

Building Rural Communities

Housing Assistance Council

Annual Report 2017



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Partnering for Rural America

HAC has worked across rural America for more than four decades, but we don't, and can't, do it alone. While it would be impossible for HAC to recognize all of the support we receive, here are our valuable funders and partners.

Supporters

The Atlantic
Philanthropies

Bank of America

BBVA Compass Bank

Capital One Bank

Council of Federal Home Loan
Banks

Episcopal Diocese of Iowa

The Episcopal Church

Fannie Mae

F.B. Heron Foundation

Ford Foundation

Freddie Mac

Hearst Foundations

The Home Depot
Foundation

Home Missioners
of America

Lenin Juarez

John D. and Catherine
T. MacArthur Foundation

JP Morgan Chase

Morgan Stanley

National Endowment
for the Arts

Navajo Housing Authority

NeighborWorks™ America

Seton Enablement Fund

Sisters of Charity, Blessed
Virgin Mary

Sisters of St. Francis of
Philadelphia

Sisters of the Holy Cross

Sisters of the Presentation of
the Blessed Virgin Mary

Society of Mary

U.S. Department of Agriculture
— Rural Development –
Business and Cooperative
Programs

U.S. Department of Agriculture

U.S. Department of Housing
and Urban Development

U.S. Department of the Treasury
— Community Development
Financial Institutions Fund

Wells Fargo Housing
Foundation

Contributors

Gideon Anders

Joseph and Tamara Belden

Brattleboro Area Affordable
Housing Corporation

Congregation of the Humility
of Mary

Council for Affordable and
Rural Housing

Habitat for Humanity

Norman Hurwitz

Moises and Teresa Loza

Maria Luisa Mercado

National Trust for Historic
Preservation — Housing
Initiative

Next Step

PathStone Corporation

William and Gloria Powers

Reno & Cavanaugh, PLLC

Rural Community Assistance
Corporation

Rural Community Assistance
Partnership

Byron and Lee Stookey

Leslie R. Strauss

Harold and Marilyn Wilson



Dear Friends,

Rural America got a lot of attention in 2017. The results of the 2016 presidential election encouraged journalists, policymakers, and others to consider the differences between rural and urban parts of the U.S. The Housing Assistance Council has known these facts for decades, of course, and has worked with partners around the country towards improving life for the lowest income rural Americans.

Economic recovery from the Great Recession is lagging in rural areas, with a lower rate of job creation than in metropolitan places. Most of the new rural jobs are in the service sector, with far lower salaries than past mining and manufacturing positions. Forty percent of renters in places with populations under 10,000 pay more than 30 percent of their income for housing. While rural residents are more likely to be homeowners than city dwellers are, the homeownership rate for rural African Americans and Hispanics is 20 percentage points lower than that of white non-Hispanic rural households. Persistent poverty counties – those where poverty rates have exceeded 20 percent since 1990 – are predominately rural.

At the same time, HAC knows rural America's advantages. The barnraising spirit is still strong: residents care deeply about their communities and they really do pitch in to help their neighbors. Rural places' products and their natural resources benefit the entire country. Costs of doing business are often lower in small towns than in big cities.

HAC spent 2017, as it has spent more than 45 years, helping rural communities use these positive traits and resources to improve their residents' lives. This has always been the hallmark of HAC's work: HAC helps local organizations so that they can, in turn, help their communities – not only immediately, but for years to come. HAC builds rural resources, capacity, and knowledge by providing financing, training and technical assistance, and research and information. In 2017 HAC continued its special efforts to help provide housing for rural veterans and launched a new initiative on creative placemaking.

Whether the new attention to rural areas yields useful results or not, HAC and our partners on the ground will continue our efforts. Rural Americans will deserve decent, safe, affordable housing, as they always have.

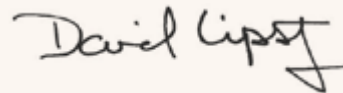
Sincerely,



Andrew Bias
Chair



Peter Carey
President



David Lipsetz
CEO



Jane Farr and her daughter
Saratoga Springs, Utah

“A place of our own to welcome visitors and friends. ... I could say to all that it is never too late to dream! With courage, persistence and determination, you can win.”

Jane built her home with the assistance of Self-Help Homes in Provo, Utah. HAC has invested over \$6 million in Self-Help Homes since the 1990s.

Building Homes

Community-based organizations possess incredible potential to expand and improve the stock of affordable housing and promote economic mobility, which is why HAC invests in them. As a certified Community Development Financial Institution, we provide financial products to organizations that create or improve homes for rural residents. We work closely with borrowers and communities to provide flexible underwriting and streamlined access to credit. We provide financial products to support predevelopment, site acquisition, site development, construction, preservation and new and innovative lending approaches in some of the most challenging economic environments.

Building Capacity

Community-based organizations who are improving housing conditions in rural America often need help navigating the complexities of finding financing and developing homes. HAC enhances their knowledge and skills through a combination of one-on-one technical assistance and specialized training. These sessions address key skills necessary to effectively develop, preserve, and manage affordable housing. It also strengthens local groups' ability to deliver associated services that stimulate other community and economic development activities. HAC meets housing providers where they are, with training both in person around the country and online. Training topics in 2017 included Creative Placemaking, Grant Writing for Nonprofits, Fundraising for Nonprofits, Resource Development, Single-Family Housing Development, and USDA Section 502 Loan Application Packaging.

The Grace Family

Chavies, Kentucky

“Becoming a homeowner ... has made us more financially stable. Not only has it helped to build better credit, but it also lowered our heating and cooling cost. This home is perfect and truly a great home to raise our family!”

More than 200 families like the Graces have become homeowners with assistance from the Housing Development Alliance. HDA has been a long-time partner with HAC through training, finance, and research.



Building Knowledge

Understanding markets is critical to the success of any housing development. However, rural housing providers often struggle to gather and analyze data which accurately represents the broad geographies they serve. HAC's data, information, and mapping utilities and provide specialized resources that position projects for success, balancing key supply and demand predictors in the housing environment. HAC also helps inform broader policies with timely information and in-depth research on housing, economies, and people of rural America.

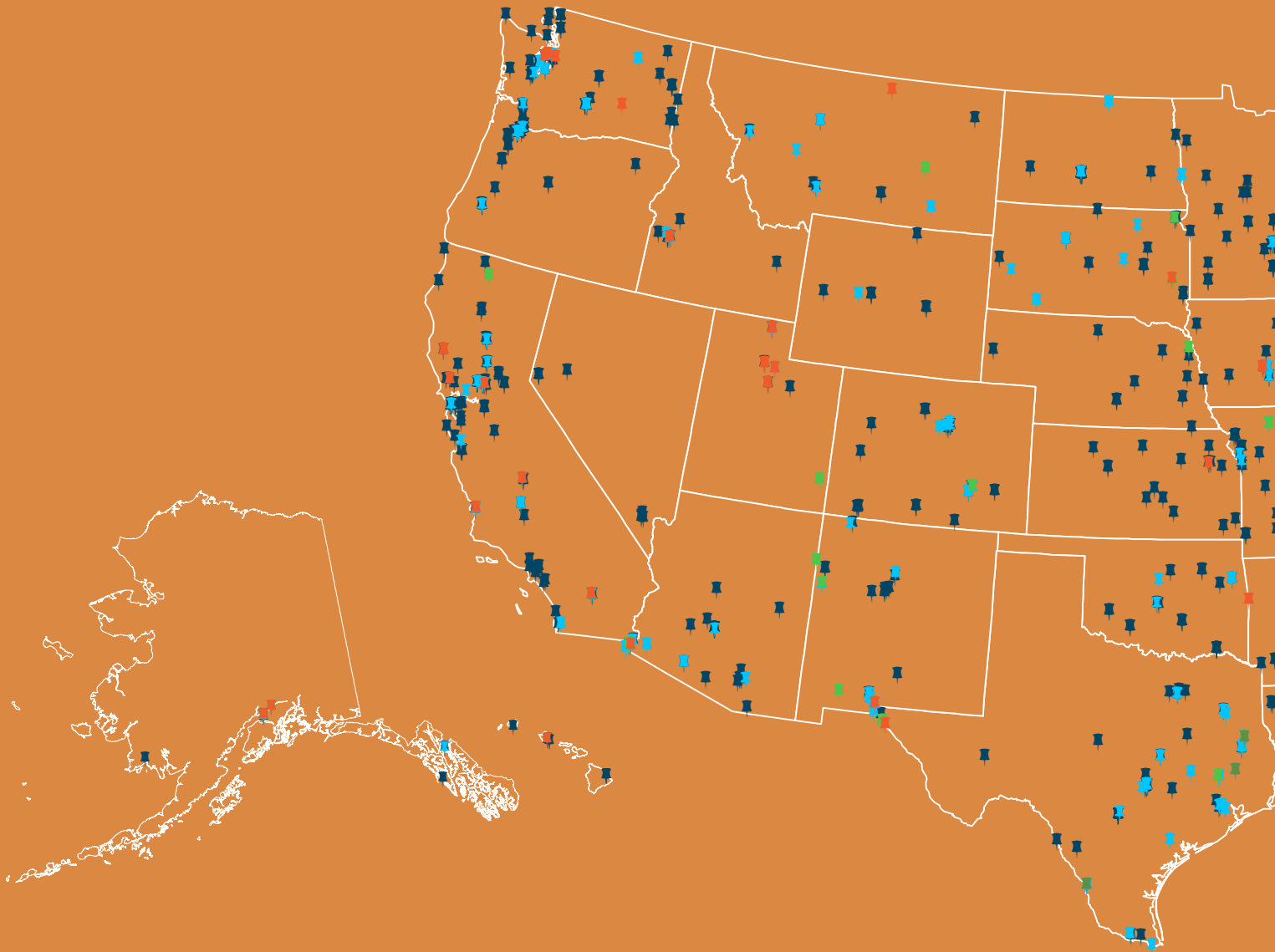


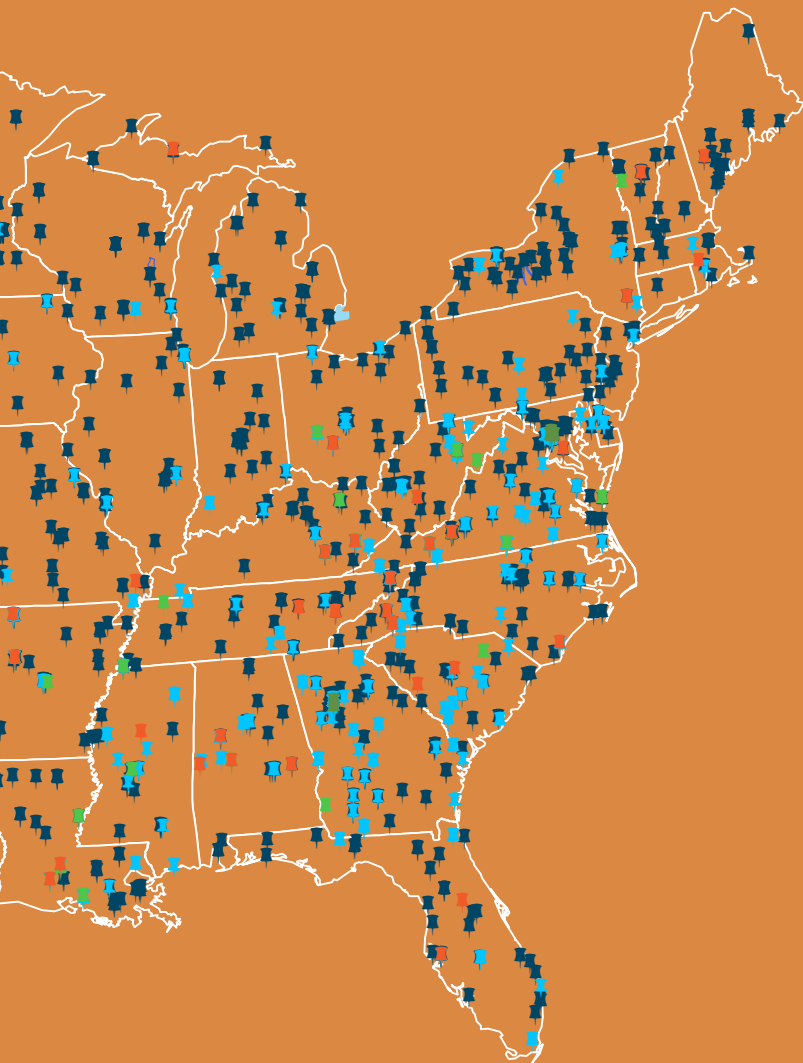
**Lisa and
Victor Lupio**
Goshen, CA

*“We put up
walls, finished
the concrete,
put in the
driveway, and
now we have
our key. It feels
really good to
say we built this
house.”*

Self-Help Enterprises, based in the San Joaquin Valley of CA, helped Lisa and Victor through every stage of the homeownership process. Self-Help Enterprises has partnered with HAC since 1972.

The Housing Assistance Council Works Across Rural America





HAC in 2017

Building Homes

With \$32.3 million invested in 65 communities, HAC has partnered with organizations across the nation to support the development of 2,250 affordable homes.

 Investments

Building Capacity

Through 33 on location workshops and 5 webinars, HAC trained a total of 1,147 individuals from across the country. HAC's staff delivered over 12,500 hours of technical assistance to organizations working to develop affordable housing. HAC provided 17 Capacity Grants totaling \$302,054 to improve the ability of organizations to build housing in rural areas.

 Technical Assistance

 Trainings

 Training Participants

Building Knowledge

Over 1,3000 rural housing professionals and policymakers across the nation accessed information, research reports, or data request through HAC information and data platforms.

 Information Recipients



Fostering the Arts in rural places

Creative placemaking leverages locally rooted arts and cultural activities to build community and local economies. A grant from the National Endowment for the Arts enabled HAC to work with buildingcommunitiesWORKSHOP, encouraging use of creative placemaking in rural housing and community development efforts. In 2017 HAC produced two webinars and an issue of *Rural Voices* magazine on the subject, as well as a *Native American Creative Placemaking* report. HAC also gathered 19 rural housing practitioners in Thomas and Davis, WV for a peer exchange. Woodlands Development Corporation and community leaders showed off the creative placemaking efforts that have resulted in strong arts communities in the two towns.

Housing Our Heroes

Rural areas contribute a disproportionate share of U.S. service members, and therefore are home to a large number of veterans. Among HAC's veteran-focused efforts is an initiative that provides grants to help local rural housing organizations repair the homes of veterans in their communities. With support from partners like the Home Depot Foundation, this initiative allows HAC to assist organizations like The Veterans Place, a 26 bed, substance-free, transitional housing program located in central Vermont.

“The Veterans’ Place, is the best place ever to be to get your life back together, at least it has been for me!” – Mark M.





A New Era For HAC

In November 2017, a new CEO stepped in at HAC. David Lipsetz has held senior positions at USDA's Rural Housing Service and at HUD and has worked in regional planning and development. HAC's board and staff look forward to working with him as HAC continues to build strong and vibrant rural communities across the United States.

Moises Loza retired after more than 40 years at HAC, including 27 years as HAC's Executive Director. Improving housing conditions for rural Americans has been Moises's life work. Directly or indirectly, he has improved living conditions for many thousands of people around the rural United States. HAC's board and staff, along with rural housing stakeholders all over the country, thank Moises for his leadership, his guidance, and his passion.



ABOUT HAC



- NATIONAL NONPROFIT
- RURAL HOUSING AND COMMUNITY DEVELOPMENT
- PERSISTENT POVERTY AREAS AND POPULATIONS



Board of Directors

Andrew Bias
Wichita, KS
Chair

Peter Carey
Visalia, CA
President

Swynice Hawkins
Waldorf, MD
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Lone Star Legal Aid
Galveston, TX
Secretary

Janaka Casper
Community Housing Partners
Christiansburg, VA
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National Housing Law Project
San Francisco, CA

Laura Buxbaum
Coastal Enterprises, Inc.
Brunswick, ME

Robert Calvillo
Affordable Homes of South Texas
McAllen, TX

Sandra Ferniza
Phoenix, AZ

Marvin Ginn
Native Community Finance
Laguna, NM

Ninfa Gutierrez
KDNA Public Radio
Yakima, WA

Ilene Jacobs
California Rural Legal Assistance
Marysville, CA



Lenin Juarez
Action Gypsum Supply
Houston, TX

Arturo Lopez
Coalition of Florida Farmworker
Organizations
Florida City, FL

Moises Loza
Housing Assistance Council
Washington, DC

Tom Manning-Beavin
Kentucky Highlands
Investment Corp.
London, KY

Twila Martin Kekahbah
Turtle Mountain Band of Chippewa
Belcourt, ND

Polly Nichol
Montpelier, VT

Andres Saavedra
Rural LISC
Washington, DC

Naomi Scipio
Central City Realty
Columbia, SC

Irene Sikelianos
Albuquerque, NM

Bennie G. Thompson
U.S. House of Representatives
Bolton, MS

Dazetta Thorne
Seventh District Pavilion
Crowley, LA

Lauriette West-Hoff
Durham, NC

Peggy Wright
Arkansas State University
State University, AR



HACsters

National Office

David Lipsetz, CEO

Moises Loza, Executive Director (retired)

Karin Klusmann, Deputy Director
and Loan Fund Director

Jeff Mosley, Training and Technical
Assistance Director

Theodore J. Russell, Finance and
Administration Director

Lance George, Deputy Director and
Research & Information Director

Joseph Belden, Marketing Consultant

Alem Berhane, Accounting Manager

Cheryl Coleridge, Receptionist

Valisha Darden-Ward, Senior Loan Officer

Christina Davila, Research Assistant

Jorge Diaz, RHS Portfolio Manager
& IT Manager

Michael Feinberg, Research Associate

Kenneth Greene, Loan Specialist

Joniqua Hargrove, Loan Processor

Journee Harris, Intern

Evelyn Immonen, Intern

Barbara S. John, Portfolio Manager

LaVerne Lawrence, Staff Accountant

James McGraw, Senior Portfolio Manager

Christine Minor, Loan Specialist

Carlos Muralles, SHOP Program Manager

Rachana Shrestha, Portfolio Manager

Daniel Stern, Communications &
Outreach Manager

Leslie Strauss, Senior Policy Analyst

Stephen Sugg, Government Relations Manager

Lilla Sutton, Executive Coordinator

Keith Wiley, Research Associate

Tanya Winters, Loan Officer

Southwest Office

Eugene Gonzales, Director

Anselmo Telles, Housing Specialist

Southeast Office

Carolyn Branton, Director

Shonterria Charleston, Program Manager
and Housing Specialist

Christina Adeshakin, Housing Specialist

Kelly Cooney, Housing Specialist

Midwest Office

Stephanie Nichols, OneCPD Program Manager/
Housing Specialist

Western Office

Karl Ory, Director



Housing Assistance Council

Consolidated Statement of Financial Position

Assets

September 30, 2017

Cash and cash equivalents	\$ 4,811,516
Investments	23,245,267
Contracts and grants receivable	1,960,121
Loans receivable, net	10,095,155
Interest receivable, net	282,599
Prepaid and other assets	118,397
Land held for resale	751,315
Furniture and equipment	23,584
Total Assets	\$ 41,287,954

Liabilities

Accounts payable	\$ 269,003
Accrued and other expenses	530,319
Notes payable	7,926,335
Lines of credit	1,109,897
Deferred rent and lease incentive	443,957
Total Liabilities	\$ 10,279,511

NET Assets

Unrestricted	
Undesignated	\$ 756,187
Board-designated	4,086,185
Total Unrestricted	\$ 4,842,372
Temporarily restricted	13,555,235
Permanently restricted	12,610,836
Total Net Assets	\$ 31,008,443
Total Liabilities and Net Assets	\$ 41,287,954

**Housing Assistance
Council**

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HAC is an equal opportunity lender and employer.

www.ruralhome.org