NCCED

National Congress for Community
Economic Development

Creating Exceptional Communities

40 *Strokes of the pen*

RECOMMENDATIONS

…for policymakers who are ready to get down to the serious business of creating exceptional communities

MARCH 2005

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Picking up the pen...

Forty years ago, America enlisted all of us in the fight to alleviate poverty. Progress is being made every day, and NCCED and the community economic development industry are in the forefront of the fight. After 40 years, we know the strategy, we have the tactical experience, and we are poised for a breakthrough.

These 40 Strokes of the Pen Recommendations are a <u>checklist for victory</u> in the ongoing War on Poverty.

The goal is to suggest <u>quick fixes</u>, either legislative or regulatory, to strengthen the Federal programs that provide economic opportunities for 25 million low-income individuals and families served by the nation's 3,600 community development corporations (CDCs).

We put our collective experience down on paper to give policymakers <u>straightforward recommendations</u> on how to get the job done.

These recommendations are the basics. These are the ground floor steps that can be taken <u>right here, right now</u>, in this Congress, to provide community nonprofit organizations with the tools to create jobs, build homes, and develop vibrant economies. The proposals listed in the pages that follow will lay the groundwork for strengthening underserved rural and urban communities.

More importantly, these proposals are <u>doable</u> and low-cost. These are not long, complex policy changes that would cause endless partisan wrangling in the Congress. Rather, they are quite literally "40 strokes of the pen" – <u>a quick checklist</u> of long understood, easily grasped ideas that have drawn support from both Republicans and Democrats.

To be sure, what follows will not be the last word in community economic development. Much hard work remains to be done to assure that all Americans live in healthier, safer, and more economically viable communities.

In our nation's War on Poverty, these 40 Strokes of the Pen are not the end; they are not even the beginning of the end. But if we do our jobs right, these 40 Strokes of the Pen might just be the end of the beginning!

John A. Schall
President and CEO
National Congress for
Community Economic Development

OPENING THE TOLLGATES TO ECONOMIC DEVELOPMENT

One of the nation's most important priorities is creating economic opportunities for its citizens. All of us want communities where commerce thrives, private property is protected, and where every willing worker is able to find work. Our goal is to leave no community disconnected from a strong national economy.

Recommendations:

✔ __ 1. ***Change Davis Bacon Act requirements to be triggered only when construction costs are greater than $100,000.***

Currently, the use of any Federal economic development funds triggers Davis Bacon, creating an unnecessary roadblock to smaller projects.

✔ __ 2. ***Lift the cap on Industrial Development Bonds from $10 to $20 million.***

Industrial Development Bonds (IDBs) are tax-exempt financing that provide low-cost debt to small and midsized companies that lack access to credit markets. The $10 million capital expenditure limit, imposed by Congress 25 years ago, is arbitrary and fixed. If a company exceeds the $10 million expenditure limit over six years, the tax-exempt bonds are retroactively taxable.

✔ __ 3. ***Remove the requirement that HHS' Office of Community Services makes no more than three awards per state.***

This new regulation artificially restricts outstanding projects from being funded in more populous states and undercuts efforts to tie funding to outcomes and impact.

✔ __ 4. ***Develop a secondary market for economic development loans, similar to the secondary market for single and multi-family housing.***

As suggested by the Economic Development Administration (EDA) and the Department of Housing and Urban Development, a secondary market would provide greater liquidity to developers and investors of economic development activities. A secondary market could also purchase loans to commercial or industrial real estate as well as business loans, including those funded by the Small Business Administration.

✔ __ 5. ***Reallocate the REFCORP requirement of the Federal Home Loan Banks to include an economic development program funded by 10 percent of the Banks' profits.***

In 1989, Congress created the Resolution Funding Corporation (REFCORP) to bail out the savings and loan industry. Currently, the Federal Home Loan Banks are required to repay the bailout with 20 percent of their annual earnings for a period of 20 years. The payment should be lowered to 10 percent, the term of the REFCORP payment extended until 2019, and a 10 percent economic development grant program should be established.

✔ __ 6. ***Revise the Workforce Investment Act to increase effectiveness and participation of nonprofits.***

Current WIA regulations require nonprofits to gain permission from the Workforce Investment Boards in order to seek WIA funding. Nonprofits should be able to apply to the Department of Labor directly. In addition, hiring should be focused on large-scale employment and tied to sectors, not just on providing basic resume preparation and life skills. In return, companies should commit to hire from the one stop center. WIA does not now prioritize for results; it merely provides funds to offer services.

✔ __ *7.* ***Remove the environmental requirements in the Community Development Block Grant for non-real estate transactions.***

These onerous and expensive procedures are not appropriate to community building or enhancement activities. Eliminating the requirements would simply make CDBG consistent with EDA and other programs.

✔ __ *8.* ***Make states eligible for the HUD Section 108 Loan Guarantee Program.***

The Section 108 loan guarantee program has the potential to be a significant economic development tool for distressed communities. Making states, in addition to cities, eligible for the 108 program would allow them to take responsibility for administration of the program on behalf of communities that do not have the capacity to manage the process.

✔ __ *9.* ***Recommit to the Community Food Security Initiative.***

In recent years, the Community Food Security Initiative led by the U.S. Department of Agriculture has reduced its advocacy on behalf of communities that build their local food systems to decrease hunger, improve nutrition, and help families move from poverty to self-sufficiency. This trend must be reversed.

MAKING MONEY WORK: EXPANDING ACCESS TO CAPITAL

Equity and loan capital are needed to help businesses grow and to increase access to the benefits of homeownership. Unfortunately, access to financial services, loans, and investment are still often determined by race, gender, and location, instead of credit score or ability to repay. Gaps in the lending and investment market have been ably filled by nonprofit community development financial institutions who are struggling to meet community demand with limited resources.

Recommendations:

✔ __ 10. ***Encourage technological innovations and management best practices at the Small Business Administration.***

Fees generated from SBA's 504 program should be permitted. Fees help generate revenues that support more staff intensive programs like technical assistance, microloans, and youth development. Also, SBA requires paper checks when guarantees or linked deposits could be more appropriate and less burdensome to administer. SBA's Program for Investment in Microenterprise should be available to any organization in the 50 states, rather that just the current 16 states.

✔ __ 11. ***Remove the Hot Zone requirements in the Community Development Financial Institutions Fund's Financial Assistance program.***

The CDFI Fund made numerous changes that resulted in not awarding more than $25 million it had available. The CDFI Fund added a preference for hot zones (areas of high concentrations of poverty to its scoring criteria – ignoring the market dynamics of lending institutions). In 2003, the Fund did not allocate $25 million of its funding because the newly created point score floor was unrealistic.

✔ __ 12. ***Restore the original matching funds requirements for CDFI Fund programs.***

For the first time in FY 2003, the CDFI Fund's Financial Assistance program required all applicants to have – at the time of application – 25 percent of requested financial assistance in-hand and 50 percent firmly committed. In all prior rounds, no specific percentage of matching funds were required to be in-hand or firmly committed. Applicants were only required to obtain or have their matching funds legally committed by the end of the matching funds window – typically two years after the application due date. The effect of this new, stricter requirement was to limit the amount requested by each applicant. In FY 2003, applicants requested only $106 million. This is the lowest total amount of financial assistance ever requested, as well as the lowest average request per applicant since the program began. Requiring matches in hand damages the substantial leveraging potential of Federal dollars.

✔ __ 13. ***Streamline and simplify grant review and administration at the CDFI Fund.***

Individual CDFIs should be encouraged to rely on an evaluation of an applicant's business plan in the review process. Simplifying grant review and administration, along with eliminating excessive targeting, will have the benefit of allowing a greater diversity of CDFIs access to Fund programs while reducing staff time and administrative dollars. In addition, the CDFI Fund should support groups that repackage or guarantee the loan, not just the original lender. Creativity in finance should be applauded, not penalized.

✔ __ 14. ***The New Market Tax Credit should be expanded to serve low-income populations, not just those located in very low-income census tracts.***

Ensure that the legislation enacted by Congress in 2004 is rapidly implemented to ensure that low-income people, especially those in rural areas where poverty is more regionally widespread, are able to benefit from this powerful incentive.

✔ __ 15. ***Allow Revolving Loan Fund EDA grant recipients to cut their strings with the Federal government by repaying the amount of the initial grant only.***

This provision would apply to Revolving Loan Funds that have demonstrated and sustained financial and program performance. Current law provides that a grant recipient can cut its strings with the Federal government by repaying the amount of the initial grant plus the Federal share of the interest accrued on loans made with these funds. Instead, grantees should be treated similarly to USDA's Intermediary Relending Program, establishing a more uniform Federal policy for this unique type of Federal economic development tool.

✔ __ 16. ***Expand the number of financial institutions that have CRA exams.***

All financial institutions should have bi-annual CRA exams that analyze investment, services, and lending in targeted areas. Coverage should be extended to mortgage brokers, mortgage lending firms from outside the United States, and property insurance companies.

✔ __ 17. ***Remove the misnamed Sunshine Disclosure rule that requires financial institutions to disclose their financial relationships with nonprofits.***

This recently enacted rule has discovered no wrongdoing. It is burdensome and unnecessary.

✔ __ 18. ***Require financial institutions to make their small business loan data public, similar to their home lending information.***

Just as home lending information is made public, financial institutions should similarly treat small business loan data.

✔ __ 19. ***Allow grantees in the rural Intermediary Relending Programs (IRP) to secure a portion of the match instead of the entire amount.***

Currently, grantees must have a 50 percent non-USDA match of the entire award amount in hand to draw down funds. In some rural areas and Native American reservations, there are few foundations, financial institutions, and government funds that can support the entire grant amount at one time. Last year, $9 million of IRP awards was returned to the Treasury Department, instead of being used in communities. Permitting grantees to draw down smaller amounts when a portion of the match is available encourages more investment and better use of this resource.

✔ __ 20. ***Allow bonds enhanced by the Federal Home Loan Banks to be treated as tax-exempt.***

Municipal bonds are issued by localities to promote local housing and economic development projects. A clarification of IRS Code Section 149 will allow the FHLBanks and their member community lenders to help municipalities reduce the financing costs of Federally tax-exempt bond issues.

INCREASING HOME OWNERSHIP: OPPORTUNITY KNOCKS

The U.S. Department of Housing and Urban Development reports that over-regulation at the local, state and Federal levels raises the cost of housing by as much as 35 percent. That means that each year hundreds of thousands of Americans are deprived of the opportunity to acquire their own homes and to take the first step up the economic ladder. Through sensible regulatory policies it is possible to expand homeownership and help many low and moderate-income families invest in what would be their largest appreciating financial asset.

Recommendations:

✔ __ 21. ***Expand technical and training funds at the U.S. Department of Agriculture to build the capacity of rural housing developers.***

USDA rules should be changed to allow a portion of housing program funds to be used for training and technical assistance to ensure that rural areas receive equitable Federal investment in capacity building and to build durable, effective institutions.

✔ __ 22. ***Permit fines collected by the Securities and Exchange Commission to be used by nonprofits for homeownership counseling and financial literacy training.***

Fines collected by the Securities and Exchange Commission could be used for nonprofts to provide financial literacy and financial education services, including homeownership counseling, to low-income people.

✔ __ 23. ***Provide interest-bearing loans as a method of downpayment assistance.***

In healthy or transitional markets, downpayment assistance for homeowners can be provided as an interest-bearing loan. When the homeowner sells the home, the family keeps the market appreciation while the nonprofit investor can use the original downpayment assistance to help another family. In a weak market, if a family sells its home for less than the price they paid for it, the down-payment assistance can be forgiven. To make this work, the 1983 IRS Tax Ruling that makes it difficult to provide loans instead of grants must be changed.

✔ __ 24. ***Resolve inefficiencies at the Bureau of Indian Affairs.***

The Bureau of Indian Affairs requires that any Native American homebuyer seeking a home on trust or allotted land must have their leases recorded by BIA regional offices before buying the home. BIA should standardize the land lease and title record process, which could eliminate delays of up to two years.

✔ __ 25. ***Restore eligibility of Native American tribes to Youthbuild.***

Native American tribes should be treated like all other communities across the country in eligibility for the Youthbuild program.

✔ __ 26. *HUD and USDA housing programs should support inclusionary zoning.*

There should be a clear threshold of the definition of inclusionary, such as between 10 and 20 percent low-income residents.

✔ __ 27. *Allow investors to pay for homebuyer training/education.*

Financial institutions receive a great deal of benefit from nonprofits that provide them with ready borrowers. Investor paid education is currently prohibited by HUD regulations. Financial institutions that wish to make grants to nonprofits should be encouraged, not prohibited, from offering financial support.

✔ __ 28. *Suspend the requirement of HUD's Housing Counseling Program that nonprofit board members provide their Social Security numbers in order to be considered a HUD-approved counseling agency.*

Non-profit organizations are currently required to provide the Social Security numbers of their leading staff members when they receive grants. It is unnecessary and inappropriate to require this information from board members, who are usually unpaid volunteers.

✔ __ 29. *Use the Federal Housing Administration to provide equity insurance for homeowners who are buying in weak markets and are afraid that they will lose their equity.*

To encourage people to buy in distressed communities where the cost of homes is higher than the market value, FHA should create a program to provide forgivable loans for homes that sell for less than cost. Other agencies, such as USDA's self help program for new construction, could adopt this model in distressed areas where building new homes – even with self-help labor – still costs far more than the existing market rate for homes.

✔ __ 30. *Apply FHA's zero-downpayment mortgage program to condominiums and cooperatives.*

The Federal Housing Administration's new zero downpayment program is only available for single family homes. Yet, for many in hot markets, multi-family units are more affordable, so the new program should apply to condos and cooperatives as well.

✔ __ 31. *Expand the Internal Revenue Services' efforts to connect free taxpayer assistance sites to CDCs.*

Tax refunds to working families through child care tax credits and the Earned Income Tax Credit can help families connect to mainstream financial institutions, establish credit and provide a downpayment for first-time home buyers. By establishing connections to asset building programs offered by CDCs, the IRS can strengthen wealth-building opportunities.

A REHABILITATION PRIMER: A TOOL-BOX FOR FIXER-UPPERS

Research has demonstrated that putting vacant and deteriorating buildings back into use increases the property values of the surrounding buildings, adds to the tax base, and decreases crime in the area. Targeted rehabilitation strategies help to stabilize families by helping elderly residents, while strategic rehabilitation interventions also strengthen housing markets by increasing a community's "curb appeal."

Recommendations:

✔ __ 32. ***Provide a forward commitment for HOME funds that gives groups the flexibility to develop quickly once they have site control.***

HOME requires community development corporations to have clear title before beginning the lengthy process of applying for funds, resulting in unnecessary delays. The field office should instead approve a slate of potential properties in advance. Community development corporations could then start to draw down money as soon as title has been acquired. This could save thousands of dollars in unnecessary insurance and security costs, resulting in fewer vacant deteriorating properties and lower purchase prices.

✔ __ 33. ***Provide an insurance pool for contractors.***

The Federal requirement that all licensed contractors have insurance is prohibitively expensive. The insurance requirement also limits the participation of small local community-based contractors in community projects.

✔ __ 34. ***Restore Project Impact and focus on long-term survivability with FEMA Disaster Mitigation.***

Reinstate FEMA's Project Impact, which focused on long-term disaster mitigation. FEMA rules provide cash grants that often discourage the building of permanent homes for residents displaced by disaster. Instead, funds are sometimes diverted to secondary purposes such as the purchase of cars or televisions instead of to the construction of quality housing.

✔ __ 35. ***Reinstate HOPE III.***

The HOPE III housing program provides rehabilitation assistance to owner-occupied homes in a scattered site area and allows for a multi-year forgivable term for the funds. The forgivable loan format is by far the best way to operate in an area with depressed housing values and fixed income families, where arresting blight and maintaining neighborhood stability are the main goals. Rehab costs can easily exceed the value of a home and the recapture of funds often eliminates any equity the family may have earned – taking away one of the key benefits of homeownership.

...AND DON'T FORGET RENTAL HOUSING!

Our housing system should provide safe and affordable housing options to those who cannot yet afford to own their own homes. For young low-income families, affordable and stable rental housing provides a base for children to fully benefit from community institutions. Young people need a place where they can live safely and comfortably while they work to earn the downpayment to purchase their first home. The elderly need homes with minimal upkeep responsibilities. Rental housing should be located where the jobs are—so that workers can live close to where they work.

Recommendations:

✔ __ *36.* ***Eliminate the obligation of the Section 202 Supportive Housing for the Elderly program to meet more capital requirements than other HUD programs.***

Greater capital requirements make it more expensive to do pre-development. Section 202 should be brought into line with the requirements of programs such as Section 811 Supportive Housing for People with Disabilities.

✔ __ *37.* ***Include "source of income" as a protected class in housing discrimination under the Fair Housing Act.***

The current list of discrimination protections in the Fair Housing Act should be expanded.

✔ __ *38.* ***Encourage the Department of Health and Human Services to provide operational costs for Low Income Housing Tax Credit properties that house people with mental illness and profound disabilities.***

These properties are very costly to maintain, requiring limited housing funds to be used for necessary social services for low-income residents with disabilities.

✔ __ *39.* ***Clarify that Section 8 vouchers and public housing units can house people returning from jail.***

Many Public Housing Agencies mistakenly believe that they are not permitted to lease units to returning prisoners. Clarify that law-abiding returning prisoners are eligible to live in public housing. Reuniting families can provide more support for adults who have been disconnected from their children and spouses.

✔ __ *40.* ***Raise the threshold for the number of units from 12 to 25 for buildings that must pay Davis-Bacon wages.***

Currently, any building with 12 units or more must pay Davis-Bacon union wages. While union labor can be of a higher quality, it can result in many projects not being built because the cost of labor is prohibitive. Davis-Bacon adds 10 percent to construction costs. It is also a paperwork burden for developers who must prepare weekly reports on wages and payout.

GLOSSARY

CDBG — **Community Development Block Grant.** The largest single source of funds for community development. Since 1981, the U.S. Department of Housing and Urban Development provides block grants to 1,100 localities and 50 states for housing, infrastructure, public facilities, and microenterprise. All awards must meet one of three national objectives, including: to principally benefit low and moderate income persons, to eliminate slums and blight, or to meet other urgent community development needs.

CDCs — **Community Development Corporations.** Non-profit community-based organizations that strategically redevelop economically depressed areas by developing affordable housing, sponsoring community economic development projects, providing vital social services, and participating in community organizing efforts. CDCs also undertake a range of activities including housing counseling, developing business incubators, and tutoring at-risk youth.

CDFI Fund — **Community Development Financial Institutions Fund.** A Federal agency created in 1994 to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities. By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and by providing incentives to traditional banks and thrifts, the Fund's investments work toward building private markets, creating healthy local tax revenues, and empowering residents.

CRA — **Community Reinvestment Act.** Enacted by Congress in 1977, CRA outlawed the practice of discriminatory lending and investing (redlining) by banks and other financial institutions. The CRA defined the responsibilities of financial institutions to provide equal treatment to all communities for which they are chartered, including low and moderate income communities. Federal regulators review the lending, investments, and services of financial institutions to ensure they comply with the CRA.

Davis-Bacon. A statutory requirement that construction workers hired for Federally-assisted projects must be paid at least minimum prevailing wages.

EDA — **Economic Development Administration.** Established in 1965 to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas of the United States. An agency within the Department of Commerce, EDA assistance is available to rural and urban areas of the nation experiencing high unemployment, low income, or other severe economic distress.

Equity Insurance. A market-based program that insures homeowners against loss in the resale value of their house over a five-year period due to a decline in the local housing market.

Fair Housing Act. Passed in 1968 to end the pervasive national problem of housing segregation. A wide range of practices were made illegal by the Act, from discrimination in sales and rental of housing to "steering" of their clients by real estate sales people to segregated neighborhoods. Since the passage of the law, fair housing protections have been expanded significantly, both by amendments and by judicial decision. In addition, "protected classes" have been brought under the law, including families with children and persons with disabilities.

FEMA — **Federal Emergency Management Agency Disaster Mitigation.** An approach to disaster relief based on proactive hazard risk management instead of disaster-response-driven systems. In 1998, FEMA created a Hazard Mitigation Planning unit to promote and support the mitigation planning process and to provide guidance and resources to states, tribes, and local communities.

FHLBanks — **Federal Home Loan Banks.** FHLBanks and their members are the largest source of residential mortgage and community development credit in the United States. There are 12 Federal Home Loan Banks, each with its own president and board of directors, located in different regions of the country, serving the System's 8,000 member financial institutions.

	Hot Zones are economically distressed investment areas with high unemployment and poverty rates, high housing cost burdens and low median family incomes.
	Housing Counseling is a process for educating individuals on the process of purchasing a home. Housing counseling programs help prospective homeowners repair past credit problems, determine affordability, identify loan products and other grants that are available, and avoid predatory lending or foreclosure. Counseling is provided by nonprofit agencies serving a targeted geographic community.
HUD	**U.S. Department of Housing and Urban Development.** The Federal agency that supervises the majority of community development programs. Since 1965, HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination. HUD provides critical resources for housing development, community initiatives, and economic development activities.
IDBs	**Industrial Development Bonds** are tax-exempt financing which provides low-cost debt to small and mid-sized companies that lack access to credit markets.
IRP	**Intermediary Relending Program.** A program to provide loans to job-creating rural businesses that have been unable to obtain adequate financing and equity from conventional sources. IRP lends to intermediaries, which capitalize and operate local revolving loan funds. The interest rate to the intermediaries is one percent, with repayment terms of up to 30 years.
LIHTC	**Low Income Housing Tax Credit.** The nation's primary tool for developing affordable rental housing. More than 114,000 affordable units each year are developed using the LIHTC. Since its creation in 1986, the LIHTC has produced more than one million affordable rental homes for low-income families and special needs populations. The Housing Credit works by providing a dollar for dollar reduction in the Federal tax liability of corporations and individuals that invest equity in qualifying affordable rental properties. Each state currently receives a certain number of Credits to allocate annually.
OCS	**Office of Community Services.** A Federal agency in the U.S. Department of Health and Human Services. OCS supports the over 3,000 neighborhood-based community action agencies and community development corporations. The corporations address the economic and social needs of the urban and rural poor at the local level by providing grant monies and technical assistance to these organizations. OCS awards approximately $4 billion in block grants and approximately $47 million in discretionary grants. OCS also supports programs that address the problems of family violence, community food and nutrition, energy assistance for low income populations and, for the first time, the option for Native Americans to administer welfare support programs.
REFCORP	**The Resolution Funding Corporation.** Created by Congress in 1989 to bail out the savings and loan industry by offering debt to some companies and liquidating others.
RLF	**Revolving Loan Funds.** Provides longer-term loans, with lower equity requirements, for start-up capital, and for loans to firms without established banking relationships, such as firms that began with owner-equity. RLFs offer financial assistance to businesses or homeowners that lack collateral to meet the equity requirements of bank financing. Often, RLFs are used to fill a "financing gap" in a project or mortgage process or supplement private financing of a variety of community development uses. Through careful screening of loan applicants and creative loan structuring, revolving loan funds reduce the reluctance of conventional lender may have to finance a project.
SBA	**Small Business Administration.** A Federal agency that aids, counsels, assists and protects the interests of small business concerns. Since 1953, the SBA has provided technical assistance, loan products, and loan guarantees.

Secondary Market. A market in which securities are traded after they are initially offered in the primary market. Most trading occurs in the secondary market. The New York Stock Exchange, as well as all other stock exchanges and the bond markets, Fannie Mae, and Freddie Mac are secondary markets.

Section 8

Section 8. The Federal government's main program to help low-income families, seniors, and people with disabilities pay for safe, decent housing. Tenants pay 30 percent of their income, with government funds making up the difference of the fair market rent charged by a landlord. Section 8 either provides vouchers to tenants to choose homes of their choice or supports private subsidized housing projects.

Section 202

Supportive Housing for the Elderly. A program operated by the U.S. Department of Housing and Urban Development. It provides interest-free capital advances to nonprofit 501(c)(3) tax exempt organizations for the finance and development of rental housing with supportive services for elderly adults. Funding can be used for the construction, rehabilitation, or acquisition of the property.

Section 811

Supportive Housing for People with Disabilities. A program operated by the U.S. Department of Housing and Urban Development that provides interest-free capital advances to nonprofit 501(c)(3) tax exempt organizations for the financing and development of rental housing with supportive services for adults with disabilities. The program's goal is to allow persons with disabilities to live as independently as possible in their own communities. The Section 811 program also provides subsidies to make up the difference between project operating costs and the amount tenants are able to contribute toward rent.

USDA

USDA. U.S. Department of Agriculture. Founded in 1862, USDA helps America's farmers and ranchers, as well as leads the Federal anti-hunger effort with the Food Stamp, School Lunch, School Breakfast, and WIC programs. USDA is responsible for the stewardship of the nation's national forests and rangelands and for maintaining food safety. USDA also provides economic opportunities in rural communities.

USDA 504 Program

The Rural Housing Service's Single Family Housing Repair Loans and Grants program. The 504 Program provides low-interest home improvement loans and grants, designed for very-low-income individuals in rural communities.

War on Poverty. An initiative to make poverty a national concern, the War on Poverty was launched by President Lyndon B. Johnson in the early 1960's and enacted when Congress passed the Economic Opportunity Act of 1964. The Act authorized such programs as Head Start, Job Corps, food stamps, work-study, Medicare and Medicaid, VISTA, and support for community development corporations. First operated by the Office of Economic Opportunity, many of these national initiatives still exist today. The programs initiated under Johnson brought about real results, reducing rates of poverty and improving living standards for America's poor.

Youthbuild. A program that offers funding to public and private non-profit organizations to provide education and employment training for at-risk youth to learn building trade skills while furthering their education. More than $300 million in grants have been awarded since the program's inception in 1993, enabling thousands of young people to construct or rehabilitate affordable housing units in their communities.

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NCCED would be happy to provide interested parties with fuller background information and details regarding any of the specific recommendations listed in this report.

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