; Chris Ptomey, Federal Liaison for the Texas Department of Housing and Community Affairs; and John Garvin, Senior Advisor to the Assistant Secretary for Housing-Federal Housing Commissioner at HUD.

Ptomey reported that over \$43 million in federal housing assistance support has benefited nearly 100,000 families in Rep. Hinojosa's district, but that more funds are needed to shelter the very-low income families there, especially in the border colonias. Davis encouraged organizations that provide housing to keep their grant applications current, as new opportunities for funding can often occur, especially late in the fiscal year. Loza concluded the session by thanking Rep. Hinojosa, who is Chairman and Co-founder of the Congressional Rural Housing Caucus, for his commitment to housing rural families and his support of the Housing Assistance Council.

HAC Hosts Conference on Preserving Rural Rental Housing

More than 70 representatives of nonprofit organizations, for-profit developers, lenders, and government agencies from around the country convened recently for "Preserving Rural Rental

Housing: A Practitioner's Conference," which was sponsored by HAC with support from the John D. and Catherine T. MacArthur Foundation. The training, held on May 24-26 in Seattle, was cosponsored by the Washington State Housing Finance Commission.

The conference covered policy issues, agency processes, how-to information, and specific topics raised in participants' questions about their own preservation work. Speakers and panelists included USDA Rural Development staff, HAC trainers, experts from national housing organizations, and developers at local nonprofits. Throughout the conference, workshop panels addressed the practical aspects of accomplishing a preservation deal. The conference also included a site tour of nearby rural areas where the Snohomish County Housing Authority and Intercommunity Mercy Housing have purchased and renovated rental properties serving both families and seniors.

Participants' evaluations of the training were overwhelmingly positive. One participant wrote, "good networking opportunities, good panel, good location, good tour." HAC thanks its staff and all presenters for making this training successful.

Housing With Services Helps Rural Communities

According to HAC's new report, *Formulas for Success: Housing Plus Services in Rural Areas*, the "housing plus services" model, which provides both affordable housing and supportive services tailored for residents, enables many rural organizations to meet their communities' specialized needs. The five case studies in this report illustrate some of the ways rural organizations are providing housing plus services for different populations. The case studies also highlight the essential components for successful housing plus services projects in rural America. *Formulas for Success: Housing Plus Services in Rural Areas* is free on HAC's website at www.ruralhome.org. Printed copies are available for \$4.00 each from Luz Rosas at HAC, luz@ruralhome.org or 202-842-8600.

HAC Updates Native American Lending Guide

In June, HAC released a newly updated guide, *Lending on Native American Lands: A Guide for Rural Development Staff*, which was first published in 1996 to help USDA Rural Development housing program staff understand the unique issues involved in making loans for homes located on Native lands. The updated guide includes information about new USDA regulations and policies and includes new resources available from other sources. It also sets out processes for USDA staff to use in making, closing, and servicing loans. The guide, along with additional information about USDA programs for American Indians and Alaska Natives, is available on USDA Rural Development's new Native American website at www.rurdev.usda.gov/rd/aian/.

Save the Date

December 6-8, 2006

Online Registration begins
September, 2006



HAC

www.ruralhome.org

**Building Communities
Celebrating Partnerships**

HAC National Rural Housing Conference 2006
Hyatt Regency Washington on Capitol Hill

December 6-8, 2006 Preconference activities December 5

GROWTH PATTERNS AND RURAL HOUSING IN APPALACHIA

by C. Theodore Koebel, Ph.D.

Country ain't country no more when a bunch of suburban subdivisions are popping up.

Appalachia is an anomaly that increasingly defies classification. Once stereotyped as the frontline of the War on Poverty, it is now a complex and diverse region that includes high-end resorts and retirement communities, fast-growing communities on the suburban fringes of major metropolitan markets, mature metropolitan areas coping with depressed cores and ex-urban sprawl, newly emergent micropolitan markets, highway service nodes, and distressed coal towns. Similar to Travis Tritt's lament that "Country Ain't Country No More," Appalachia no longer exists as a single region, if it ever did, other than in the eyes of the physical geographer. As a result, any attempt to discuss rural housing problems in the region is impossible without identifying the growth patterns that influence the region's housing markets.

Lest we lose sight of the big story, country ain't country due to success. Tritt's country boy went off to college, became a lawyer, and came back in a Lexus. And while there are still more beat-up old Fords in the region than luxury sedans, a lot more of the latter arrived in the past 15 years. The "stats" are largely good. The Appalachian Regional Commission reports significant progress in economic status throughout the region between 2001 and 2004. Distressed counties declined from 122 in 2001 to 82 in 2004. The decline was matched with a decrease in transitional counties indicating a progressive change towards better economic conditions in the region.

The most critical needs are concentrated mainly in the remote reaches of West Virginia, Kentucky, and Mississippi. The northern areas of Appalachia from northern West Virginia through New York state have been doing well, as have the portions of the region in Georgia, South Carolina, and North Carolina.

Appalachian Housing Markets

Probably no one can speak with authority about all the different housing markets in Appalachia. But from previous studies

of the region, we can identify some "housing market prototypes" that help identify the opportunities and challenges for further improving rural housing in the region. These prototypes include:

- ♦ rural to urban conversion associated with the expansion of megapolitan areas outside Appalachia;
- ♦ suburban sprawl around mature metropolitan areas within Appalachia;
- ♦ the emergence of new micropolitan growth centers;
- ♦ eco-amenity retirement and resort locations;
- ♦ highway service nodes; and
- ♦ distressed areas reliant on coal and agriculture employment.

Megapolitan expansion. The interstate highway system and the suburbanization of jobs to metropolitan beltways and beyond have extended the "labor shed" reach of the major metropolitan job centers well into the rural hinterland. The fringes of Appalachia are being converted to bedroom communities for the megapolitan areas – huge regions of interlocking metropolitan areas – of Atlanta, Washington-Baltimore, and Philadelphia-New York. For example, West Virginia's northeastern panhandle is actively being developed to house so-called "drive-to-qualify" commuters with jobs in Maryland and Virginia. "Drive-to-qualify" homebuyers are those who accept long commuting distances sufficient to reach homes they can qualify to purchase.

This bedroom community growth on the megapolitan fringes brings income and wealth to the region, and creates local jobs in retail trade and services, but it also brings some new challenges to rural Appalachian housing markets. The first challenge is that few of these places anticipated or planned for the growth they are getting. Because they have often opposed zoning and comprehensive planning, they are ill prepared to adjust to land use challenges associated with the new growth. Country ain't country no more when a bunch of suburban subdivisions are popping up.

Any change in land markets produces winners and losers. Affordable rural housing could be one of the losers, at least in more desirable locations and towns. Land prices increase, newcomers want more and better services, and taxes go up. Prices affordable to commuters working in a megalopolis are unaffordable to longtime rural residents who rely on local wages in agriculture, retail, or services.

As a result, we can expect more NIMBY battles in Appalachia. The first skirmishes are fought to protect “country.” An interesting example was profiled in a June 26, 2006 *Washington Post* story that described opposition to a 56-lot development in Unger, W. Va. in order to “Keep Morgan County Rural. Keep Morgan County Green.” But rural Appalachia has a strong private property rights tradition and most local governments lack the planning capacity to promote country-friendly land development.

As more megapolitan newcomers arrive, the NIMBY wars can go from “stay green” to “clean green.” Rural Appalachia is a pastiche of scenic vistas, environmental amenities, small farms, and small houses. Small farms and many other rural commercial establishments are not “Green Acres” pretty. These are low-budget businesses that cannot afford middle-class aesthetics. Rural houses include plain concrete block and clapboard structures along with plenty of “trailers.” But rural eclectic can be an unsightly mess to newcomers. In the worst case scenario, the “Green Acres” aesthetic forces out working farms, mobile homes, and other small, affordable houses.

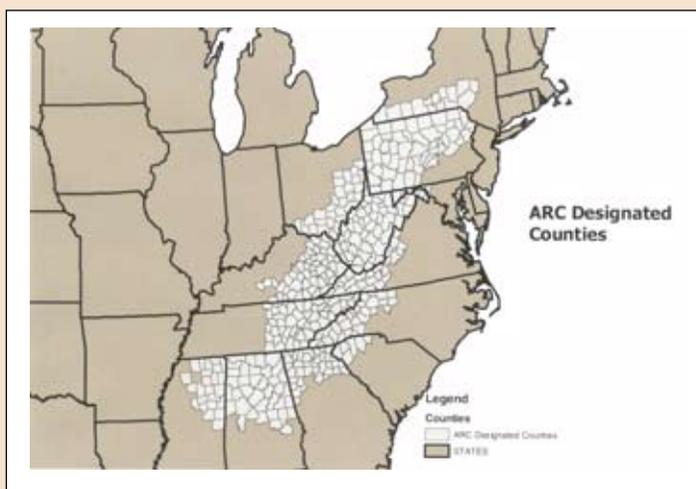
Suburban sprawl. Metropolitan areas within Appalachia are also sprawling into the rural hinterland. This sprawl is usually along interstate highways and major arterial roads. For example, I-64 from Ashland to Charleston and I-81 to I-75 from Bristol to Knoxville are continuous urbanized spaces across the heart of Appalachia. This sprawl traverses much of the region and has brought demographic and economic growth. Fortunately the style of development and the residents are usually less antagonistic to the indigenous rural aesthetic than are the suburbanites moving in from outside Appalachia. Much of the new housing is affordable to families with modest working class incomes. One advantage created by this sprawl is the potential for higher density housing, including multifamily housing, with the extension of public services.

New small cities. Micropolitan growth centers are also transforming the rural landscape. “Micropolitan” is a new designation for an area of 50,000 or more people that has an urban cluster of 10,000 to 50,000 people. These small urban centers are also

What Is Appalachia?

There is probably no single definition of Appalachia that satisfies everyone. Some common characteristics include a location within the Appalachian Mountain chain, the prevalence of coal and other natural resources, and various other social and economic commonalities.

The most common definition of Appalachia is that used by the Appalachian Regional Commission. ARC is a federal-state agency that administers a multibillion dollar economic development program under the 1965 Appalachian Redevelopment Act. ARC defines the region as selected counties in 12 states and all counties in the state of West Virginia. According to this ARC definition, Appalachia stretches from northern Mississippi to southern New York. The central portion of the Appalachian Mountains—counties in Kentucky, Ohio, Tennessee, Virginia, and West Virginia—has consistently experienced much higher poverty and greater levels of economic and social problems than the rest of the region.



Produced by Housing Assistance Council, Washington, D.C.
Source: Appalachian Regional Commission

the products of the interstate highway system and other roadway improvements, as well as satellite areas next to or between larger metropolitan areas. Beckley-Oak Hill, W.Va., is adjacent to the Charleston metro area. Further south on the West Virginia Turnpike, Princeton (Mercer County), W.Va. has emerged as a growth pole at the intersection of the turnpike and U.S. 460.

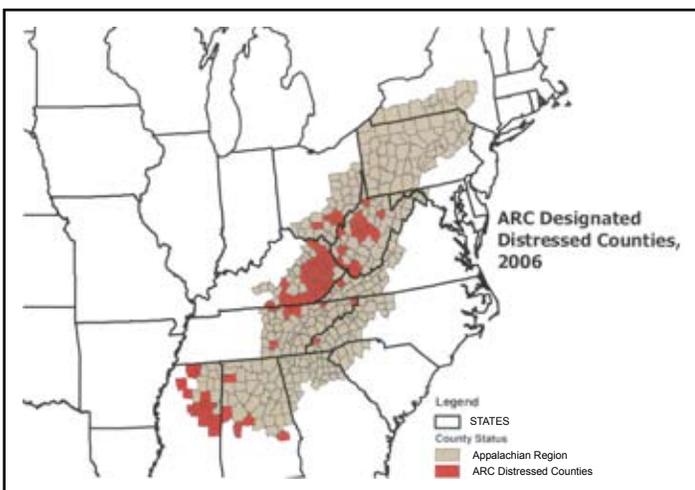
These micropolitan areas reflect growth opportunities associated with the highway improvements that have improved access and created nodes for lodging and highway service activities. The improved transportation access makes these areas attractive for regional hospital services as well as for some interstate transport oriented businesses. Jobs, retail trade, and government services are drawing population from nearby more remote locations. These

successes further accelerate the population loss of these more isolated locations, leaving them even more distressed as their remaining middle-class workers relocate to take advantage of the benefits of growth in the micropolitan area.

Eco-amenity places. Improved transportation access has also increased demand for “eco-amenity” resort development, second homes, and active senior retirement development within rural Appalachia. Throughout the region, scenic vistas are being marketed along with golf courses and other amenities. Towns that survived the region’s numerous bouts with economic depression and managed reasonably well to preserve historic and similar older structures are now in position to become “hot” properties. Local residents can benefit from increased job and business opportunities, but affordable housing is not part of the development plan. And the eco-amenity “product” does not include rural poverty and related public services. The cheap housing is over the ridge or farther away and the rural working poor become commuters for service jobs.

Highway service nodes. Highway service nodes outside these other growth areas are further down the development ladder. These areas are often at the intersection of state routes and provide limited economic development potential. They become the new centers of commerce within distressed mining and agricultural regions, but often are islands within seas of decay.

Distressed areas. The seas of decay are mainly remote mining and agricultural areas isolated by terrain and limited access. They are ravaged by floods, poverty, and physical decay.



Produced by Housing Assistance Council, Washington, D.C.
Source: Appalachian Regional Commission

The options for development are limited and include the LULUs (locally undesirable land uses) such as landfills and prisons from more prosperous areas. The remaining population is poor and increasingly old and disabled. The working age population moves to the nearest growth node for jobs or commutes back to jobs within the distressed area. Housing decays even further and the weight of obsolescence in the built environment drags heavily against redevelopment efforts.

Housing Challenges and Recommendations

Rural Appalachia’s affordable housing challenges reflect the current diversity of the region. We should not forget that many of these problems are the result of past successes in promoting economic development and improved infrastructure. Economic progress has helped improve housing conditions throughout much of the region and creates opportunities for continued improvement in response to new challenges.

Megapolitan expansion. Rural Appalachia has provided a “drive-to-qualify” solution to the affordable housing problems of the high-cost megalopolis. But housing affordable to a commuter with a high-wage job in the megalopolis is typically unaffordable for someone with a lower wage job in rural Appalachia. In addition to the land-use planning and NIMBY challenges of this form of sprawl, land and housing become more expensive for everyone.

These areas need to examine the affordable housing approaches that have been tested in high-cost markets, such as inclusionary zoning, mixed-use and mixed-density development, townhouses and apartments, Low Income Housing Tax Credit development, land trusts, and preservation of existing affordable housing and family farms. Special attention should be paid to creating opportunities for the use of new manufactured housing units and for preserving and upgrading existing mobile-home park sites. Manufactured housing meeting minimum design standards (such as required in California) should be protected as a by-right use in single-family zoning districts. Local government and the nonprofit sector need to expand their capacity to plan, finance, develop, and maintain affordable housing. Regional hospitals can take a leading role in addressing the difficult problem of rural homelessness and the need for elder-care housing.

Suburban sprawl. Traditional metropolitan sprawl presents similar problems but probably less antagonism toward affordable housing. Locations adjacent to interstates and other highways can create opportunities for affordable housing within reasonable commuting times to jobs. New units can be produced in these locations using traditional cottage designs, modular construction, and manufactured housing. Regional housing partnerships could tap the financing and development capacity within the metropolis in creating rural housing solutions in conjunction with metropolitan sprawl. Prototype and demonstration developments can create models to replicate throughout the region.

New small cities. Micropolitan and other small urban growth centers provide new opportunities to create affordable housing at strategic nodes throughout sections of rural Appalachia. These areas have fewer local resources to capitalize affordable housing and their states need to create appropriate models for finance and development, including townhouse and apartment development. States and counties (although the latter would have little organizational capacity for affordable housing programs) should examine the possibilities for preserving affordable housing in older town centers, particularly if these towns have been disadvantaged economically vis-à-vis growth nodes created at highway intersections.

Eco-amenity places. Eco-amenity locations are rural versions of gated communities. Although there are probably few if any opportunities to leverage affordable housing production in association with these developments, they are also probably too small to have significant impact on housing prices outside the gate. Residents of these developments could be potential volunteers bringing professional credentials beneficial to local and regional affordable housing efforts. On the down side, they could be NIMBY opponents to affordable housing.

Highway service nodes. Highway service nodes are potential locations for developing affordable rural housing within reach of more remote and distressed rural locations. Joint ventures with state highway departments could create developable land dedicated to affordable housing, but a demonstration project is needed to prove the feasibility of such an approach. States could create land trusts

for affordable housing at these nodes as an incentive for developers.

Distressed areas. Isolated rural areas face the most severe housing problems and the greatest challenges. The mining and agricultural economies of these places continue to recede, although the remaining mining jobs provide fairly high wages. Local government has become a prime source of employment. Much of the older housing stock is within flood plains and subject to periodic devastation. As noted, the weight of physical decay depresses any redevelopment potential and local jobs are increasingly held by workers who have relocated to nearby highway service nodes or small urban growth centers. Affordable replacement housing can be provided with manufactured housing subdivisions when land is available outside the flood plain. These efforts need to be sized to the current and foreseeable market rather than past levels of demand. With due recognition of the strength of personal attachments to places, it is important that affordable housing programs do not handcuff people to chronically distressed areas.

The affordable housing challenges throughout the region require new approaches to planning that integrate residential and commercial land markets. Comprehensive land use plans, capital improvement and infrastructure plans, and economic development plans need to facilitate the development and preservation of affordable housing, including manufactured housing. The region's housing challenges have changed substantially and will continue to change. Echoing Tritt's song, "Appalachia Ain't Appalachia No More." In the process, there are new opportunities to create affordable housing. We need the strategic vision and capacity to turn those opportunities into houses. 🏠

C. Theodore Koebel, Ph.D., is a professor of urban planning and the Chair of the Urban Affairs and Planning Department at Virginia Tech. He is also the board chair of Community Housing Partners, Inc., a nonprofit developer and manager of affordable housing throughout Virginia and the Southeast. The assistance of Ragaei Abdelfattah, a doctoral student in Environment Design and Planning at Virginia Tech, is gratefully acknowledged. Lance George from the Housing Assistance Council provided much appreciated advice, direction, and encouragement during the preparation of this article.

VOLUNTEERS WORK IN APPALACHIA — ASP STYLE

by Susan C. Crow

As these ancient hills stand in mute witness, I like to think that even they smile as Appalachia Service Project volunteers work to make homes warmer, safer, and drier for Central Appalachian families in need. Without volunteers, ASP's 38-year-old ministry would be impossible. The volunteers and families know it. We know it—and we work hard to create an outreach that continues to call volunteers to these hills to serve year after year.

When Rev. Glenn “Tex” Evans, ASP's founder, served at Henderson Settlement in Frakes, Ky., he prayed about how to help as people there struggled with poverty. Soon the idea that young people could help ran through his mind, and Tex, a United Methodist pastor with a heart for mission, recognized this unlikely answer to prayer. A sought-after speaker, Tex mentioned this idea wherever he preached, and a plan that excited youth to serve people in need came together. In 1969, 50 Indiana youth and adult volunteers repaired four Kentucky homes as ASP was born.

From that small beginning, ASP grew into a respected summer youth program, serving multiple locations. Today ASP offers year-round home repair help and hope to families in need and year-round volunteer opportunities for people ages 14 and up. ASP is a Christian ministry, open to all people, that fosters human development by addressing the housing needs of Central Appalachia. Through ASP Housing Services Centers in Chavies, Ky; Jonesville, Va; and Brenton, W. Va., volunteers serve year-round. Each summer we lease more than 20 additional facilities to accommodate our summer volunteers.

One Summer, Thousands of Lives

While many housing nonprofits emphasize new home building, ASP concentrates on helping families in need stay in their homes.



Young volunteers work on a roof in Anderson County, Tenn. during ASP's Home Ministries Summer Program.

Our region's higher-than-average homeownership rate is due to many properties passing through families for several generations. Most families ASP serves cannot qualify for affordable mortgages or repay even very low-interest loans, so they struggle to survive outside the scope of most affordable housing programs. These factors make ASP's home repair work even more vital for Central Appalachian families.

The families ASP serves are absolutely unable to afford vitally needed home repairs. When they must decide whether to buy food or medications, needed home repairs never even enter their deliberations. Yet if their homes continue to deteriorate, these families are at great risk of becoming homeless—some even on their own land.

ASP does not charge families for home repairs. Volunteers and donors make these repairs possible, and ASP is particularly thankful for the financial support of volunteers, donors, corporate friends, foundations, and members of Congress serving Central Appalachia.

Last year 12,784 volunteers repaired 348 homes for families in need during ASP's Home Repair Ministries Summer Program. In this single summer, the ASP program was responsible for a direct economic impact of \$8.7 million throughout the 25 communities where we worked. This figure reflects our value of buying building materials locally and includes home repair expenses, volunteers' program expenses, volunteers' labor, and volunteers' spending in the communities.

Our board of trustees carefully facilitates controlled growth, slowly expanding our summer program and promoting ways to enhance ASP's home repair opportunities the rest of the year. This year about 13,000 volunteers will work in 25 Central Appalachian communities, many coming as part

The ASP Summer Program Volunteer Process

Applying—Around Labor Day, ASP's applications are posted at www.ASPHome.org. Volunteers can download the applications and apply before November 1 for the following summer.

Registering—Church youth groups and their adult volunteers answer questions together while exploring the year's theme and team building. They submit their results and three choices of dates to serve on their registration form.

Scheduling—As completed registration forms and registration fee checks arrive, groups are scheduled—first come, first scheduled.

Preparing—A preparation packet (created and produced by our Volunteer Department) is sent to scheduled groups so they can study how to serve and communicate with sensitivity, apply the year's theme, understand poverty issues, learn about Appalachian history and culture, raise needed funds, and practice basic construction skills. A monthly newsletter shares ideas, news, and details.

Verifying—Groups are asked to verify their numbers early in the year, and nonrefundable, nontransferable deposits are due in March.

Serving/Evaluating—Groups arrive with the balance of fees due and paperwork that includes medical information and releases of liability. During their week of service, groups participate in home repair for a family in need, devotions, center chores, evening gatherings, and recreation. At week's end, each person completes a written evaluation to help upgrade and improve ASP's program.

Following Up—The Volunteer Department provides a follow-up packet for each group containing a certificate of appreciation, statistics overall and from each community served, and home summary reports detailing the work from start to finish on each home the group helped repair.

of church youth groups that return to serve yearly and go home to serve their own communities. Since 1969, more than 12,000 Central Appalachian homes have been repaired by more than 225,000 volunteers, and ASP anticipates increasing these numbers every year.

How and Why ASP Works

Why do volunteers come and how do they repeatedly achieve these amazing results? In speaking with our staff and three long-term adult volunteers, we are told the following:

- ◆ ASP consistently offers a well-structured, planned, and organized program.
- ◆ Groups start building their ASP mission teams as they apply, the teams growing stronger as they prepare to serve.
- ◆ ASP's policies protect volunteers as well as families served.
- ◆ Volunteers know whom they are dealing with—appropriate names and numbers are always provided for follow-up.
- ◆ ASP helps volunteers know what to expect as well as what is expected of them.
- ◆ Summer staff leaders are chosen and trained with great care.
- ◆ ASP's mission and the volunteers' reasons for serving are two-pronged: making homes warmer, safer, and drier, and helping youth grow into leaders who serve.

These former volunteers agreed that the people staffing our Volunteer Department have a lot to do with folks coming back. ASP's Volunteer Department staff members are well acquainted with and committed to ASP's mission and programs and dedicated to providing excellent service to prospective and current volunteers.

ASP's Volunteer Department staff usually functions within two years at the same time—facilitating volunteer service in one year while preparing for the next. During the first quarter of each year while volunteer groups scheduled for the summer raise funds, practice construction techniques, and study preparation packets, ASP's Volunteer Department staff communicates with them, coordinates volunteers for the rest of the year, and facilitates theme selection for the following year. Next, the staff develops the volunteer recruiting and preparation packet materials to go with the theme—original ASP materials that many churches use in Sunday schools, youth programs, and other ways.

Continued on Page 24

THE RIPPLE EFFECT: THE IMPACT OF REVOLVING CHDO PROCEEDS ON LOCAL COMMUNITIES

by David Kreher

HOME grant funds are stretched far beyond their initial splash, and the ripples carry the effects of the investment throughout the entire service area for years to come.

Anyone who lives in a rural area knows the effect of tossing a stone into the middle of a small, quiet pond. The stone quickly disappears to the bottom, never to be seen again. The effect on the surface, however, is amazing! A circle appears around the point of entry, followed by another larger, concentric circle, followed by another, and another—until the ripples lap at the shores and the entire surface of the pond has been set in a gentle, all-encompassing motion.

For People's Self-Help Housing, Inc., the first certified Community Housing Development Organization in Kentucky, the ability to revolve CHDO proceeds has created a similar ripple effect in our community.

People's Self-Help Housing, Inc.

Tucked in the corner of the Appalachian mountain foothills in northeast Kentucky, Lewis County has a long history of double-digit unemployment rates, substandard housing, and persistent poverty. Since PSHH's creation in 1982 with the assistance and support of a Catholic missionary society, the mission of PSHH has been threefold: (1) to provide safe, decent, and affordable housing for low-income families, (2) to provide local employment for the unemployed, and (3) to empower the people of the community to help themselves.

Now in its 25th year, PSHH has constructed 240 new homes, repaired or rehabilitated 470 homes, and developed 91 new rental units, for a total of 801 homes or 15 percent of Lewis County's 5,422 units. In 2005, PSHH provided shelter for 63 families in its 23 emergency shelter and transitional housing apartments. Another 24 families received rent and utility assis-

tance through PSHH's HOME Tenant-Based Rental Assistance Program, and 185 families received homeless prevention funds from the Emergency Shelter Grant Program to help keep them in their homes. With all of the above services factored in, PSHH has addressed housing needs for nearly 25 percent of Lewis County's population. Beneficiaries of the housing programs have consisted primarily of homeless people, single-parent families, families with disabilities, and elderly people. In 2004, the average household income of the 20 new homebuyers was \$11,821, and PSHH was able to provide new homes to homebuyers with as little as \$6,336 in annual income.

Becoming a CHDO

With the creation of the HOME Investment Partnerships Program in the National Affordable Housing Act of 1990, housing resources became available for PSHH to take its first major step forward in organizational and community development. With its CHDO designation, PSHH accessed HOME funds to produce affordable rental housing and provide tenant-based rental assistance for the first time, while expanding its range of homeownership programs. Furthermore, accessing funding from the McKinney-Vento Homeless Assistance Act of 1987 enabled PSHH to provide emergency shelter assistance and services to the homeless, completing a continuum-of-care approach of addressing housing needs from homelessness to homeownership.

A second major step in PSHH's development occurred in 2002 when PSHH was granted the ability to revolve CHDO proceeds. CHDO proceeds result from the takeout of construction financing by the permanent lender, less some of the HOME

funds retained as permanent gap financing. When a participating jurisdiction gives it the capability to revolve the proceeds, a CHDO can revolve the takeout funds to provide additional housing assistance to income-qualified applicants. Having a readily available revenue source from the proceeds enables the community housing developer to act quickly in purchasing land for development and providing gap financing for homeowner and rental projects.

Ripples in a Pond

Grants that were once gone when the agreed-upon work was completed can now keep on giving, similar to the ripple effect of a stone tossed into the pond. For example, a recent \$560,000 HOME award to PSHH can be compared to a stone tossed into the pond of Lewis County, Ky. The grant provided construction funding for 12 new homes for low-income homebuyers. Without the capability to revolve CHDO proceeds, the stone would have sunk to the bottom with no further effects. With that capability, the funding resurfaced, creating a larger ripple effect.

With the grant to PSHH, the first ripple generated \$432,441 of CHDO proceeds that assisted an additional 10 homebuyers. Yet another round of funds generated from the investment in the additional 10 units resurfaced in another, even larger and more far-reaching ripple. This time, funds generated from the CHDO proceeds amounted to \$296,012. Some of the ripple was used to purchase existing homes, which were repaired and then converted to rental or homeownership units. A major portion of the ripple was used to purchase property that will be developed into 45 building lots to provide homes for at least 50 families (single-family homes and duplexes). As the building lots are sold, the CHDO proceeds will again resurface in an even wider circle. Without the readily available funding in its revolving loan fund, PSHH could have easily missed the opportunity to purchase the property for development.

The impact of revolving CHDO proceeds on PSHH has been tremendous. In the past three years PSHH's assets have doubled, increasing from \$3.99 million at year-end 2002 to \$7.95 million at year-end 2005. Likewise, PSHH's revolving loan fund increased from \$700,000 to more than \$1.5 million over the same three-year period. Building a revolving loan fund provides PSHH with a continuous funding stream to optimize housing production by its in-house construction crews. In the past, gaps between funding cycles often threatened temporary layoffs of PSHH construction crews and reduced the number of homes produced annually.



David Kreher, center, conducts a "peer exchange" training on self-help housing.

The impact of revolving CHDO proceeds on the community has also been tremendous. The local tax base has shown a significant increase, with 24 new PSHH homes being added to the tax base annually. In 2005, the tax base was increased by \$1.4 million with a cumulative increase of \$5 million since 2000 resulting from PSHH's production of new single-family homes. The annual property taxes provide a stable and ongoing source of revenue to support local government, schools, roads, and the economy. The local economy is further strengthened by the 22 full-time jobs provided by PSHH and hundreds of thousands of dollars paid to local subcontractors and building material suppliers each year.

People's Self-Help Housing and its ability to revolve CHDO proceeds constitute a tremendously effective and successful method for developing affordable housing in its local pond. HOME grant funds are stretched far beyond their initial splash, and the ripples carry the effects of the investment throughout the entire service area for years to come. However, in this age of performance measures and outcomes, there is no reporting mechanism currently available to tell Congress about the ripple effect of revolving the CHDO proceeds. Only the effect of the initial splash of HOME and the first ripple are reported. The ongoing effect of the quiet ripples transforming the entire pond is an untold story in need of telling. Revolving CHDO proceeds is an effective and efficient method of addressing housing needs with limited federal funds that can be replicated. And there are a lot of small, quiet ponds out there in need of some ripples! 🌊

David Kreher is the executive director of People's Self-Help Housing, Inc., in Vanceburg, Ky.

WHEN POVERTY COLLIDES WITH AFFLUENCE IN APPALACHIA

by James Upchurch

The bad news about upscale households moving into low-income Appalachian communities is that they can push up housing costs and demand more services that, in turn, require higher taxes.

As a child, I lived in Chimney Rock, near Bat's Cave, N.C. The nearest school in this Appalachian community was near Lake Lure, where I attended 4th grade, along with the other 11 grades, in a two-room school. I did not feel poor because no one in the valley was rich.

Fifty-four years later, in 2006, I switched on the cable home channel and found a show describing a million-dollar home. As the camera moved from the granite countertops to the beautiful view, I realized that I was looking at the valley where I had gone to school. Had my childhood community of Chimney Rock moved out of poverty? A quick Internet scan showed this to be another case of the juxtaposition of the very wealthy and the very poor. Even including the income of the owners of the new mansions near Lake Lure, the median income of Rutherford County, N.C., is still only \$31,122, with 14 percent of the population living in poverty.

My work with the Interfaith Housing Alliance for the last 15 years has been in western Maryland. Our region includes two Appalachian counties, Garrett and Allegany. Garrett, a large county with fewer than 30,000 people, also has a man-made power-generation lake where huge expensive houses and a ski resort are attracting second-home buyers and higher-income retirees. The arrival of these higher-income households has provided more jobs and has stopped the population decline in recent years. Yet, most of these jobs are low wage.

Poverty and Plenty

The bad news about upscale households moving into low-income Appalachian communities is that they can push up housing costs and demand more services that, in turn, require



James Upchurch, second from the left, is a long time advocate for rural housing in Western Maryland.

higher taxes. That can be good news if those new households also bring investments into the community in the form of higher-wage jobs. Too often, the new jobs are low wage, service related, and far from adequate, when growing housing and medical costs are included.

Allegany County, the other Appalachian county in Maryland, is a poster case for what follows job losses. Allegany County has lost jobs and population for three decades. This has followed a decline of coal mining for environmental reasons and a classic case of rust-belt plant closures as jobs moved elsewhere.

The demographics of Cumberland, the largest city in Allegany County, read like a worst-case inner-city neighborhood. The median income for the city's residents was \$25,142 at the last census, with 19.8 percent of the population below the poverty line. Allegany County has a high percentage of vacant, substandard housing stock. With so many working-age

households leaving in search of jobs, Allegany County has one of the state's most rapidly aging populations. The county is now home to three new prisons, a failed attempt to stop the population loss.

Meanwhile, places in Maryland closer to Washington, D.C. with hot housing markets are increasingly unaffordable. Households with incomes greater than \$100,000 are driving across Maryland to Pennsylvania in search of affordable housing. Therefore, it was no surprise when a planned 2,500-unit development in Allegany County, which had issued only a few hundred new housing building permits in recent years, was announced. Developers are betting that a market exists for people working in or near Washington, D.C., who are willing to drive for two or three hours to live in less expensive housing in Allegany County. Unfortunately, this development will be too expensive for current Allegany County residents.

Local leaders are concerned that new property tax revenues from the development may not pay for new expenses without raising taxes for all residents.

Finding Solutions

The Appalachian encounter with new homeowners with wealth reminds me of my effort in the 1970s to house farmworkers in Florida. A little-known canal enables yachts to cross Florida at mid-state. Some of these yachts anchored near Indiantown, within sight of stoop-labor migrants. It was a surreal juxtaposition of the very rich and the very poor. The presence of this floating wealth did nothing to enable local farm workers to afford housing with indoor baths.

As our flawed national and local tax and wage policies increase the maldistribution of income and wealth, we can expect more people to arrive in Appalachia to buy second and third homes in communities where many still lack safe and affordable shelter. A modest step toward a solution at the national and state levels is to limit all tax-deduction subsidies to one house and invest the new revenue in those families who have yet to own their first home.

In the meantime, local leaders need to understand that they have options. Inclusionary zoning, a tool usually associated with hot markets, could be enacted in these areas. The price for virtually giving away priceless mountain views to developers should be, at a minimum, the requirement that they include a few affordable units of housing. Another approach might be assessing impact fees that place the major burden on luxury housing and investing the fees in housing trust funds and business incubators.

Some of those Florida yacht owners are called "snow birds" because they winter in Florida and summer in cool mountains someplace else. If that place is in the Appalachian range, our goal should be to make the summer leg of their journey a little less surreal. 🏠

James Upchurch is the president of Interfaith Housing Alliance, a secular not-for-profit organization founded in 1989 by Western Maryland's religious community in response to the need for affordable housing in the region.



RURAL VOICES

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APPALACHIAN RUIN: MOUNTAINTOP REMOVAL'S DEVASTATION OF RURAL COMMUNITIES

by Judy Bonds and Vernon Haltom

The rivers still flow in the same valleys between the same mountains where they flowed millions of years ago. Delicate ferns and velvety mosses still blanket the mountainsides. People who trace their ancestry in the same valley to the American Revolution or earlier still tend their gardens and maintain their homes. This Eden is Appalachia, a region whose mountains, forests, rivers, communities, and culture are now under attack.

Mountaintop removal—a method of mining coal—threatens vast swaths of America's heartland. In West Virginia, Virginia, Kentucky, and Tennessee, coal companies are using environmentally harmful methods to extract the quickest profit while coal prices and energy demand are at an all-time high. The combination of blasting, coal dust, toxic waste, flooding, and dangerous coal trucks have taken a heavy toll on the environment, communities, property values, and quality of life.

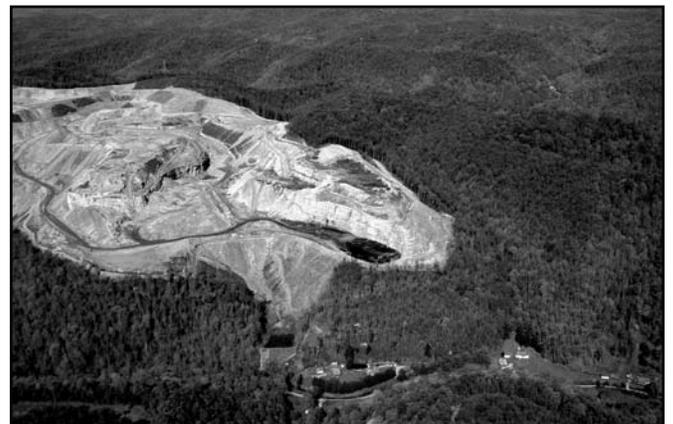
Removing a Mountaintop

Mountaintop removal begins with clear-cutting the forest. Most of the timber is burned or buried. Ammonium nitrate and fuel oil are then used to blast the cleared mountain. In West Virginia alone, coal companies use nearly 3 million pounds of explosives per day. These explosives equal the net explosive force of 20 Hiroshima-style atomic bombs per year; in Kentucky, the equivalent of 19 such bombs is exploded. Regulations allow blasting 300 feet from occupied homes, but even at greater distances, residents commonly report having cracked foundations and chimneys, dishes knocked off counters, and property damage due to flyrock.

After blasting, soil and rubble are dumped into adjacent valleys to form "valley fills." Appalachian valley fills have buried or negatively affected 1,200 miles of streams, according to the U.S. Environmental Protection Agency's environmental impact statement on mountaintop mining and valley fills. Such fills often fail

in heavy rain, causing serious damage to homes downstream. As recently as 2002, a valley fill near Lyburn, W. Va. failed, causing significant damage to the surrounding area.

Upon reaching a layer of coal, coal operators use heavy equipment to load the coal into trucks and haul it to preparation plants. Removal continues through several layers of rock and coal until all the coal is extracted, sometimes eliminating 800 feet or more from the height of a mountain. The coal companies then "reclaim" the site by coating it with a thin layer of topsoil substitute and spraying it with a mixture of nonnative grass seed, fertilizer, and dye. The newly sterilized land has proven unsuitable for any meaningful reforestation, and rare, sensitive herbs such as ginseng are forever eliminated from the site. Despite coal industry claims that the region needs mountaintop removal to provide level land for economic development, less than 5 percent of this land has had any development, and is normally of little or no benefit to the community.



Housing units (bottom right) are in close proximity to the environmental devastation of mountaintop removal.

Photo provided by Coal River Mountain Watch.



Photo provided by Coal River Mountain Watch.

Families living near a coal operation in West Virginia formed Coal River Mountain Watch, a nonprofit organization that is fighting mountaintop removal and its destructive effects.

The Costs of Mountaintop Removal

The industry claims that mountaintop removal affects very little of the region's area. However, so far more than 500,000 acres of West Virginia's mountains have been leveled. In the Coal River Valley in southern West Virginia, more than 95,000 acres—about 13 percent of the land base—have been devastated, with the potential to destroy 53 percent of the watershed's mountainous area. But when one lives in the area being damaged, percentages mean little.

After the mountains' tree cover, vegetation, soil, and natural contours have been removed, the land loses its ability to hold rainwater. The resulting floods have killed a dozen people, destroyed thousands of homes, and damaged millions of dollars worth of property. Federal Emergency Management Agency funds provide little relief and do nothing to soothe the pain of lost loved ones. Citizens filed lawsuits against coal, timber, and land companies over damages resulting from floods in 2001.

Another hazardous aspect to the multifaceted problem of coal extraction is the preparation of coal for market. At preparation plants, a dangerous mix of chemicals is used to remove impurities from the coal. The process results in waste sludge, a thick combination of the cleaning chemicals and impurities including arsenic, lead, and manganese. The sludge is stored in earthen dams above homes and communities; more than 200 of these sludge dams are built over abandoned underground mines. Sludge spills of several thousand gallons have blackened miles of stream; some have been catastrophic.

In 1972, a sludge dam operated by Pittston Coal Company failed at Buffalo Creek, W. Va., killing 125 people. In 1994 in Martin County, Ky., a sludge dam operated by Massey Energy broke through into the underground mine, releasing 112 million gallons of sludge into the Tug Fork and Big Sandy rivers. In 2000, this disaster happened again at the same site, this time spilling more than 300 million gallons of sludge—more than 25 times the volume of the Exxon Valdez oil spill—in what the EPA called the worst environmental disaster in the Southeast. Miraculously, no human lives were lost, but the spill caused extensive property damage, inundating lawns with sludge that can never be completely cleaned up. Massey Energy's Brushy Fork sludge dam, which is permitted to hold more than 8 billion gallons, is built over underground mines and sits upstream of Whitesville, W. Va. Massey's Shumate's Branch sludge dam, permitted to hold 2.8 billion gallons, sits 400 yards upstream of Marsh Fork Elementary School near Sundial, W. Va. in Raleigh County.

Because several sludge dams are nearing their capacity, or in an effort to save money, coal companies are also pumping sludge into abandoned underground mines—so-called sludge injection. The West Virginia Department of Environmental Protection has granted more than 300 permits for sludge injection. Residents suspect the toxic mix of sludge seeping into the groundwater has contaminated wells that have provided clean water for generations. Families in Mingo County, W. Va., have sued Massey Energy for damage to their water supply. Several residents are dealing with serious health effects to their kidneys, livers, and gall bladders, effects their doctors attribute to their water.

In addition to the health and environmental impacts of mountaintop removal, communities also suffer economically. Mountaintop removal requires far fewer employees than traditional deep mining, so once-bustling communities have nearly become ghost towns. Today there are only about one-third of the number of mining jobs in West Virginia and Kentucky that there were just 25 years ago. Overloaded coal trucks damage roads and bridges, which are repaired at taxpayer expense or allowed to decay. Schools and the health of school children are threatened. In addition to sitting under a sludge dam, Marsh Fork Elementary students breathe coal dust; the coal company operates a coal loading silo just 225 feet from the building and has applied for a permit to build a second silo. Communities coated with coal dust,

Continued on Page 24

THE EVOLUTION OF THE NONPROFIT HOUSING NETWORK IN CENTRAL APPALACHIA

Nonprofit organizations have played an instrumental role in helping to improve housing conditions nationwide. This is especially true in Central Appalachia due to a strong network of affordable housing providers that has been active for more than 30 years. Many of the region's housing nonprofits are members of the Federation of Appalachian Housing Enterprises. FAHE is a network of community-based nonprofit organizations developing affordable housing solutions in Central Appalachia. Currently there are 42 FAHE members working in Appalachian portions of Kentucky, Tennessee, Virginia, and West Virginia.

HAC staff sat down with two of the most knowledgeable and influential voices on housing in Appalachia to discuss the unique evolution of housing nonprofits in the region. To gain a better perspective on how nonprofit organizations in Appalachia originated and became so strong, we spoke with David Lollis, nationally known housing advocate and FAHE's executive director for 23 years. In our second segment, the current president and CEO of FAHE, Jim King, provides some insight on the environment in which nonprofits in the region operate today, and discusses the future direction of the affordable housing movement in Appalachia.



LOOKING BACK: Kentucky home repair in the 1970s.

Looking Back: A Conversation with David Lollis

Q *Dave, you've dedicated the better part of your career working on affordable housing and social justice issues. Much of your experience was forged in the hills of Appalachia. Can you briefly describe the social, economic, and housing backdrop of the Appalachian region when the first nonprofit organizations started addressing housing needs?*

I would like to comment on the portion of your question that pertains to housing as a social justice issue. I believe

that we often don't think of it that way. But one thing that always needs to be said, when we try to communicate housing issues to the more general public, is that we've created a system that is lacking in social justice. The system was created by the wealthy and the middle class and it does give their families access to affordable housing, mainly through affordable financing and very generous tax advantages. We always need to say that housing is a social justice issue and that we've taken a wrong public policy turn, and don't seem to care.



*Former FAHE
Executive
Director, David
Lollis, left.*

But to talk about the backdrop of economic and housing issues and conditions in early Appalachia, I do think many of the conditions were a direct result of the history of the Appalachian region, and how housing has been provided for generations. Some of the worst conditions came from areas where we had coal mine camp housing. Homes were often provided as part of the mining industry. People didn't own their houses; they got their houses by virtue of working in the mines. When you combine that situation with the way company stores operated, you basically had a system of involuntary servitude.

The land issues in Appalachia are part of the backdrop, too. Land and housing are of course connected. Much of the land in Appalachia was controlled by absentee landowners and coal companies. In many cases, coal companies didn't own the land on the surface, but they owned the mineral rights. These operators could do anything that they wanted to the surface to get to the minerals. That meant that a family's land and home and farm and livelihood were often very vulnerable to new mining methods and technologies like strip mining and long-wall mining.

We also saw economic decline in the region. Jobs in the mines decreased. Even if more coal was being mined, you had fewer people mining because of new technologies. The bottom had dropped out of the timber industry. People who had made their livelihood in these industries could not find work. In addition, this was hard and dangerous work. Mining, farming, and timbering were the three most dangerous occupations in our nation at that time. And many people had become disabled or flat worn out from trying to provide for their families with this type of work.

The kind of housing people built in Appalachia was what we called a "box house," and it really was a kind of house that you could build yourself. These box homes often did not have any insulation. Sometimes they did not have electricity, but if they did it might be just a single light bulb in the middle of the home. Box houses often had very few partitions and most of them had privies. Some of them had wells, but often people had to carry water from a stream. The effect of pollution from those houses was astounding. If they did have plumbing, it was often a straight pipe that emptied into the creeks. When you're using the creeks for both your water supply and your sewage, you're in a world of hurt. But that was so often what was happening.

The impact of trailers in the region also seriously affected housing conditions. Trailers and mobile homes were the housing of possibility, not the housing of choice in those early days. The bad design and poor construction of those early mobile homes created overcrowding and safety hazards, particularly with fires. Those old mobile homes also had the opposite effect on investment and assets of a family's future. Even a new mobile home in Appalachia began to pull families in a downward rather than an upward spiral financially.

When you think about this backdrop, it was a very desperate situation.

Q *What were some of the seminal events, issues, and conditions that led to the creation of housing nonprofit organizations in Central Appalachia?*

You would probably have to mention the churches first. There are many local independent churches in Appalachia, but there are also several of the mainline churches that are connected to a larger network. There would be a natural disaster, which was often influenced by what the coal mining and timber companies had done to the land. The churches outside of the region heard about these disasters and began to send people into the mountains to respond. These church groups would come in and say, "This disaster isn't the beginning of the story." The way people lived here and the inadequacies of their housing and water were ongoing disasters every day in these people's lives. But it was often a natural disaster that caused people from the outside to come in and partner with people on the inside. These are the conditions that caused people like Tom Carew, Dwayne Yost, David Kreher, and many others to come into the mountains. They

often came into the region with a religious group to respond to a disaster and decided to stay. The three I mentioned all became long-time directors of successful local housing groups in the region.

The poverty programs also had a big impact on nonprofits. There is no question that when Lyndon Johnson came down here and when Kennedy was in West Virginia during the presidential campaign, they highlighted the need. The poverty programs, although often called less than a success, did a lot to develop our leadership. Many early nonprofit pioneers got their first jobs working with the poverty programs through community action agencies. The poverty programs always brought in a mix of outsiders and locals. It really was a very fascinating dynamic that created resources in the form of money and jobs to really do something about the problem. You have to give the poverty programs credit for getting things started.

Q *What type of housing was being developed by those early organizations? What tools were available to support those early housing activities?*

Many people working on affordable housing issues in Appalachia in those early days were focused on housing design. We listened to them and we did get some better designs. But it was hard for us to get these people and others to realize the problem with housing in Appalachia was not the design. It was financing. Everything kept coming back to financing as the major constraint. We knew how to build. Appalachians in general, particularly farmers and those who worked in mines, had strong construction skills. People knew how to build a house. But we could not finance houses.

Only as the federal government began to get involved did we see any real movement. State and local governments did not see that it was their job to do housing at that time. It was only at the federal level, and we began to pass the National Housing Act in the 1930s and subsequent legislation that created the Farmers Home Administration and public housing and the Department of Housing and Urban Development. FmHA's Section 502 and 504 programs were used in Appalachia from their creation. Public housing was a great success in the mountains. It did not have the stigma of the projects in the cities. There were some exceptions, but generally speaking, public housing in rural areas was quality housing that was among the best in those communities. It was only as these developments in funding and financing started to happen that some of the region's housing conditions began to change.

Q *How have these financing and funding mechanisms changed or evolved from then to today? And how have these developments changed the way housing nonprofits do business in Appalachia?*

It's important to know that we started out with funding from the Farmers Home Administration and HUD. Then we began to move into the 1980s and get the Appalachian Regional Commission to invest in housing. ARC had been mainly funding roads and infrastructure projects.

Then we started to get state housing finance agencies established in the late 1970s and early 1980s. For the first time states were beginning to see that they had a responsibility for housing. I personally think this is one of the most remarkable watersheds that often doesn't get mentioned. People talk about the National Housing Act in the 1930s and the Housing and Community Development Act of 1992 under the first Bush administration that created the HOME program, and they talk about the Community Development Block Grant legislation. But the movement by state legislators to develop enabling legislation to create semipublic corporations to deal with housing finance was a major step forward. It has been a slowly developing process, but it has produced incredible results in the Central Appalachian region.

We also began to see these new nonprofits in the Appalachian region develop the ability to build more housing. Even if Farmers Home had not cut back funding, we still would have run out of money. Once you create opportunity, you create demand. Once you create demand, you create more capacity, and nonprofits just got better. Nonprofits like Kentucky Mountain Housing started creating their own loan funds. For nonprofits that was one of the major breakthroughs in this business.

Twenty years later we have a plethora of different housing approaches that were not there at all when we started this business, like the HAC-administered Self Help Homeownership Opportunities Program from HUD. HAC has designed SHOP to allow housing nonprofits to finance their own loan funds and increase their net worth.

Every year there is some new challenge, but because of the diversification in our financing approaches, housing nonprofits are so much less vulnerable. We lost so many good housing organizations in the 1980s and we've had downturns since then, but we haven't had nearly the disastrous effect to our base because of this diversification.

Q *When and how did the Federation of Appalachian Housing Enterprises come onto the scene?*

It is always important to remember that the emerging nonprofits we talked about earlier were actually the organizations that created FAHE. FAHE was created by them, not the other way around. There are some intermediaries in other states that went out and tried to create nonprofits. I won't say that shouldn't be done, but I think FAHE's strength is that it was developed the other way. The member organizations composed our board of directors, and the board was the place where the policy and the agenda were set. We had a mutuality of interest, which meant that we really did care deeply about each others' success, and that meant that we got into advocacy.

The groups really created FAHE because they knew that collectively we could advocate at many levels. A lot of our early advocacy was done to make building codes more usable for the kind of housing we were building. Training and technical assistance was a big issue, as we could also send people out to help people with technical issues. The collaboration allowed us to learn from one another. It is not only learning from one another, but also there is something about Appalachian communities where you really feel isolated from the larger world. People felt that FAHE gave them a forum where they could share their successes and failures and weren't left out there at the head of some hollow without anyone to talk to.

There was strength in numbers as we grew and began to make a big difference. Members had an understanding that something about the Appalachian region made it special, and that those people who lived in Central Appalachia had much more in common with each other than they did with the rest of their states, with the possible exception of West Virginia. But from the federal level we had much more clout coming from the perspective of four states.

Q *Hindsight is 20/20. But looking back over your experiences with FAHE and Appalachian housing nonprofits, if you could wave a magic wand and change one decision, what would it be?*

My first response is that we did everything right.

But seriously, I think we should have done more to help people understand the intrinsic nature of the nonprofit approach to housing, and the fact that the populations we're

working with cannot be housed properly any other way. If it were possible for the private sector to house low-income people, poor people, the working poor, and make a profit at it, they would do it. And the fact that they are not doing it proves the point that the private for-profit sector cannot do this job. So we don't need to be timid or defensive about the fact that we are the only entity that can do this job. And we don't need to be defensive about the fact that yes, for this population, subsidies are required and they are in the national interest. I think we should have been better communicators of this important and misunderstood message.

Q *Dave, today you're just as involved in affordable housing and social justice issues as when you started in this field. From your unique vantage point, what are some of the key issues, challenges, and successes that housing nonprofits in the Appalachian region will experience in the coming years?*

We've got to stay at the table and be ever vigilant because we haven't convinced everybody yet. That's why I'm so excited about what Jim King is doing at FAHE. Jim, better than anybody, knows that we have to keep changing. There couldn't have been anything better than my leaving FAHE and Jim coming in at the time he did. Because the housing world was at a new place, and I think that the only way that nonprofits, and particularly a group like FAHE, can stay relevant is to keep evaluating the situation and stay on top of the situation and be willing to change.

Leadership in Washington may be slow to change, but the leadership of state housing finance agencies and state legislatures changes often. New officials don't arrive with an understanding of the housing needs of low-income families or how to keep nonprofit housing groups financially healthy and productive. We face a constant struggle to maintain successful program approaches and to make existing programs better. New leadership wants to do its own thing, to make its own mark, whether or not the new leaders understand the negative impact of the changes they are making.

After years of being the best state housing finance agency in its support of nonprofit housing, the Kentucky Housing Corporation is moving in a different direction. Yes, the pendulum swings; we have to be ever vigilant, and we have to work every day at educating legislators, board members of state housing finance agencies, and the public at large. Our life and work depends on it.

We also have to watch that we don't lose sight of the whole. We cannot just look at housing disassociated from the larger picture. That does not mean nonprofit housing groups should be everything to everybody. But we have to be careful and insistent that we eventually have a more holistic impact on developing communities so that health, education, housing, and employment issues are making an upward spiral, hand in hand, as opposed to one getting ahead and the others falling down as a result. We are much more diverse now, we have a much larger base, and are really much better at what we do, and that is good.

At the same time we have these successes, we can't stop looking ahead. Some people say if it's not broke, don't fix it. I say if it's not broke, we probably haven't looked at it close enough.

Looking Forward: A Conversation with Jim King

Q *Jim, we are undertaking a "Looking Back, Looking Forward" perspective on the evolution of housing nonprofits in Appalachia. We're asking you to provide some insight on current and future issues for these organizations. What is the landscape like today for nonprofits trying to build affordable housing in Central Appalachia?*



Photo provided by FAHE.

I took over as the CEO of FAHE in 2003. At that time, most people viewed FAHE as an established organization. Given the past track record of success, we were expected to maintain the vision and existing strategy. FAHE and its members were delivering housing solutions to about 2,000 families a year; about half of those solutions were new construction and the other half were more at the repair level. In its last *Taking Stock* study analyzing 2000 Census data, HAC reports there are about 100,000 substandard units in Central Appalachia. If you put together these two figures, you can deduce that we have very small solutions for very big problems. I realized that we were winning the battle with every family that we served, but it felt like we were losing the war. The strategy needed to change.

Basically, we had become comfortable with the problem and the type of solutions we were offering. Take our funding sources for example. Our members wanted access to more

subsidized products for affordable housing but the funding landscape for affordable housing had changed. From every analysis that I've seen of our federal budget, the picture is not encouraging for the next generation. The resources are just not there to launch a new war on poverty. It's possible that the resources could be there at a future date, but there is no political will to make them available right now. If federal subsidy is shrinking, then we need a new approach to reach low-income people.

Q *How are FAHE and Appalachian nonprofit organizations reacting to this new environment?*

Given the diminishing funds, we asked ourselves, "Are we doing everything that we can with the resources available? And, if not, what can we do about it?" We decided to address the solutions head-on at a scaleable level. Organizations in the nonprofit sector often measure themselves by characteristics like the number of staff they employ, or the size of their asset base. But I've come to realize all that really doesn't matter. Success really has to be measured by the number of people you serve. So when we compare ourselves to other community development financial institutions, we're not thinking about how much we control in assets; it's really about how many families we serve.

Q *In general, what new innovations is FAHE instituting to help its members address the region's housing needs?*

We have become aggressive in our program design and delivery of product. FAHE's primary role as an intermediary is to develop the infrastructure to deliver affordable housing products to the region. We're looking for things that we can do on a mass scale to free up resources for our network. It really doesn't make sense for nonprofits to do every piece of every type of transaction. Their main value is that they connect to the family and they know how to get a quality housing solution in place.

Right now we're looking at four major programmatic areas to reach 8,000 families a year through our network: mortgages, commercial lending, tax credit equity, and loan servicing.

We will continue to do the kind of mortgages that established our reputation. We have typically served a family with an average annual income of around \$13,000 with this type of product. These are the mortgages that we hold and service ourselves.



Photo provided by FAHE.

LOOKING FORWARD: *The FAHE network currently delivers about 2,000 housing solutions a year to families. King has challenged FAHE to serve 8,000 families a year in coming years.*

In addition to these mortgages, we are now offering conventional mortgage products to a more moderate-income bracket. FAHE is originating mortgages for the state housing finance agencies, and before this year is out we will offer a suite of Fannie Mae products. We have 42 network members and they are potential originators for these products. Compared to the highly subsidized, and highly limited, funds we are accustomed to working with, these new secondary market funds are relatively limitless. Unless the financial markets fall apart, I never have to think about raising that money again. It's there as long as the market has an appetite to make a profit.

Homeownership is not the only solution we offer. We successfully launched our first equity fund for tax credits to support rental housing at a higher scale. We raised around \$9 million for a statewide equity fund in Kentucky and are looking to launch a region-wide fund in the near future. Again, as an intermediary, FAHE can create the infrastructure for our members to serve more families.

We are also continuing to do the commercial lending that we've always done with our members. I call this "Heinz 57 lending"—a little bit of this and a little bit of that kind of lending. If a member needs money to seed a revolving loan fund, build a subdivision, or buy equipment we're willing to consider that with this loan product.

FAHE is also contracting with its members to outsource the servicing of their loan portfolios. Servicing is something

that you can do at scale, and it makes sense at scale. So, FAHE has created the process and put the technology in place to manage portfolio servicing for our members out of the FAHE office.

Q *What are some organizational areas where Appalachian housing nonprofits are falling short and need improvement?*

We must do a better job of understanding our real strengths and identifying what could be done on a regional scale by taking advantage of our network. Consider servicing for example. It takes the same amount of staff resources to service 1,000 mortgages as it does 2,000. In fact, we can easily service all the loans for all our members, making it much more efficient and cost effective for them. This frees up their staff resources to spend more time working with more families.

Taking a collaborative approach isn't a new concept; they teach it in every business school. It's achieving the economies of scale and we are piloting a collaborative approach in five areas: servicing, cooperative buying, volunteer management, purchase of manufactured housing, and construction management for multifamily housing development. We all have particular ways we want things done, but if we offer standardized products to our members they can capitalize on the strengths of our network.

Q *Some of these strategies and tools seem to contradict the basic ethos of nonprofits and rely heavily on the market. Is that controversial?*

Change brings gains and losses. We expect that the changes we have enacted will be positive. It is natural for some people to be hesitant about any loss; however, I would add that not all loss is bad.

We have become a performance-driven organization, which may seem antithetical to nonprofits. But we are about performance because the region needs us to be. Really, these families don't need us to play at this; they need housing, period. The people of Central Appalachia have suffered from a systemic failure of the marketplace and to say "the government, or the banks, or someone else needs to step up" is insufficient. If we expect to see real change in the region, change has to start with us.

This is about being true to the mission and vision in our current circumstances. FAHE is trying to exercise some leadership in this area. Thank goodness for the success of past staff like Dave Lollis and Jack Rivel, who created a foundation to work from. We are building on that foundation, in a way that fulfills the vision in our current landscape. 🏠



PROGRESS THROUGH PARTNERSHIP: REFLECTIONS ON ARC'S 40TH ANNIVERSARY

An Interview with ARC Federal Co-Chair Anne B. Pope and 2005 ARC States' Co-Chair Gov. Bob Taft

by Fred D. Baldwin



Gov. Bob Taft, 2005 ARC States' Co-Chair, and Anne Pope, ARC Federal Co-Chair, work together to provide leadership for ARC.

The Appalachian Regional Commission was created in 1965 in response to a report by the President's Appalachian Regional Commission documenting the effects of poverty and isolation on the Appalachian region. "Graphs and tables," the PARC authors wrote, "can hardly relate the acutely personal story of a child in a remote valley, his horizon of opportunity limited to the enclosing hills." No one would describe Appalachia that way today. The region has made tremendous strides in educational opportunities, infrastructure improvements, health care, job training, and job creation. Most socioeconomic gaps between the region and the rest of the nation have narrowed dramatically, and in some parts of the region they have vanished altogether. Graphs and tables can hardly capture the stories of today's Appalachian children, whose horizons are not only national, but global; or their parents' grounds for confidence that better educational opportunities and locally created jobs will empower those children to cherish their heritage as they shape their own histories.

Appalachia's prospects are far brighter now than in 1965, but challenges remain. Some are much the same as those facing the rest of the nation—global competition, socioeconomic gaps between rural and metropolitan communities. Others, like overreliance on extractive industries and manufacturing, continue to have special relevance for Appalachia. In ARC's 40th anniversary year, Federal

Co-Chair Anne B. Pope and 2005 States' Co-Chair Bob Taft, governor of Ohio, reflect on how the region has changed during the past four decades and on prospects and strategies for further change.

ARC Federal Co-Chair Anne B. Pope

Q *Since the Appalachian Regional Commission was created 40 years ago, the Appalachian region has made real progress. What is left to do?*

Appalachia has made great progress. The poverty rate has been cut in half. The number of distressed counties has dropped from 223 in 1960 to 77 in 2006. Infant mortality has been cut by two-thirds. Our high school graduation rate is now over 75 percent, close to the national average. I'm proud of ARC's part in this.

But the world has not stood still. In the 1960s and 1970s, the region's businesses had to compete in a national economy. Today the region has to compete in a global economy. Forty years ago, a high school education was generally enough to get someone ready to find and keep a good job. Now people need at least some post-secondary education or continuing skills training.

While significant gains have been made, there are still areas where we need to improve if the Appalachian region is going to reach socioeconomic parity with the nation. The Appalachian region still has fewer of the best and more of the worst when it comes to the economic health of the nation's counties. There are critical unmet basic infrastructure needs—some areas still don't have adequate water or sewer services. We need to complete the Appalachian Development Highway System to connect the region to the nation's transportation grid. And parts of the region do not yet enjoy the same access to health care, education, and job opportunities. And we will continue working to make sure every part of Appalachia has, and knows how to benefit from, high-speed Internet access.

Q *The presidential commission that created ARC emphasized the region's geographical isolation. Is that still an issue?*

Less so than it used to be. The linchpin of the ARC program has always been the Appalachian Development Highway System, which is now 85 percent complete or under construction. Many more of our communities are connected to the rest of the nation and to each other. But we still have a long way to go. One of our strategic plan goals is to open another 250 miles of that highway system within 10 years. We're also promoting strategic investments in telecommunications infrastructure, which is necessary to connect us to the world.

Q *How has the nature of the ARC mission evolved with respect to job creation?*

Back in the early days of ARC, the focus was on bringing jobs into the region. We were, and still are, heavily dependent on manufacturing. So while traditional economic development will continue, the focus now is on creating jobs from within. That means more emphasis on job retention and entrepreneurship.

Q *What do we know about the payoffs from ARC's past efforts?*

I've mentioned some of them. We've also helped over 820,000 Appalachian households enjoy clean water and sewer facilities. That and helping support or build 400 rural health-care facilities has contributed to the two-thirds drop in infant mortality rates. The 700 vocational education centers we've supported have helped many thousands of our residents complete GED programs and develop job skills. And there's the Appalachian Higher Education Network. It was based on a program in Ohio, and it has spread to eight other states. A study showed double-digit gains in college-going rates for students in high schools with network centers—often around 25–30 percentage points in the program's first years.

Q *As it seeks to become both nationally and globally competitive, does Appalachia enjoy any special advantages?*

Great question! There are the region's natural resources. Appalachia produces at least 35 percent of the nation's coal, and it has other energy-related resources like natural gas and ways to develop alternative energy. We're known nationally and internationally for our timber resources, not to mention the natural beauty of the region. ARC's Asset-Based Development Initiative helps people build on their specific local advantages, and it helps them find innovative ways to turn what seem like liabilities into assets—for example, turning a brownfield or an area scarred by mining into an industrial park.

Our culture is also an asset—things like our rich musical heritage. Appalachia is a great place to live. It's a great place to raise a family. Our people have a sense of place and a strong connection to the land. So when we're competing for talent, our quality of life is a huge asset.

Q *When you travel within the region, what do you advise state and local leaders as they plan for the future?*

When I travel across Appalachia, I see what look like almost identical communities—same general size, same natural resources, and so on. But some are moving forward and some aren't. The ones moving forward have three things in common. First, they have a vision and a plan. Second, their plans are regional, not for just one community or one county. Third, everything in those plans is locally driven—the goals and the strategy for meeting those goals. We often say around here, "If the problem is in the community, then the solution is in the community." They already know that they need infrastructure investments, including in telecommunications. They know that workforce development is extremely important. What I tell them is that real change can't come from outside. They have to find ways to make it happen from within. Not long ago, in one of our poorest counties in Appalachia, a local official was telling me about his community's plan to use its very limited dollars to—in his words—"wire up" the town. When I asked him why that was so important, he answered, "It will give us a chance." "A chance for what?" I asked. "Why," he said, "a chance to compete, of course. How could anyone ask for more than that?"

Q *What part of ARC's mandate do you consider to be central to the agency's future role?*

The main reason that ARC has been so valuable is that it has always been a partnership. We help people become competitive by helping them leverage other investments, public and private.

For example, Microsoft has committed \$2 million in software grants to help our rural communities get broadband telecommunications. And the ARC–National Geographic Geotourism MapGuide to Appalachia is a wonderful way to bring attention to Appalachia's natural beauty and the high quality of our creative class.

One of our many public partners is the Centers for Disease Control and Prevention. We have a joint initiative with it to reduce the impact of diabetes, which is one of the region's major health problems. We're also working with the CDC in some rural areas to get better screening for cervical cancer.

A major deficit in the region has been in private investments. ARC has put \$37 million into revolving loan funds, and that money has leveraged about \$950 million in other resources, helping to create tens of thousands of jobs. Our biggest returns on investment have come, and always will come, from helping Appalachian communities bring other partners to the table.

Ohio Governor Bob Taft, 2005 ARC States' Co-Chair

Q *Back in 1965, when ARC was created, the notion of a “states’ co-chair” was an unusual structural innovation for a federal program. How has that model stood the test of time?*

This unique partnership model has stood the test of time because it emphasizes the importance of partnerships between all levels of government, and I believe it is one of the reasons ARC has been so effective. An approach such as this allows for flexibility and creativity and avoids the “one size fits all” brand that so many government programs have.

The Ohio Appalachian Center for Higher Education, for example, unites 10 Ohio public colleges and universities with K-12 schools and the private sector to increase the region’s college-going rate, which is only half the national average. This concept started in Ohio in 1993, and in 1998 ARC used it as a model for the Appalachian Higher Education Network in other states.

Q *In some states in the Appalachian region, the number of Appalachian counties is fairly small. How does that affect the involvement of those governors in the program?*

Each state has participated actively regardless of the size of the geographic area that comprises the state’s Appalachian region. ARC is very effective at using regional models without state boundaries. This allows all communities to benefit from a variety of initiatives.

Q *Despite a lot of progress over 40 years, the region’s distressed counties continue to be concentrated in its central core. What are the prospects for changing that?*

As governor of a state that contains a part of that central core, I am optimistic that the prospects for change are good, in part because of ARC investments in education, health care, and economic development. As a result, the number of distressed counties continues to shrink. ARC is committed to ensuring that this trend continues.

Q *Except for West Virginia, all states in the region contain a mix of Appalachian and non-Appalachian counties. Do*

ARC-supported projects have an impact in other parts of these states?

There are regional organizations in each state that cross jurisdictional and geographic lines so that benefits certainly go beyond the Appalachian Region. What is good for Appalachia is good for all of Ohio.

Q *ARC often funds smaller projects than most federal agencies do. Why is that?*

This gets to the heart of this partnership between the states and Commission. The flexibility allows these federal dollars to have a bigger impact, sometimes, on much smaller projects than most other federal agencies would consider for funding. I find this to be one of ARC’s biggest strengths. It allows us to prioritize projects that we know will have a high potential return on investment but may not otherwise be suitable for other, national, standardized programs.

For example, ARC has assisted with small-scale equipment purchases for community computer centers giving youths and adults a central Internet access location in areas where technology access is not available or is too costly for residents. It has also provided startup costs to establish the Web site www.appalachianohio.com, which promotes tourism and economic development in the region and attracts more than 750,000 hits a month.

Q *If we were having this conversation ten years from now, what would you expect to have changed?*

It would be my hope that most, if not all, of the counties ARC now classifies as “transitional” will have achieved parity with the rest of the country. My other expectation would be that the Appalachian core—where most of the distressed counties are located—will have recaptured their young talent because these areas will be recognized as desirable places to live, work, and raise a family. What is encouraging is that the most recent census figures already back this up. In Ohio, Appalachia saw a population increase of 6 percent in the decade after 1990, an acceleration greater than in any of the decades since the middle of the past century. We need to nurture this trend to help it continue. 

Fred D. Baldwin is a freelance writer based in Carlisle, Penn.

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Volunteers Continued from page 8

Looking Ahead

As we look toward the future with hope, we see continued controlled growth in ASP's summer program and a huge boost in the number of volunteers at other times of the year. As we consider the best way to reintroduce a new home provision program, ASP looks to build on the strength of our volunteer workforce, seeking partnerships to assist other affordable housing providers in our region and ultimately more low-income families needing affordable new homes.

One such success came early this year as ASP partnered with the Hazard-Perry County Housing Development Alliance near our Housing Service Center in Chavies, Ky. Highly skilled ASP volunteers from Michigan and Florida worked on HDA sites to raise three houses in fewer than 10 work days, providing an exceptional ASP volunteer experience and helping HDA save significantly on labor costs,

a savings passed on to three qualified low-income buyers. ASP plans to pursue this partnership model in coming months.

Becoming a valued partner within the affordable housing sphere while continuing to make homes warmer, safer, and drier year-round for Central Appalachian families in need is a double-duty pathway sure to keep ASP busy while leading toward a better future for all. Volunteers are all-important in facilitating ASP's mission as we seek to improve living conditions for those who need help in the hills and hollows. May we always reach for a brighter future together! 

Susan C. Crow, M.Div., M.S.W., is executive director of Appalachia Service Project, Inc., with headquarters in Johnson City, Tenn. She is an ordained elder in the Rocky Mountain Conference of the United Methodist Church.

Mountaintop Ruin Continued from page 14

rivers running black, and the coal industry's control of politics deter alternative economic growth.

Challenging Mountaintop Removal

Residents have not sat idly by as mountaintop removal has devastated their communities. In response to expanding operations near Marsh Fork Elementary and apathy on the part of government agencies, residents have started the Pennies of Promise (<http://webpages.charter.net/djarrell1830/home.htm>) campaign to raise money for a safe, healthy new school in the community. Other organizations, such as Coal River Mountain Watch (www.crmw.net) and Ohio Valley Environmental Coalition (www.ohvec.org), have sued the U.S. Army Corps of Engineers to curtail valley fills. Appalachian Voices (www.appvoices.org) coordinates efforts to pass the federal Clean Water Protection Act, which would protect streams from valley fills. The Mountain Justice Summer movement (www.mountainjusticesummer.org) unites groups and individuals throughout Appalachia to abolish mountaintop removal. Several other groups throughout Appalachia, such as United Mountain Defense (www.unitedmountaindefense.org) in Tennessee and Kentuckians for the Commonwealth (www.kftc.org), fight mountaintop removal with a variety of local and national tactics.

While the problem of mountaintop removal defies a concise description or a quick fix, the real solution rests in a single word— involvement. Citizens throughout the United States and the world must become involved and not wait for someone else to solve the problem. Energy conservation, renewable energy sources, letters to editors and politicians, financial support, education about the problem, and activism all play important roles in abolishing this form of mining. Mountaintop removal threatens the environment, human lives, homes, communities, and culture. This massive problem requires massive resistance. 

Judy Bonds is the outreach coordinator for Coal River Mountain Watch and recipient of the 2003 Goldman Environmental Prize for North America.

Vernon Haltom is the executive assistant for Coal River Mountain Watch.

Coal River Mountain Watch (www.crmw.net) is a nonprofit grassroots organization fighting mountaintop removal in Whitesville, W. Va.

Each issue of *Rural Voices* profiles members of the Housing Assistance Council's board of directors. A diverse and skilled group of people, HAC's board members provide invaluable guidance to the organization. We would like our readers to know them better.



Peter Carey

Peter Carey has been involved in rural development work since 1969, when he joined the Peace Corps and was sent to Sierra Leone to provide technical assistance to villages building schools and water systems. Rural community development work “continues to be rewarding and fulfilling,” he said. Carey’s home is now Visalia, Calif., where he and his wife Cathy

have raised Anthony (21), David (20) and Elisa (17).

In 1973, Carey worked for the American Friends Service Committee and met Skip Jason, a member of HAC’s staff, and the person for whom HAC’s Community Service Award is named. Jason exposed him to the idea of self-help housing, which led him to move to Visalia to work for Self-Help Enterprises. Visalia is located in the San Joaquin Valley, the nation’s richest farmland. Unfortunately, it is also a region of dramatic poverty, with much substandard housing, poor education levels, high teenage pregnancy rates, and high unemployment.

“I found my calling at SHE,” Carey said, “and found a home in Visalia.” For a young idealist who wanted to have an impact, all the ingredients were there—huge needs, a respected organization with a reputation for results, and leaders/mentors like Bob Marshall and Manuel Hernandez, former members of HAC’s board.

Today, Carey is President and CEO of Self-Help Enterprises. In addition to being involved in the day-to-day operations of the organization, he also serves on several state and national boards, including those of HAC, state and national rural housing coalitions, and the National Self-Help Housing Association.

Carey has worked with HAC since his earliest days at SHE. According to Carey, HAC’s consistent focus on rural America has been important not just in bringing national attention, resources, and support to efforts to improve rural housing, but also because HAC provides peer support and encouragement to individuals and organizations that face the multiple challenges of working in rural areas. Over the years, Carey has noted HAC staff’s commitment to these often complex issues.

Carey joined the HAC board in 2004. He said, “It’s been a rewarding and fulfilling experience as I learn even more about the board members and their long-time commitment to HAC’s mission. I have come to know and respect the commitment that drives each board member. Individually and collectively, the board is dedicated to the needs of rural America.”



Lewis Kellom

Lewis Kellom’s career in affordable housing was kindled by his compassion for people in his community. “I met four ‘crazy’ nuns who happened to be very progressive thinkers,” his story begins. “They had a mission to make affordable health care available to area farmworkers. I served on the Board of Directors of Apopka Family Health Center for about 10 years.

During that time, I became interested in finding better housing for farmworkers and other low-income families. In 1979, I took the position of Executive Director of Homes In Partnership. It is a decision I’ve never regretted.”

HIP is a private, nonprofit organization that offers affordable housing opportunities to low-income families in central Florida. As one of the oldest nonprofit builders in the state, HIP is involved in a network of community, economic, and housing activities.

Since 1975, HIP has helped over 5,000 families in central Florida achieve homeownership. “Many times this is a 24/7 job,” Kellom said, “but I have satisfaction in knowing that we are helping those people who could not otherwise own their home. I feel ten feet tall whenever a family thanks me. I have great pride in knowing we helped move a family from a ‘shack’ into their own new home.”

Kellom got to know HAC during Homes In Partnership’s early years. He credits HIP’s partnership with HAC for helping it grow into one of the most successful affordable housing providers in the Southeast. He said, “Through my association with HAC, Homes In Partnership was introduced to many regional and national groups that would join HIP’s family of partners. Alone, our voice was not heard, but with our association with other similar groups, we presented a united appeal to help low-income families.” As well as the Housing Assistance Council’s board, Kellom also served on the Millennial Housing Commission and currently serves on the board of the National Rural Housing Coalition.

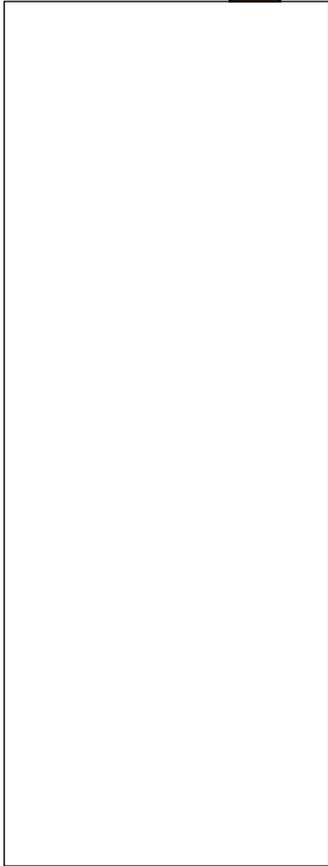
“I am very proud to be a member of the Housing Assistance Council board,” said Kellom, “because HAC believes in giving the ‘little guy’ a chance. I’ve seen first hand the impact when people are given the opportunity to get a home; their children do better in school and they take a more active part in their communities.”

Kellom lives with his wife Lottie in Altamonte Springs, Fla., where they raised their two children Gerald and Christopher. He noted, “Mickey Mouse is my neighbor! He lives at Disney World, but I live and work in the real world.”



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