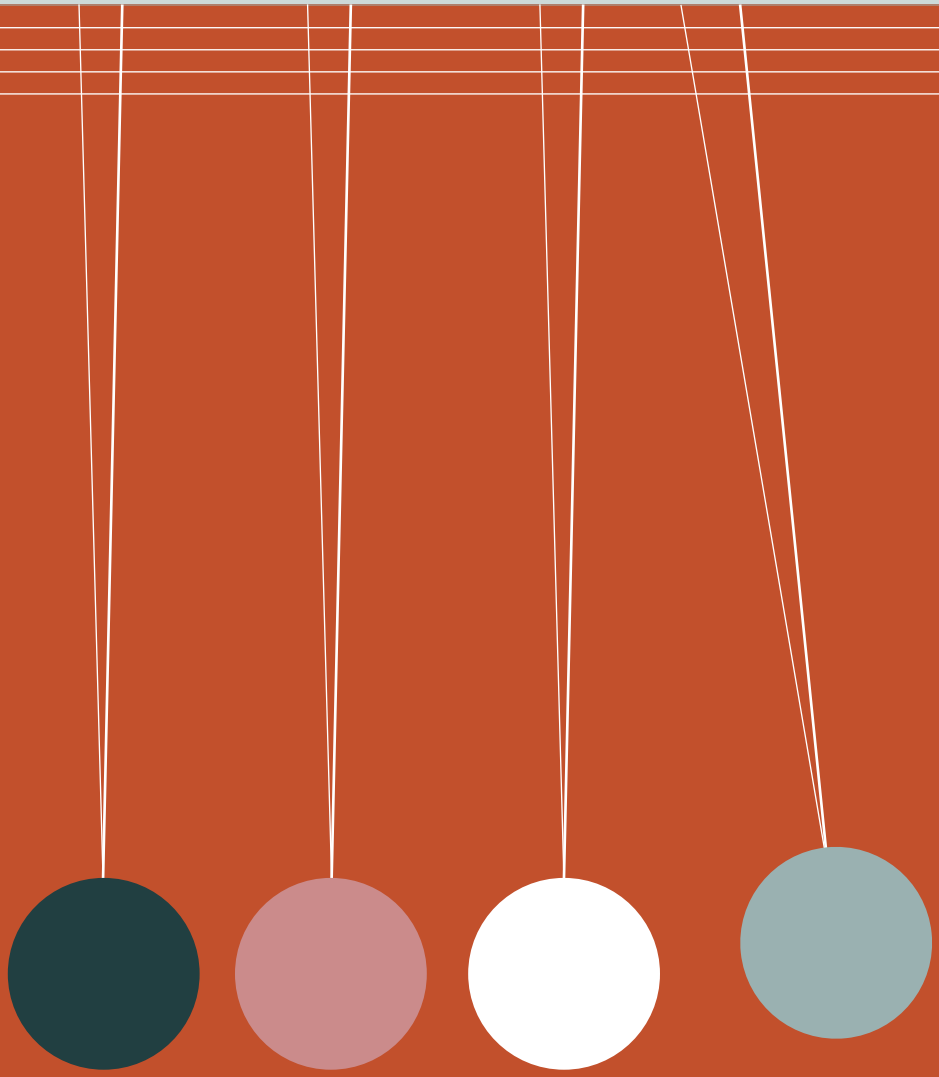
It only takes one motion to set off a chain reaction. HAC made those motions every day in 2018, with the resources, funding and empowerment to be a catalyst for rural America.

CATALYST OF CHANGE

HOUSING ASSISTANCE COUNCIL
ANNUAL REPORT 2018



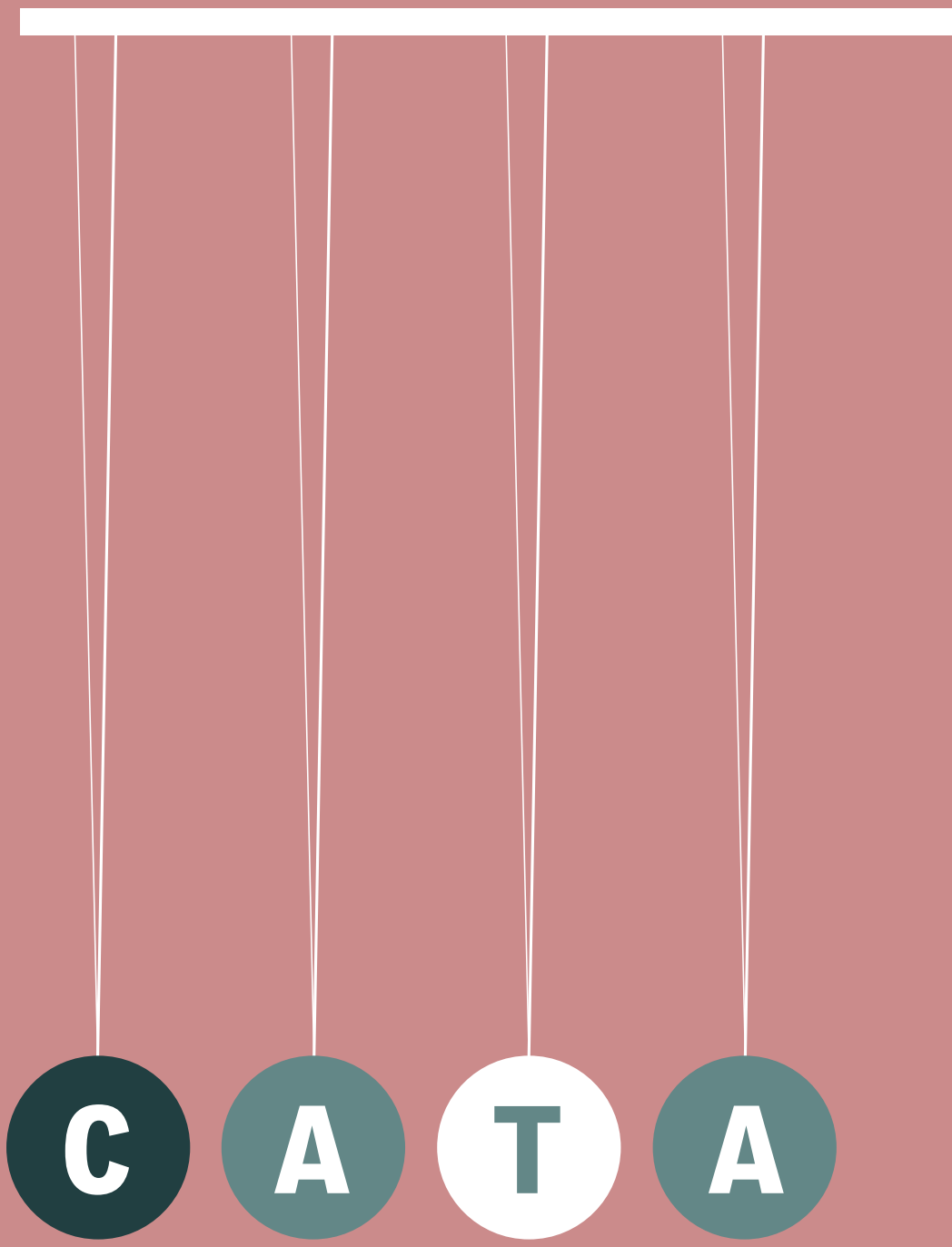
2

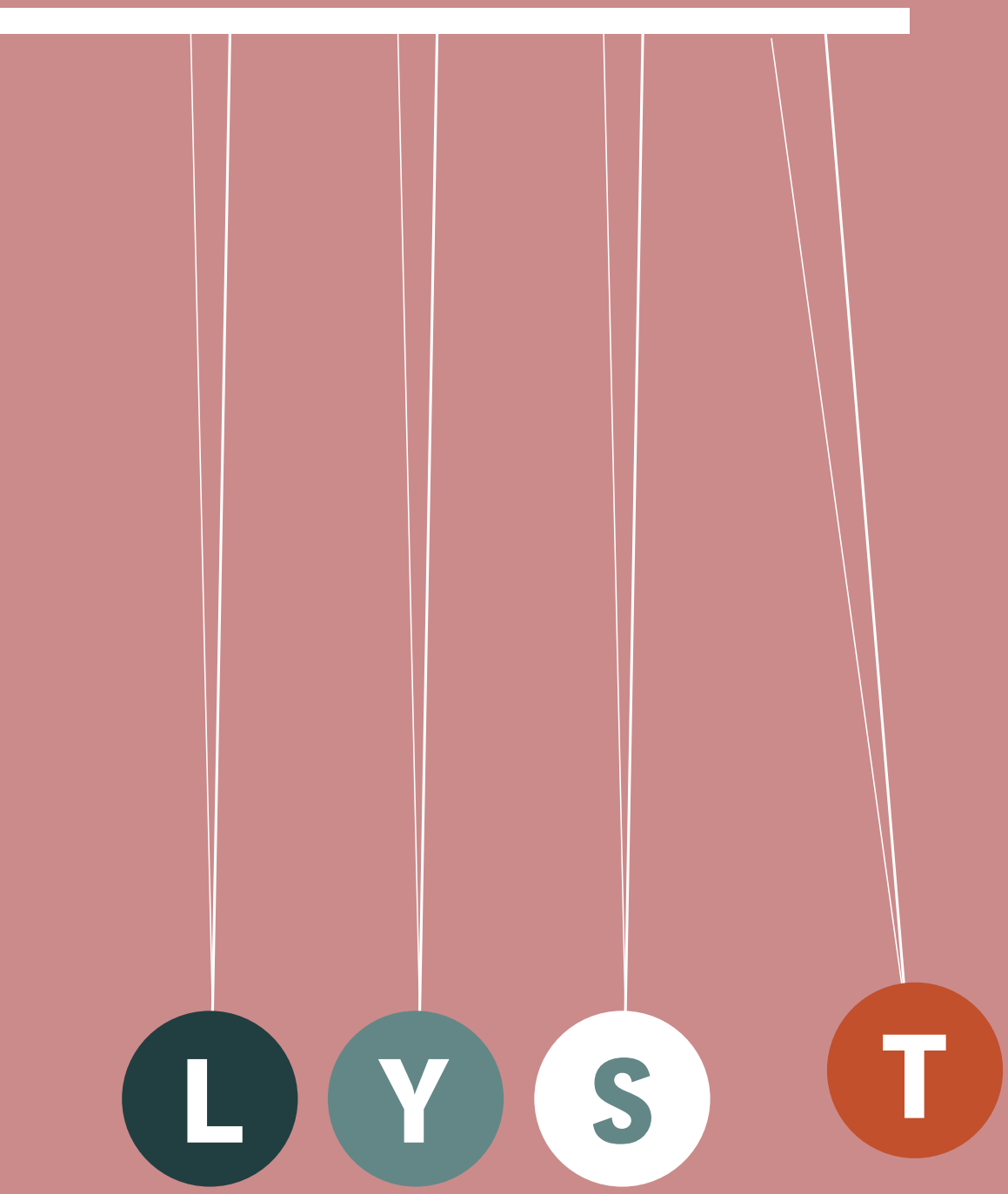
THE HOUSING ASSISTANCE COUNCIL IS A NATIONAL NONPROFIT CORPORATION THAT HELPS BUILD HOMES AND COMMUNITIES ACROSS RURAL AMERICA.

WHO IS HAC?

FOUNDED IN 1971 AND HEADQUARTERED IN WASHINGTON, D.C., HAC IS A NATIONAL NONPROFIT AND A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION DEDICATED TO HELPING LOCAL RURAL ORGANIZATIONS BUILD AFFORDABLE HOMES BY PROVIDING BELOW-MARKET FINANCING, TECHNICAL ASSISTANCE, TRAINING, RESEARCH AND INFORMATION SERVICES.

TO LEARN MORE, VISIT
WWW.RURALHOME.ORG


C
A
T
A



A CATALYST IS AN AGENT THAT **PROVOKES OR SPEEDS SIGNIFICANT CHANGE** OR ACTION

Supporting Rural America

AN INVESTMENT IN HAC IS AN INVESTMENT IN RURAL AMERICA. OUR GENEROUS SUPPORTERS HAVE ALLOWED HAC TO PROMOTE CHANGE AND GROWTH IN RURAL COMMUNITIES FOR NEARLY 50 YEARS. THEY ARE AN IMPORTANT PART OF THE HAC FAMILY AND WE ARE GRATEFUL FOR THEIR ENGAGEMENT AND CONTRIBUTIONS.

ORGANIZATIONS

Bank of America

BBVA Compass Bank

California Coalition for Rural Housing

Capital One Bank

CoBank

Congregation of the Humility of Mary

Council for Affordable and Rural Housing

Council of Federal Home Loan Banks

Enterprise Community Partners

Episcopal Diocese of Iowa

Federation of Appalachian Housing Enterprises, Inc.

Fannie Mae

Federal Home Loan Bank System

Florida Nonprofit Housing

Ford Foundation

Freddie Mac

Habitat for Humanity

Home Missioners of America

JPMorgan Chase

Little Dixie Community Action Agency, Inc.

Morgan Stanley

National American Indian Housing Council

National Endowment for the Arts

National Housing Law Project

National Rural Self Help Housing Association

National Trust for Historic Preservation — Housing Initiative

Navajo Housing Authority

NCALL Research

NeighborWorks™ America

Next Step

Nixon Peabody

PathStone Corporation

Raffa

Raymond James

Reno & Cavanaugh, PLLC

Rural Community Assistance Corporation

Rural Community Assistance Partnership

Rural Development Leadership Network

Rural LISC

Self-Help Enterprises

Seton Enablement Fund

Sisters of Charity, Blessed Virgin Mary

Sisters of St. Francis of Philadelphia

Sisters of the Presentation of the Blessed Virgin Mary

Society of Mary

The Home Depot Foundation

The Peter and Cathy Carey Charitable Fund

United Migrant Opportunity Services

U.S. Department of Agriculture

U.S. Department of Housing and Urban Development

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

Volunteers of America

Wells Fargo Housing Philanthropy

Yardi

INDIVIDUALS

Gideon Anders

Andy Bias

Laura Buxbaum

Shonterria Charleston

Lenin Juarez

Karin Klusmann

Sandra Ferniza

David Lipsetz

Moises and Teresa Loza

Tom and Sara Katherine Manning-Beavin

Maria Luisa Mercado

Naomi Scipio

Byron and Lee Stookey

Leslie R. Strauss

Dazetta Thorne

Harold and Marilyn Wilson

DEAR FRIENDS,

For 49 years, the Housing Assistance Council (HAC) has worked to build communities across rural America. As we approach a half century of improving housing conditions for people in rural areas, we wanted to take a moment to reflect on our work.

As we thought about the many ways HAC has created change, empowered local organizations, fostered collaborations between sectors, built a community of learning and advocated for those whose voices are often silenced, one word kept rising to our minds. *Catalyst.*

A catalyst is an agent of change. It helps to enable collaboration among existing elements that may struggle to combine. HAC has been serving as a catalyst for improving rural communities throughout our history.

2018 was no different. We continued to help local organizations in rural areas increase their capacity and assist in financing their projects. We expanded our collaborations with national organizations, foundations and private funders, and began new initiatives around rural prosperity and Duty to Serve. Our research shed light on a looming crisis for affordable rental housing

and continued to inform advocates and policymakers about the realities of rural poverty and housing conditions. We ended the year on a high note with our biennial conference. The rural housing community shared ideas, discovered new approaches, and returned back to their communities rejuvenated and recommitted to the effort.

As we expand our reach, we acknowledge that the work we do would not be possible without the generous support of our public and private supporters. Their commitment to rural people and communities helps create a fertile environment for HAC's actions.

The work is not done. The challenges for rural communities are, in some ways, becoming more severe. But we know the solution. HAC will continue to serve as a catalyst for rural organizations, offering them the tools they need to generate local solutions. While the job is never finished, we are always inspired by the energy, passion and ingenuity of rural people and places.

Thank you,

David Lipsetz
CEO

Peter Carey
Chair

Peggy Wright
President

An Exchange of Ideas Reinvigorates

HAC hosts a rural housing conference every two years in Washington, DC, providing an opportunity for people from around the country to come together, draw energy from each other and create new ideas and approaches to rural problems. In 2018, over 600 stakeholders from 48 states who work in the field of rural community development came together for two-and-a-half days at HAC's conference.

The conference featured 54 workshops and coalition meetings where participants mixed best practices for rural housing development, organizational management and resource development with innovative approaches to housing and community development. They then returned to their communities fully energized and armed with new tools to address the needs of their constituents.

Beyond the workshops and meetings, HAC's conference was filled with informative general sessions and networking opportunities where attendees connected with their fellow rural promoters to learn and draw strength from each other. HAC understands that sometimes the best change comes when you bring folks together and get out of their way.

FEDERAL RESERVE CHAIRMAN HIGHLIGHTS RURAL

Federal Reserve Board of Governors chairman Jerome Powell gave keynote remarks at the conference reception celebrating the accomplishments of national and local rural advocates. Powell spoke of the strength of the current economy but stressed that the economic recovery left out some communities, including rural areas. "*While the economy is strong overall, we recognize that some communities have yet to feel the full benefits of the ongoing expansion,*" Powell said. Powell also stressed the importance of programs like the Community Reinvestment Act and the work of local organizations.

HELPING VULNERABLE POPULATIONS

The 2018 conference included special workshops for people serving veterans in rural areas and working on Native American lands or with tribal populations. These groups each held pre-conference working groups to set the table for the rest of the conference and followed with several specialized sessions designed specifically around the unique challenges and opportunities that come with their work.

Technical Assistance Builds on Local Expertise

The people who work for rural housing and community development organizations are passionate and dedicated to improving their communities on a daily basis. They are intimately familiar with the realities on the ground and understand how to meet their communities' needs. Many have been working in the field for decades and are experts in the field.

But in a continually changing landscape, rural communities and organizations need to sharpen their skills and brush up on the latest techniques and approaches.

HAC harnesses existing local energy and provides training and technical assistance resources to build the knowledge of rural practitioners and organizations. This increase in capacity accelerates their progress to accomplish their goals of improving housing and developing their community.

EXPANDING SKILLS

We encourage and facilitate rural partners to work together and learn from each other. HAC joined with Tierra Del Sol Housing (New Mexico) and Community Resources & Housing Development Corporation (Colorado) to deliver a three-part Farmworker Housing webinar series on USDA's Farm Labor Housing Program, which provides loans and grants for the development of on-farm and off-farm housing. This webinar series shared knowledge and insights with 200 rural housing developers and advocates, empowering them to better house one of rural America's most vulnerable populations.

THOUGHT INCUBATION FOR NATIVE AMERICAN LANDS

HAC has always dedicated itself to serving the people and places with the greatest need. Recognizing the considerable challenges that face Indian Country, HAC joined with Wells Fargo Housing Foundation and Fannie Mae to present *American Indian Housing Symposium: New Strategies for Systemic Housing Challenges*. More than 100 tribal representatives and stakeholders came together for two days in South Dakota to explore data trends and highlight innovative projects, funding opportunities, and strategies for addressing systemic challenges for diverse tribes across the country.

Value Investing Creates Vibrant Communities

Local organizations are adept at accomplishing amazing results with limited resources. Their strong social networks and commitment to improving their communities enables them to do a lot with a little.

While rural communities are brimming with social capital, community development efforts also require financial capital. It can be challenging for rural regions to generate economies of scale or find economic support, especially as banks continue to close in these areas.

HAC's loans boost development by providing seed money to get a project started, with HAC often being one of the first investors into a project. By lending funds and reputation to a development, we provide a sense of security to encourage other lenders and government entities to join the effort.

REBUILDING AFTER DISASTER

When the Louisiana Housing Corporation (LHC) wanted to create new rental housing opportunities for communities impacted by recent flooding, HAC stepped in. LHC recommended that HAC provide technical assistance to organizations working in this region to improve their practices around compliance and budgeting. As the organizations improved their capacity, HAC's loan fund was able to offer financial support for the projects and invested more than $4.1 million to build 33 rental homes.

BETTER TOGETHER

HAC partnered with Rural LISC to lend $5 million to ROC USA to build several Resident Owned Communities across the country. In this model, homeowners form a cooperative, nonprofit business, that allows members to purchase the land on which their manufactured homes are placed and manage the business of their community. The total development amount exceeded Rural LISC's lending limits, but through collaboration with HAC they were able to secure the funding and more rural Americans now have affordable housing.

Information Propels Better Decision Making

Community developers who work in rural areas have a deep understanding of the local culture and history. Because they maintain connections with people from city hall to the pool hall, they know the community's concerns and priorities.

To add to their local knowledge, grant or loan applications may require them to provide concrete, measurable data. These statistics come from several data sources that can be difficult to navigate or access. It can also be challenging to follow national policy around housing and community development and to understand its impact on the ground.

HAC's top tier research simplifies the process of finding data and gives people working in or advocating for rural areas the most up-to-date and relevant information about rural communities. Our informative databases, Rural Data Portal and Veterans Data Central, are invaluable resources to practitioners and policymakers alike. HAC keeps rural practitioners and policymakers current on rural issues and solutions with our publications, *HAC News* and *Rural Voices* magazine.

ILLUMINATING A LOOMING CRISIS

HAC's groundbreaking report, *Rental Housing in the 21st Century: A Platform for Preservation*, shed light on an approaching crisis in preserving rental housing in rural communities. The report was released at a Washington, DC symposium, *Rural America is Losing its Affordable Rental Housing*. At that event industry leaders gathered from around the nation to respond to the report's conclusions and engage in discussion on potential solutions and strategies to preserve scarce affordable rental homes and resources in rural communities.

HAC in the News

AS A THOUGHT LEADER IN THE INDUSTRY, HAC IS REGULARLY INTERVIEWED ABOUT RURAL HOUSING ISSUES, INCLUDING THE MATURING MORTGAGE CRISIS, LACK OF AFFORDABLE HOUSING, AND FLUCTUATING PUBLIC SECTOR SUPPORT. THIS IS A SAMPLING FROM THE LAST YEAR.

"There are about 415,000 units still in existence in this [USDA rental housing] program. Every single one of those units is on a time clock. Every single one of those units without some action to recapitalize the property is going to deteriorate."

– David Lipsetz, Chief Executive Officer

Huffington Post – December 28

"It's a pretty simple equation. The incomes in this country have not really matched housing prices so you continue to have this disconnect."

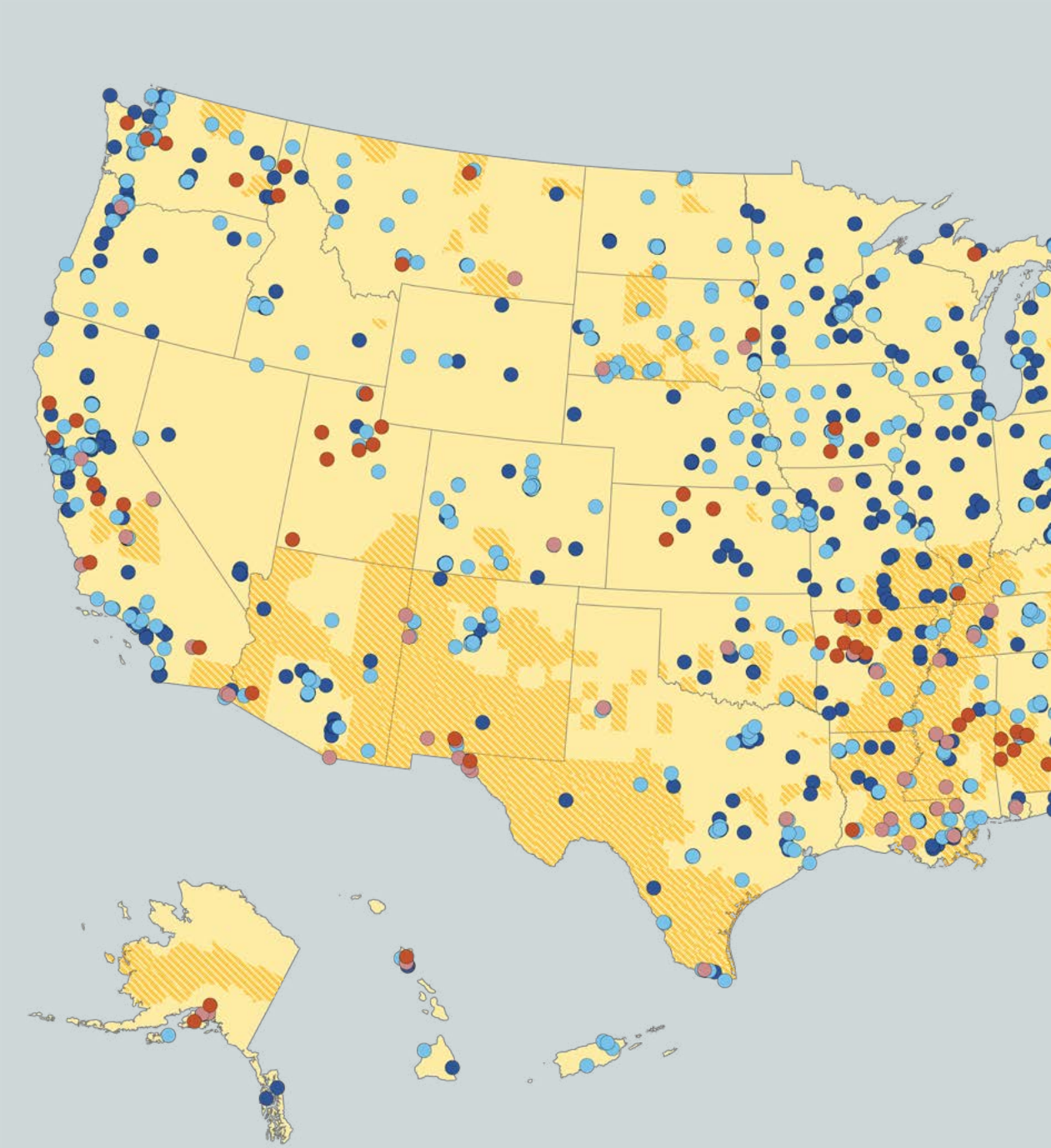
– Lance George, Research and Information Director

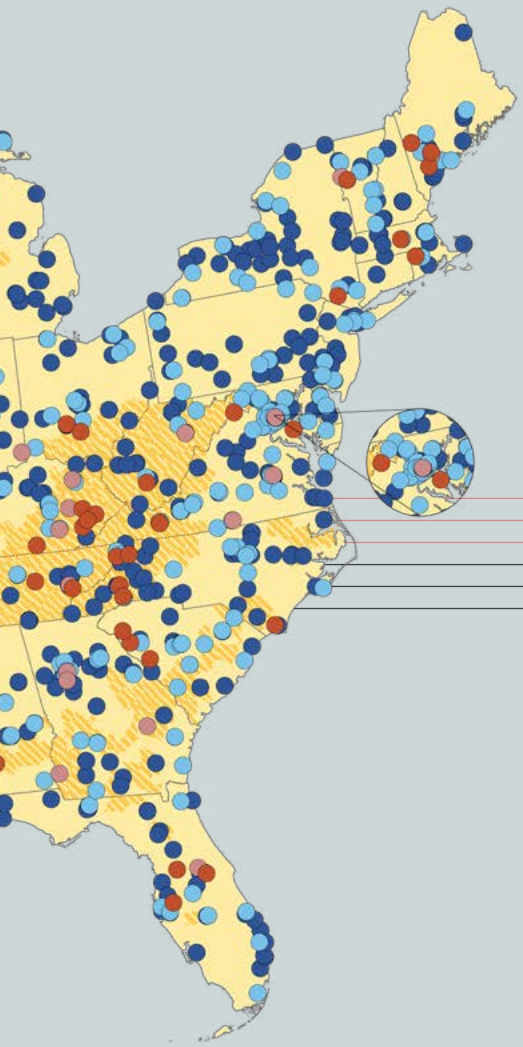
Wall Street Journal – May 30

"Rural housing is one of the few areas left in [federal policy] ... where there is true bipartisan support for it."

– Stephen Sugg, Government Relations Manager

The Daily Yonder – December 19





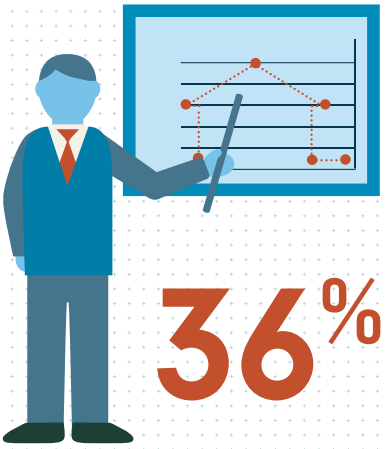
Building a Better Tomorrow

2018

ACTIVITIES

- *Loan / Grant Investment*
- *Technical Assistance*
- *Training*
- *Information Dissemination*
- *High Needs County*

Highlights

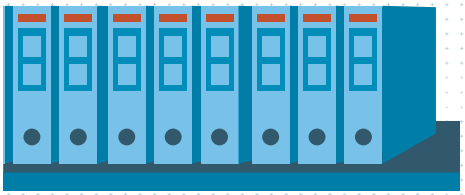


36%

OF LOANS SERVE
HIGH NEEDS COUNTIES

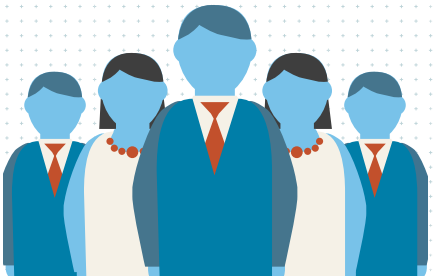
19,000 MINUTES

OF VIDEO TRAINING
WATCHED ON YOUTUBE



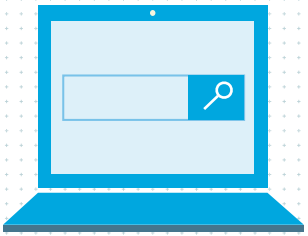
1,580

INFORMATION PRODUCT
SUBSCRIBERS



1,496

TRAINING ATTENDEES



54,214 VISITS

TO WEBSITE AND PORTALS

$38 MILLION

IN CURRENT INVESTMENTS

HACsters

CHRISTINA ADESHAKIN
Housing Specialist

ALEM BERHANE
Accounting Manager

SAMANTHA BOOTH
Government Relations Manager

SHONTERRIA CHARLESTON
Training and Technical Assistance Director

CHERYL COBBLER
Administrative Assistant

KELLY COONEY
Housing Specialist

VALISHA DARDEN-WARD
Senior Portfolio Manager

CHRISTINA DAVILA
Research Associate

JORGE DIAZ
RHS Portfolio Manager and IT Manager

LANCE GEORGE
Research & Information Director

MICHAEL FEINBERG
Senior Policy Analyst

EVELYN IMMONEN
Research and Policy Associate

BARBARA S. JOHN
Portfolio Manager

KARIN KLUSMANN
Finance & Administration Director

LAVERNE LAWRENCE
Staff Accountant

DAVID LIPSETZ
Chief Executive Officer

JAMES MCGRAW
Senior Loan Officer

AUSTIN MOSER
Stevenson Fellow

CARLOS MURALLES
SHOP Program Manager

EILEEN NEELY
Lending Director

STEPHANIE NICHOLS
Senior Housing Specialist

RACHANA SHRESTHA
Portfolio Manager

DANIEL STERN
Communications and Outreach Manager

LESLIE STRAUSS
Senior Policy Analyst

STEPHEN SUGG
Special Projects Manager

LILLA SUTTON
Executive Coordinator

ANSELMO TELLES
Housing Specialist

KEITH WILEY
Senior Research Associate

Board of Directors

OFFICERS

PETER CAREY
Board Chair
Visalia, CA

PEGGY WRIGHT
Board President
Arkansas State University
State University, AR

MARIA LUISA MERCADO
Board Vice President
Lone Star Legal Aid
Galveston, TX

DAVID LIPSETZ
Chief Executive Officer
and Board 2nd Vice President
HAC

LAURA BUXBAUM
Board Secretary
Coastal Enterprises, Inc.
Brunswick, ME

TOM MANNING-BEAVIN
Board Treasurer
Frontier Housing
Morehead, KY

MEMBERS

GIDEON ANDERS
National Housing Law Project
San Francisco, CA

ANDREW BIAS
Wichita, KS

ROBERT CALVILLO
Affordable Homes of South Texas
McAllen, TX

DAVE CASTILLO
Native Capital Access
Tempe, AZ

SANDRA FERNIZA
Phoenix, AZ

NINFA GUTIERREZ
KDNA Public Radio
Yakima, WA

ILENE JACOBS
California Rural Legal Assistance
Marysville, CA

TWILA MARTIN KEKAHBAH
Turtle Mountain Band of Chippewa
Belcourt, ND

BILL PICOTTE
Gila River Indian Community
Maricopa, AZ

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

ANDREW B. WINTER
Twin Pines Housing Trust
White River Junction, VT

CONNIE WRIGHT
Wells Fargo Housing Foundation
Atlanta, GA

HOUSING ASSISTANCE COUNCIL

STATEMENT OF FINANCIAL POSITION

ASSETS	SEPTEMBER 30, 2018
Cash and cash equivalents	$ 4,442,305
Investments	24,114,372
Contracts and grants receivable	742,445
Loans receivable, net	10,121,067
Interest receivable, net	116,426
Prepaid and other assets	542,081
Land held for resale	407,532
Furniture and equipment	45,960
Total Assets	**$ 40,532,188**

LIABILITIES & NET ASSETS	
Liabilities	
Accounts payable	$ 94,821
Accrued and other expenses	250,016
Notes payable	7,569,607
Lines of credit	1,138,150
Deferred rent and lease incentive	442,816
Total Liabilities	**$ 9,495,410**
Net Assets	
Unrestricted	
Undesignated	$ 430,026
Board-designated	3,086,185
Total Unrestricted	$ 3,516,211
Temporarily restricted	14,909,731
Permanently restricted	12,610,836
Total Net Assets	**$ 31,036,788**
Total Liabilities and Net Assets	**$ 40,532,188**

*Audited

Housing Assistance Council

1025 Vermont Ave., NW, Suite 606
Washington, D.C. 20005
202-842-8600

www.ruralhome.org
hac@ruralhome.org

HAC

CATALYST OF CHANGE

ANNUAL REPORT 2018