

LEGISLATIVE REFERENCE LIBRARY
HD7289.U6 R64
Rollwagen, Mary - A demonstration of the consortium



3 0307 00029 1487

791065

A DEMONSTRATION OF THE CONSORTIUM APPROACH TO IMPROVING HOUSING DELIVERY IN RURAL MINNESOTA

An Evaluation
of the Rural Innovative Housing Grant
from the U.S. Department
of Housing and Urban Development

January, 1979

HD
7289
.U6
R64

LEGISLATIVE REFERENCE LIBRARY
STATE OF MINNESOTA

OFFICE OF LOCAL AND URBAN AFFAIRS
MINNESOTA STATE PLANNING AGENCY



OFFICE OF LOCAL AND URBAN AFFAIRS

MINNESOTA STATE PLANNING AGENCY •

CAPITOL SQUARE BUILDING •

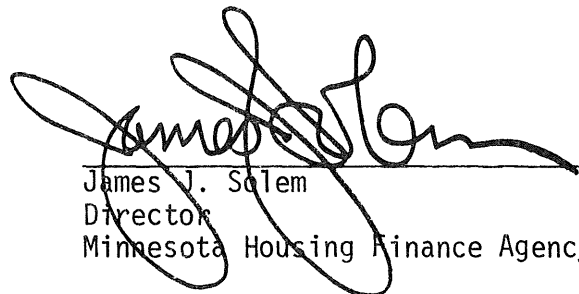
ST. PAUL, MINNESOTA 55101 •

PHONE (612) 296-3091

PREFACE

The State of Minnesota has for approximately a decade enjoyed the reputation of being an innovator in providing housing programs and services to its residents. We who work in state government, however, have long known that delivery of housing services in outstate rural Minnesota was not as effective as it could be. That is why the Office of Local and Urban Affairs (OLUA) of the State Planning Agency welcomed the opportunity to use HUD Rural Innovative Housing Grant funds to study delivery mechanisms in our state in order to find out what works and why.

This project was begun when James Solem was Director of the Office of Local and Urban Affairs, and completed when Leland Newman was Acting Director of the Office of Local and Urban Affairs and James Solem was Director of the Minnesota Housing Finance Agency. The information on rural housing service delivery found in this final report is extremely useful for both the Housing Finance Agency and the Office of Local and Urban Affairs.



James J. Solem
Director
Minnesota Housing Finance Agency



Leland Newman
Acting Director
Office of Local and Urban Affairs
Minnesota State Planning Agency

A DEMONSTRATION OF THE CONSORTIUM APPROACH
TO IMPROVING HOUSING DELIVERY IN RURAL MINNESOTA

An Evaluation of the
Rural Innovative Housing Grant
from the
U.S. Department of Housing and Urban Development

January, 1979

Prepared by Mary Rollwagen and Susan Taylor,
Consultants to the Office of Local and Urban Affairs,
Minnesota State Planning Agency

LEGISLATIVE REFERENCE LIBRARY
STATE OF MINNESOTA

Executive Summary

"Mission: to improve housing delivery to rural low/moderate income people in Minnesota by using the consortium mechanism to 1) utilize limited resources innovatively and more effectively, and 2) secure expansion of those resources."
--adopted by grantees midway through the grant period.

Original Purposes of the Grant

When Minnesota originally applied for a HUD Rural Innovative grant, the purpose was to use the funds to help alleviate a common problem of rural housing: the lack of capacity in rural agencies to make adequate use of housing programs for their constituents who are ill-housed.

Minnesota had recently begun an ambitious statewide housing program which included rehabilitation grants and loans. The Rural Innovative grant was to be used to provide administrative funds for local agencies to utilize these programs better.

A second purpose developed when the funding of the grant was announced. The opportunity provided by the administrative funds could also be used, the State Planning Agency insisted, to alleviate a second problem common to rural housing delivery: the fragmentation of programs and funding sources and the resulting separation and competition among the various local planners and deliverers.

The Grant Process

The process for distributing the funds and evaluating their use reflected these two purposes. To assist local agencies to build capacity, funds were to be used for salaries and travel, and technical assistance would be provided by the state. To encourage coordination that would help overcome the system's inherent fragmentation, agencies in each sub-state planning district were required to form a consortium including both sub-state planners and housing

deliverers. Each consortium was to determine its own membership and internal funding distribution, and submit an acceptable work plan for the 18-month grant period in order to be funded. Ten of the state's thirteen regions formed consortia and were funded to pursue the work plans they had submitted.

During the course of the grant, the state provided for technical assistance and for meetings among all of the 35 grantees. The evaluation process was begun by the technical assistance staff during the grant period. The process, described more fully in appendix B, involved the grantees and state and federal agencies as much as possible, so that those most likely to use the evaluation results could participate in deciding how the evaluation should be conducted.

The Rural Innovative grant provided \$360,000 for the entire state. Since this amount was divided among ten regions and also funded the state's technical assistance and evaluation, individual agency members in the regional consortia could be funded only in small amounts. However, flexibility was available for consortia to choose funding patterns that allowed individual agency personnel to step back from day-to-day program operation and look at the larger delivery issues in their localities.

Findings and Conclusions

Grant Activities

All regions addressed the first concern of the Mission Statement, to utilize limited resources innovatively and more effectively, by first concentrating on improving their delivery of Minnesota Housing Finance Agency (MHFA) grants. They tried several different techniques: they increased their outreach efforts, publishing and distributing brochures, speaking to civic groups and talking directly with potential clients in their homes.

Other efforts to improve delivery of MHFA rehab grants were administrative. Grantees expanded their rehab staffs and provided training to create better understanding of MHFA regulations and procedures. They created committees to

help their agencies select eligible clients and established criteria for the committees' selection procedures. They supplemented MHFA grants with federal weatherization grants, with MHFA rehabilitation loans through banks, and with Farmers Home Administration (FmHA) grants and loans.

The desire to combine programs led grant administrative centers to approach banks to convince them to join the MHFA rehab loan program. In Region 3 where the loan program existed in banks but was not being used by low-income people, a Community Action Agency (CAA) established a loan program within the agency by securing Title I lending status.

Grantees approached local FmHA personnel to develop cooperative arrangements for referrals and for combining FmHA rehab grant and loan programs with similar MHFA programs. Several consortia worked towards establishing previously unutilized FmHA Self-Help projects in their areas.

Regional development commissions (RDCs) participating in the grant often combined their Rural Innovative funds with 701 funds to hire full-time housing planners, develop more comprehensive 701 plans, and provide more intensive technical assistance to developers - all with the intent of having more impact on subsidized multi-family development within their regions.

Planning activities were also carried on in delivery agencies. For example, a CAA organized a community needs assessment process. CAAs in one region cooperated with the RDC in developing a survey to determine demand for programs. Another CAA hired a consultant to plan a strategy for expanding the CAA's rehab services.

Grantees sought to expand the resources available to their clients: they developed CDBG applications, several of which were unique in their multi-jurisdictional approach. They also applied for Section 8 Existing funds. Grantees established new delivery mechanisms, including new or reactivated HRAs, which are now in place to secure new resources and to deliver existing or new programs.

Several agencies undertook energy-related activities. Three CAAs took steps to become the alternative energy experts in their area through activities such as installing solar collectors on homes.

Housing activities beyond those listed here were carried out in the ten regions. Only activities directly attributable to the HUD Innovative grant are described in the evaluation.

Grant Results

These activities, accomplished with the freed time and expertise, paid for by the grant, produced benefits to rural delivery that far outweighed the cost of the grant itself. This is reflected in the first three findings of the evaluation.

Finding: The original goal of the grant, to improve rehab delivery to low and moderate income people, was amply met.

Finding: Grantees not only delivered existing resources more effectively, but they expanded housing resources by attracting new program dollars and new housing units to their regions.

Finding: Alternative delivery mechanisms were created that have potential to continue to attract and deliver program dollars.

These results were not achieved in a vacuum. The extra administrative funds were used within a setting that offered support and exchange of ideas. At the local level, individual grantees were working within a group of agencies that often had not met together previously. In addition, they were working from a scheduled plan of action that had been determined locally, and was therefore based on local situations and problems. They were kept continuously in touch with their counterparts around the state by means of statewide meetings, a newsletter, and their participation in an evaluation process that helped them collectively define their grant goals better.

Finding: The way in which the grant functioned provided a framework for getting results. It combined locally defined objectives, freedom to operate independently, interagency cooperation and a clear time frame on the local level, with

technical assistance, expectations for production and an evaluative process from the state.

CONCLUSION: USING GENERAL ADMINISTRATIVE DOLLARS TO FUND LOCAL STAFF TO WORK WITHIN A FRAMEWORK OF LOCAL OBJECTIVES, INTER-AGENCY COOPERATION, AND GUIDANCE FROM THE STATE PROVIDES AN INEXPENSIVE BUT EFFECTIVE WAY TO IMPROVE THE DELIVERY OF HOUSING PROGRAMS TO RURAL PEOPLE.

The Consortium Approach

While the activities undertaken by grantees varied widely, one strategy was common to them all: the consortium mechanism. Since this approach was new to Minnesota, grantees and state agencies alike wished to explore its effectiveness. The consortium was, as stated above, an important part of the framework that produced grant results. However grantees wished to know if it was in fact the key ingredient, or if the presence of a single person with freed time, called by grantees an "unencumbered catalyst", was instead the most important factor in the grant's success.

Here a problem developed. The fact that only some of the regions provided for a catalyst but all had a consortium should have created an opportunity to make judgments about the separate effects of the two approaches. However, it proved impossible to rank regions' success with any validity. Furthermore, though each region had a consortium, no two were alike: similarly, catalysts, where they existed, had varying relationships to the consortium and had varying amounts of freed or unencumbered time.

It was not possible, therefore, to separate the two approaches and determine which was more effective. The findings do show, nevertheless, that each approach had its unique benefits.

Finding: Whether or not a catalyst was present, the consortium served to open up communication among grantees, who frequently had not met together previously.

Better communication, all by itself, does not improve delivery. It can be shown that in most consortia the results of meeting together were exchanges of information and ideas, and better understanding of other agencies' intentions,

priorities and capabilities. Consortium members also grew more willing to work with and for each other by combining their programs to serve clients better, by serving as advocates for one another, or by dividing up tasks based on what each agency could do best. In most consortia, then, communication pointed the way to actual cooperation.

Finding: Increased communication resulted in improved delivery through increased member expertise and better relationships among agencies, most importantly between planners and deliverers.

Even interagency cooperation does not do the whole job, as many grantees said. There must be staff time available to translate cooperation into action. There were individuals in most consortia who had the freedom and time to look for and follow through on innovative suggestions. The Rural Innovative dollars allowed either existing staff or new Rural Innovative staff to perform this catalyst function.

Finding: Because catalysts had unencumbered time and flexibility to try new techniques, they were able to provide initiative and expertise both to their region and to the consortium itself.

It appears that the two approaches complement one another. Grantees showed their preference for using both together when they indicated during their evaluation interviews that future funding should be recommended to include a combination of the two approaches. Their collective answers indicated that the consortium approach provided for inter-agency cooperation to overcome the fragmentation of the delivery system, and the catalyst approach provided the initiative and time to make the cooperation work.

Finding: The consortium approach, when combined with the presence of a catalyst, created a framework for initiative, expertise and inter-agency cooperation that significantly improved rural housing delivery.

CONCLUSION: THE CONSORTIUM APPROACH SHOULD BE CONTINUED BECAUSE OF THE BENEFIT IT PROVIDES IN THE FORM OF INCREASED INTER-AGENCY COOPERATION AT THE REGIONAL LEVEL. IT WORKS BEST WHEN ACCOMPANIED BY ADMINISTRATIVE FUNDING FOR INITIATIVE AND FOLLOW-THROUGH ON THE PART OF STAFF IN MEMBER AGENCIES.

Specific Examples of Activities and Why They Worked

The activities undertaken by grantees varied from region to region. Some were innovative in the sense that they had never been tried before; more were innovative only in that they were new for a particular region. Since one of the purposes of the grant was to demonstrate techniques or methods that are transferrable to other rural areas, this report includes descriptions of all activities in case studies in the appendix, and highlights particularly interesting or successful ones in Part 3. Reasons for success are included, both in connection with the highlighted activities, and generally as expressed by all grantees.

Categories of activities described:

- 1) Improving delivery of state rehabilitation grants and loans through building agency capacity, intensifying outreach and assisting lending institutions.
- 2) Finding new programs to supplement state rehab programs by applying for CDBG and by initiating contacts with FmHA.
- 3) Providing a broader range of program options to the regions through creating and strengthening HRAs.
- 4) Using comprehensive planning and research to improve delivery by doing very thorough 701 housing plans and by providing information and evaluation of various alternative delivery vehicles to decisionmakers.

Reasons for success in highlighted activities include the following:

- 1) Critical administrative money came at the right time.
- 2) Grantees successfully involved local officials to gain their support.
- 3) Expertise was available at the local level.
- 4) Activities, especially outreach, were being undertaken by people who were known and trusted in the community.
- 5) Inter-agency cooperation existed.

Compiled grantee answers to the questions "why did your activity work?" and "what did you learn about successful delivery?" serve to underscore the above reasons and should be useful to other rural housing personnel.

Finding: The reasons grantees cited for their success in all activities are the same as the reasons observed in specific examples of successful activities. The answers of the grantees corroborate the findings of evaluators as to necessary elements for successful delivery.

The material describing what worked and why demonstrates a further finding concerning the question of what kind of agency is the appropriate rural delivery agency. Both community action agencies and county housing authorities demonstrated successful activities undertaken, and their reasons for success do not differ.

Finding: Successful delivery of housing programs can occur in different agencies. The key to success lies not in which agency delivers the program but in having the right combination of qualified staff with housing expertise, funding, and time to carry objectives to completion and inter-agency cooperation.

CONCLUSION: THERE IS NO SINGLE "MODEL" RURAL DELIVERY SYSTEM THAN CAN BE DUPLICATED IN ALL RURAL AREAS. HOWEVER, THERE ARE CERTAIN ELEMENTS THAT MUST BE PRESENT, NO MATTER WHAT KINDS OF AGENCIES DELIVER THE PROGRAMS. THESE ARE: ADMINISTRATIVE FUNDS, ADEQUATE SUPPORT FROM LOCAL OFFICIALS, EXPERTISE AVAILABLE LOCALLY AND AT THE STATE LEVEL, PERSONAL OUTREACH, AND COOPERATION AMONG ALL LOCAL AGENCIES, PUBLIC AND PRIVATE, INVOLVED IN PLANNING AND DELIVERING HOUSING ASSISTANCE.

Policy Alternatives

Future Action

There are two basic approaches to meeting the difficulties rural housing agencies face. Either federal and state programs can be simplified and/or rearranged, or expertise and cooperation can be developed at the local level so that the existing system can be made to work more effectively. Unless program dollars are increased rather than decreased for rural America, no long-term solution to inadequate rural housing can be achieved. But while awaiting adequate funds, the HUD Rural Innovative Grant has demonstrated that rural housing conditions can be improved now by providing funding for increased local delivery capability.

RECOMMENDATION: HUD SHOULD PROVIDE ADMINISTRATIVE FUNDING TO HOUSING AND PLANNING AGENCIES IN RURAL AMERICA, USING A PROCESS SIMILAR TO THAT INCORPORATED BY THE RURAL INNOVATIVE GRANT IN MINNESOTA.

Regardless of whether or not HUD establishes a national policy of funding Rural Innovative projects as recommended above, HUD and the State of Minnesota should recognize that the Minnesota demonstration has created a momentum through its success that should be maintained.

RECOMMENDATION: HUD SHOULD FUND MINNESOTA, FOR ONE MORE YEAR AT A REDUCED LEVEL, TO CONTINUE ITS CONSORTIUM APPROACH AND TO ALLOW FURTHER ADMINISTRATIVE FUNDS FOR PROJECTS BEGUN THAT SHOW POTENTIAL BUT CANNOT SECURE PERMANENT FUNDING UNTIL THEY CAN DEMONSTRATE A TRACK RECORD OF SUCCESS.

RECOMMENDATION: THE STATE OF MINNESOTA SHOULD FOSTER THE CONSORTIUM MECHANISM AND PROVIDE HOUSING TECHNICAL ASSISTANCE TO RURAL MINNESOTA PLANNERS AND DELIVERERS. THE STATE SHOULD BE PREPARED TO BEGIN ITS ASSISTANCE WHEN HUD'S ASSISTANCE ENDS.

Grantee Recommendations to HUD

In addition to recommendations stemming from the grant itself, a series of suggestions from grantees appear in the Recommendations Section. Because grantees' perceptions of delivery problems frequently coincide with those included in the Report of the HUD Task Force on Rural and Non-Metropolitan Areas, a task force headed by Joseph Burstein which presented recommendations to Secretary Harris on improving administration of HUD programs in rural areas, grantee suggestions are linked to that report. Their suggestions are explored through the following categories:

- 1) Administration - simplify and standardize forms and requirements between HUD and FmHA; provide more technical assistance to rural providers.
- 2) HUD Relationship to local HRAs - HUD should provide administrative funding to HRAs, unattached to program dollars, during their start-up period; offer HRAs the opportunity to manage Section 8 assisted new buildings in their counties; target low-rent public housing to rural areas; provide incentives for multi-jurisdictional HRAs to form.

- 3) Section 8, New Construction/Rehab - accommodate the aggregation of small rural projects into one financing package of feasible size in order to build smaller projects in rural America; FmHA should concentrate on small 515 projects in communities where Section 8 would be impractical; HUD, FmHA and finance agencies all need to pay more attention to the need for small projects in rural areas.
- 4) Section 8, Existing - the level of fair market rate needs to better reflect regional differences.
- 5) Community Development Block Grants - eliminate double weighting for absolute numbers to help communities under 5,000 population; create set-asides for small communities; design a less complex program for rural areas; publish the regulations on time; allow more time for writing and approving the CDBG pre-application.

Future Study

Two issues warrant further study.

- 1) HUD could further assess the value of funding consortia rather than the funding of single agencies by means of a controlled demonstration project.
- 2) Minnesota should analyze the pattern of current and potential rural housing delivery vehicles, especially HRAs and CAAs. It could then plan legislative or administrative support on the basis of that analysis.

TABLE OF CONTENTS

	<u>PAGE</u>
BACKGROUND.....	1
INTRODUCTION.....	4
SECTION I: FINDINGS AND CONCLUSIONS	
Part 1: The Grants, Its Activities and Results.....	7
Part 2: The Consortium Approach.....	25
Part 3: Specific Examples, Reasons for Success.....	36
Part 4: Conclusions.....	56
SECTION II: POLICY ALTERNATIVES	
Part 1: Future Action.....	58
Part 2: Grantee Recommendations to HUD.....	63
Part 3: Future Study.....	71
APPENDICES	
A. Case Studies	
B. Methodology and examples of evaluation instruments	
C. List of interviews	
D. State Rehabilitation Programs	
E. Glossary of Terms and Abbreviations	

LIST OF TABLES

<u>NUMBER</u>	<u>TITLE</u>	<u>PAGE</u>
1-A	Summary of Grant Activities	8
1-B	Utilizing Limited Resources Innovatively and More Efficiently	15
1-C	Volume of Dollars was Increased via Existing or New Programs	16
1-D	New Units Approved Influenced by Rural Innovative Activity	17
1-E	Alternative Delivery Mechanisms were Created.	18
2-A	Membership Variations	27
2-B	Variations in Allocation of Funds	27
2-C	Meeting Content	28
2-D	Activities Carried on by Consortium Members	28
2-E	Consortium Staffing Variations	29
2-F	Presence of "Catalysts"	30
2-G	Benefits of the Consortium Approach	32
2-H	Grantee Attitudes Towards One Another	33
2-I	Benefits of Catalyst's Presence	34
2-J	Consortium and Catalyst Effectiveness Ratings	35
2-K	Choices for Future Policy	35
3-A	Reasons for Success: "Why It Worked"	50
3-B	"What I learned About Successful Delivery"	51

BACKGROUND

In the spring of 1976 the Minnesota Legislature established a program of rehabilitation grants that significantly increased the availability of housing funds in rural Minnesota. Funded through the Minnesota Housing Finance Agency (MHFA), the program allocated 40% of the rehabilitation funds to rural areas. Prior to its establishment, little capacity existed in rural Minnesota to carry out such a program.

The state Department of Economic Security (DES) had worked since 1968 with rural community action agencies (CAAs) on housing problems of low income people. Its staff realized that rural areas had ineffective mechanisms for delivering rehabilitation funds, but that if the new state rehabilitation (rehab) program were administered successfully, the legislature could be expected to continue to finance it. The legislation, however, did not provide totally adequate resources to support the necessary rural delivery mechanisms. Still, rural housing delivery capacity was beginning to form as rural CAAs began to deliver a weatherization project designed to insulate low income people's homes. DES believed that CAAs which were gaining experience by providing weatherization should apply that experience to administering the state rehab grant program.

It was in this setting that DES applied to HUD for \$360,000 from the Secretary's Discretionary Fund to provide help for CAAs who were administering the new program. The goal of the project was to create and maintain rural administrative capacity to carry out the rehab program. The funding from the grant could, it was hoped, help answer several questions about rural delivery: first, what type of agency should administer the state rehab grant program? and second, what concepts or mechanisms related to urban housing delivery could be successfully used in a rural delivery system? Finally,

could rural housing agencies successfully use federal housing resources in combination with the state programs?

When DES' proposal was funded, several major problems developed. MHFA, the State Planning Agency and a number of regional and local agencies expressed concern over several issues: the selection process for deliverers, the method of evaluation, and the need to involve Regional Development Commissions (RDCs)--the official planning agencies in each of the 13 planning districts of Minnesota.

To resolve these concerns, the three state agencies met and agreed to make some changes in the grant framework that would provide for an evaluation process, and that did not limit prospective grantees to CAAs. The agencies developed a Request for Proposals (RFP) to be sent to all rural areas of the state. The requirement of the RFP was that consortia of delivery and planning agencies be developed in the state's regional development districts. These consortia would use grant funds cooperatively to develop innovative rehab delivery arrangements for their regions. The process resulted in the funding of consortia in 10 of the state's 13 regions. (For a map showing Minnesota's Development Regions, see page 2 of Appendix A: Case Studies.)

In the original proposal to HUD, the project goal was to develop capacity in rural Minnesota to deliver the state rehab grant program better. Through the RFP process, an expansion of the original goal occurred as a result of the varied consortium work plans that were submitted. By exploring more categories of services than just rehab, consortia could plan and deliver according to the needs in their areas. No consortium excluded rehab, but most also explored rental assistance,

Self-Help housing, and other services which could respond to problems peculiar to local or individual situations.

The original project had been scheduled to start in November/December of 1976. However, the problems described above, their resolution, the proposal process and other startup difficulties delayed the beginning until May of 1977. A six-month delay could have a chilling effect on a project of this type, but since the whole 18-month funding period was simply delayed and not cut back, the grantees had an equivalent amount of time to complete their activities.

INTRODUCTION

This report describes the demonstration project in which ten regions of Minnesota participated under the HUD Rural Innovative grant during 1977-78. The grant provided administrative dollars, unattached to any particular program, to be used by consortia of planners and deliverers over an 18-month period to seek innovative approaches to improving rural housing delivery.

Evaluators for the demonstration project were hired six months into the grant period by the State Planning Agency to accomplish two tasks: 1) to provide technical assistance to grantee staffs in the ten regions, and 2) evaluate the effectiveness of the demonstration project in improving delivery of housing programs to low and moderate income people in rural Minnesota. During the first half of 1978, the evaluators concentrated on technical assistance duties which kept them in touch with current housing information and with the activities and personalities in each consortium. The evaluators were not active participants in the various regional consortia. Thus, this report was written by people close to the issue of rural housing delivery but a step away from the projects themselves.

The evaluation process was begun in January, 1978. The grantees participated in a goal-setting process which had two results: 1) a decision to focus the report on the effectiveness of consortium approach, and 2) the development of a Mission Statement to express the overall goals of the grant. The process also involved representatives of the two state agencies administering the grant and a regional representative from HUD. Members of these same groups, who formed an Evaluation Committee,

later reviewed and discussed the research instruments and helped interpret the data. Data were gathered through 44 in-depth interviews conducted with Rural Innovative staff in all grantee agencies in the ten regions.

SECTION I, FINDINGS AND CONCLUSIONS, provides an overview of all ten regional consortia and contains the following four parts.

Part 1: The Grant, Its Activities and Results. This part describes the results of grantee activities and indicates that their success stems, at least in part, from the unique way in which the grant functioned.

Part 2: The Consortium Approach. This part deals with the focus of the study: the relationship of the consortium approach to delivery of housing in rural areas. It describes the varying ways consortia functioned, including the presence in some consortia of a "catalyst." The benefits to rural delivery of coordination through a consortium and initiative through a catalyst are described.

Part 3: Specific Examples, Reasons for Success. This part presents some specific examples of successful activities, showing how they were done and why they worked. It also includes reasons given by all grantees for their successes, together with what they learned about rural delivery from working on the grant.

Part 4: Conclusions. Conclusions drawn from the findings in the previous parts are presented.

SECTION II, POLICY ALTERNATIVES, presents suggestions for future action and study arising out of the central conclusion produced by the grant experience: that even though there are common problems in rural delivery, there is no single delivery solution. The first set of policy alternatives is based on the fact that this grant's method of funding

innovation recognized and built upon the diversity of possible solutions and that the grant can be replicated. The second group is related to specific program adjustments recommended by grantees to improve delivery of those programs in rural areas. The third recommends areas for further study.

CASE STUDIES, Appendix A contains the individual case studies of the ten consortia that participated in the grant. Each case study delineates the activities undertaken in that region, how successful the grantees through those activities were, and what form their consortium took. Not everyone will wish to read all of these case studies, but to the interested deliverer or planner who wants added information on a particular region's activities, they should prove useful.

SECTION I: FINDINGS AND CONCLUSIONS

Part I: The Grant, It's Activities and Results

The Rural Innovative grant allowed consortia of planners and deliverers in ten regions of Minnesota to focus their energies on improving the delivery of housing programs to low and moderate income people. Activities and results will be described first, and then the unique way in which the grant itself functioned will be discussed.

GRANT ACTIVITIES

Initially, the authors of the grant application envisioned all of the consortium efforts being directed toward improvement of delivery of the MHFA rehab grant program, but as grantees determined their own regional needs and work plans, the objectives expanded to include a variety of programs and activities. This variety is clearly shown in Table I-A on the next page, which provides a summary of Rural Innovative grant activities.

Table 1-A: Summary of Grant Activities

(The regions in which these activities took place are shown so that the reader can refer to case studies for more complete description.)

Kind of Activity	Regions in which activities occurred											Total #
	1	2	3	4	5	6E	6W	7E	9	11		
1. Improving MHFA, CSA rehab delivery thru:												
-Outreach improvements	x	x	x				x		x	x	6	
-Reorganizing, enlarging rehab staff	x		x				x		x	x	5	
-Workshops to train delivery staffs		x	x		x		x	x	x		6	
-Better mgt. techniques, more accessibility \$	x	x				x	x	x	x	x	7	
-Interagency cooperation for better referral	x		x	x	x		x	x	x	x	8	
2. Increasing access to MHFA loans thru banks	x	x	x	x	x	x			x	x	8	
-Establishing CAA loan capacity thru Title I			x								1	
3. Working with FmHA: on plg, info exchange	x		x	x		x		x		x	6	
-On 504 loans and grants	x	x	x		x			x		x	6	
-On Self-Help			x			x					2	
4. Producing comprehensive 701 plan and implementing through Technical Assistance		x		x	x			x	x		5	
5. Organizing citizens to assess needs/ programs					x						1	
6. Applying for new funds: thru CDBG	x		x	x	x				x	x	6	
-thru Section 8 existing		x		x	x	x					4	
7. Stimulating new construction		x		x	x			x			4	
8. Establishing new delivery mechanisms	x	x	x		x	x			x		6	
9. Working on alternative energy projects		x				x				x	3	

As the reader can see from Table 1-A, all regions worked on improving their delivery of MHFA grants; they tried several different techniques to address their delivery problems.

In six regions grantees directed their attention towards finding the most eligible clients by increasing their outreach efforts. They published and distributed brochures, spoke to civic groups and talked directly with potential clients in their homes.

All other efforts at improving delivery of MHFA rehab grants were administrative. Grantees expanded their rehab staffs and provided training to create better understanding of MHFA regulations and procedures. They created committees to help their agencies select eligible clients and established criteria for the committees' selection procedures. They used their existing capacity to delivery CSA weatherization to supplement delivery of grants, combining the programs regularly. They also made contact with other housing deliverers, most importantly banks and FmHA, to develop combined grant and loan packages for clients in order to rehab individual structures more completely.

This desire to combine programs led grant administrative centers to approach non-participating banks to convince them to join the MHFA rehab loan program. In Region 3 where the loan program existed in banks but was not being used by low-income people, the CAA established a loan program within the community action agency itself.

In six regions, CAAs and/or HRAs approached FmHA county and district supervisors in order to become more familiar with FmHA programs and to develop cooperative arrangements for delivering FmHA programs to clients

already located through outreach work. At times they wanted simply to make referrals to FmHA; in other cases they wanted to combine FmHA rehab grant and loan programs with the similar MHFA programs. Several consortia explored FmHA's Self-Help program, which had not been used in Minnesota when the HUD Innovative grant began; two regions worked towards establishing Self-Help projects in their areas.

One-half of the RDCs participating in this grant combined part of their HUD Rural Innovative grant funds with 701 funds to hire a full-time housing planner, develop a more comprehensive 701 plan, and provide more technical assistance to developers - all with the intent of having more impact on subsidized multi-family development within their regions.

Planning activities were also carried on in delivery agencies. For example, a Region 5 CAA assisted one community to assess its needs and determine the programs for which they could apply. In Region 1, the community action agencies cooperated with the RDC in developing an extensive low-income attitudes survey in order to determine demand for the various available programs. A consultant was hired by the Minnesota Valley Action Council (MVAC), a multi-county CAA in Region 9, to create a housing department and a strategy for expanding MVAC rehab services.

In addition to carrying on rehab and planning activities, grantees sought to expand the programs available to their clients. Grantees in six regions developed CDBG applications as a result of HUD Innovative grant monies being available to provide the "front-end" assistance needed for that activity. Several of these applications were unique in their multi-jurisdictional approach. Four regions applied for Section 8 Existing funds.

Six regions established new delivery mechanisms, such as new or reactivated HRAs, which are now in place to deliver existing or new programs. The full range of new mechanisms is shown in Table I-E.

Many agencies linked their housing activity directly to energy programs by combining MHFA grants with CSA weatherization funds. Three CAAs went further and took steps to become the energy experts in their area through activities such as installing solar energy collectors on the homes of low-income people to effect a long-term energy savings.

It should be pointed out that housing activities beyond those listed here were carried out in these ten regions. Only activities directly attributable to the HUD Innovative grant have been mentioned. For a more detailed description of an activity, the techniques tried, and the results, please consult the appropriate studies which are located in the appendix. Several of the most successful activities are described in more detail in Section 1, Part 3 of this study.

RESULTS OF GRANT ACTIVITY

The results of the activities shown in Table 1-A demonstrate that all the grantees were successful in meeting the goal of the grant as originally established; i.e., to improve rehab delivery to low/moderate income people in rural Minnesota. The grantees went beyond that original goal and also met the Mission Statement goals they had set mid-way through the grant: to improve housing delivery to rural low/moderate income people in Minnesota by using the consortium mechanism to 1) utilize limited resources innovatively and more effectively, and 2) secure expansion of those resources. In meeting these goals, grantees tried to improve delivery of programs outside of their own agency jurisdictions, such as the MHFA rehab loans program and FmHA programs. They also applied for new program dollars, primarily CDBG and HUD Section 8 Existing, to supplement current housing programs in their areas.

The above Mission Statement was a useful tool for helping grantees reaffirm their direction mid-way through the grant. As a standard for measuring success, however, the statement was not specific enough. The Evaluation Committee therefore prepared an expanded Missions Statement which included measureable components. The expanded statement was circulated to grantees prior to their interviews with the evaluators, and the components were used to help grantees categorize the results of their most significant activities.

The next four tables show the number of consortia that met a particular Mission Statement component. Table 1-B shows the results of using limited resources innovatively and effectively; Tables 1-C and 1-D show the results of securing expansion of resources. Results of individual

agency activities are shown in the case studies, where tables containing these same components display the results of activities attempted in each region.

Table 1-B shows results leading to the realization of Mission Statement Goal #1, "Utilizing limited resources innovatively and more effectively."

This is the most difficult part of the goal to measure. The use of the components of the Mission Statement as sub-categories provides a better way to show results than could be shown by figures alone. For example, improving the process of providing MHFA rehab grants does not necessarily result in an increase in the number of grants made, because the program dollars are fixed on the basis of an allocation formula, and the amount received does not change from year to year based on agency merit. In fact, some grantees felt that making fewer grants but in larger amounts represented improvements in the number of grants made, because the program dollars are fixed on the basis of an allocation formula, and the amount received does not change from year to year based on agency merit. In fact, some grantees felt that making fewer grants but in larger amounts represented improvements in the program, because the client's house was more completely and permanently repaired.

To show how grantees used the MHFA rehab program's "limited resources innovatively and more effectively" it is more accurate to show that they improved the program by combining it with other complementary programs, by finding the neediest clients through better outreach, and by increasing their staff expertise. These components can measure improvement in more aspects of housing delivery than just the rehab grant program.

Table 1-B, therefore, uses components similar to those mentioned

above, rather than just numbers, to demonstrate delivery improvements. By showing how the components were improved cumulatively, rather than program by program, it can be demonstrated that grantees concentrated on improving their general capacity to utilize resources, rather than on program-by-program improvement.

Table 1-B: Utilizing Limited Resources
Innovatively and More Effectively

<u>Components of delivery</u>	<u>Number of regions</u> <u>(10 total)</u>
1. Activities coordinated with regional housing plan: -----	7
2. More people were served:	
a. Over 100 more were served-----	8
b. under 100 more were served-----	2
3. Individuals were served more intensively (by combining programs for them, for example):	
a. over 20 served more intensively-----	5
b. under 20 more intensively-----	5
4. More people made aware of needs or programs:	
a. many new potential clients-----	6
b. community in general-----	5
c. local public officials (County Boards, etc.)-----	10
d. staff in non-grantee public/private agencies-----	8
5. More people now working to solve housing problems (other than Rural Innovative-funded staff):	
a. new permanent staff positions created-----	6
b. temporary (CETA) positions created-----	8
c. new "volunteers" (HRA bds, Advisory Committees)-----	7
d. local public officials now committed to helping-----	6
6. Level of housing expertise was increased (other than that of the consortium staff person):	
a. among staff in grantee agencies-----	10
b. in non-grantee delivery agencies (HRAs, FmHA)-----	6
c. among outreach workers, social serv. agencies-----	6
d. among local officials-----	7
e. in private sector (banks, developers)-----	3
7. Objectives of individual programs were met more fully:	
a. MHFA grant program-----	8
b. other programs (i.e. Weatherization, MHFA rehab loans)-----	7
c. service "gaps" were filled-----	7
d. better geographical coverage was achieved-----	10
8. Ongoing programs were administered more effectively (through more efficient management practices, larger or better-trained staff, cooperative agency arrangements, etc.)	
a. rehab programs:	
1) MHFA Grant Program-----	9
2) MHFA rehab loan program-----	4
3) CSA Weatherization program-----	3
4) FmHA 504 Grant Program-----	2
b. HUD programs (Sect. 8 existing)-----	3
c. Regional 701 Housing Plans and related Technical Assistance-----	6

Of particular note in Table 1-B are components 7 and 8. They show that the administration of existing rehab programs improved in many regions, and the objectives of those programs were more fully met.

Finding: the original goal of the grant (and the first goal of the mission statement), to improve rehab delivery to low and moderate income people, was amply met.

Tables 1-C, 1-D, and 1-E show Mission Statement Goal #2; "Securing expansion of resources." This became an important goal as grantees used the freedom the grant allowed them to begin looking beyond existing programs in their regions. The new money they generated, the new units they influenced, and the new delivery mechanisms they set up attest to the value to be gained from funding staff people to do more than just improve delivery of existing programs.

Table 1-C: Volume of Dollars
was Increased via Existing or New Programs

(CETA funds obtained to deliver housing and energy programs are not included in these totals.)

<u>PROGRAMS</u>	<u>TOTAL FUNDS</u>
MHFA Rehab loans-----	\$2,295,000
MHFA Accessibility Grants-----	66,000
CDBG-----	150,000
Subsidies: through	
--HUD Sect. 8 Existing**-----	685,000
--FmHA/HUD 515/8*-----	187,000
--Public Housing*-----	59,000
FmHA 504 rehab grants-----	135,000
CSA: additional crisis intervention money-----	50,000
Planning/study grants-----	279,000
 TOTAL DOLLARS GENERATED BY GRANT ACTIVITY:	 \$3,906,000

* figures exclude construction costs

**calculated for 1 year only to be consistent with other figures:
5 year allocation equals \$3,425,000.

The volume of dollars pulled into rural areas through grantee activities was most impressive. Their efforts not only expanded geographic coverage of such programs as MHFA loans, but also brought new program dollars (for example, Community Development Block Grants) into rural communities that had never received these funds. Readers should realize, however, that these figures are approximations. It is difficult to separate out which agency housing activities were funded by the HUD Innovative grant and which were funded from other sources, as all housing activities were frequently carried on by one staff person. Every effort has been made to make the distinction.

Furthermore, especially in the case of increasing MHFA loan participation, many actors participated in actually increasing the amount of loan money made available by banks in a region. Grantees claim partial responsibility for this increase through their efforts to bring new banks into the program: clearly the banks themselves should receive credit for taking the loan commitments.

Table 1-D: New Units Approved
Influenced by Rural Innovative Activity

Region 2:	40 units of 515/8
Region 4:	12 units of 515/8
	16 units of family public housing
Region 7E:	102 units of Section 8
	60 units of elderly congregate housing
TOTAL	<u>230</u> units

The emphasis in new construction was to place the units where the greatest need existed and to build small projects appropriate to the needs and population of rural towns.

Findings: Grantees not only delivered existing resources more effectively, but they also expanded housing resources by attracting new program dollars and new housing units to their regions.

Table 1-E:
Alternative delivery mechanisms were created. Regions

New outreach vehicle (Housing Technicians) -----	1
Rehab loan capacity in CAA (Title I Certification) -----	3
FmHA/CAA cooperative arrangements -----	2,3,5
Multijurisdictional CDBG -----	1,9
New/reactivated county HRA(s) -----	2,4,5,6E,6W
Substantially improved internal delivery capacity -----	3,4,6E,9,11,6W
Bank/CAA cooperative arrangement to deliver MHFA loans -----	6E

These new delivery mechanisms testify to the creativity of grantees in using resources in new, more cooperative ways. More detail describing some specific examples of these mechanisms can be found in Part 3.

Finding: Alternative delivery mechanisms were created that have potential to continue to attract and deliver program dollars.

DESCRIPTION OF HOW THE GRANT FUNCTIONED

The Rural Innovative grant functioned in an effective way partly by design and partly by circumstance.

Several significant features of the grant were planned. First, the grant money was to be used for administrative costs. Grantees used this opportunity in a variety of ways. Some supplemented salaries of ongoing staff in order to give them extra time for initiating projects. Other grantees pooled regional funds to hire new, full time "innovative" staff.

In those projects where grant funds were used to supplement salaries of ongoing staff, grantees sometimes had difficulty separating benefits attributable to the grant from what would have happened anyway. This overlap is in fact an indication of one reason so much was accomplished. The extra administrative dollars created a "critical mass" effect:

they added enough to what was already there to create a great deal of activity that is not easily separable from ongoing improvement efforts, but produced a tremendous increase in results. The Otter Tail County HRA is an agency where this is particularly evident. For a description of what happened because of a staff increase, see page 37 in Appendix A.

The second reason the administrative nature of the grant funds produced results is that, unlike most administrative dollars, these grant funds were not tied to a particular program. The money functioned as "front end" funding; it did not limit grantees to pursuing only certain programs in a win/no-win gamble to recover their initiating costs. The grantees were able to try new programs which might not reimburse an agency's front end investments.

In almost all cases agencies used their funds not only for salaries, but also for travel. The long distances between agencies, between agencies and their clients, and between agencies and state offices represent delivery costs not adequately met through regular administrative funds. For example, one MHFA grant administrator working in a 3-county area estimated roughly \$3,000 was needed for his travel in a year. Another region budgeted \$5,000 for its Rural Innovative staff person's travel. It is also true that grantees in need of training must travel often to a regional meeting, but more usually to the Twin Cities. Without travel money, it is almost impossible to build expertise in rural staffs. Perhaps the fact that extensive travel costs impact mainly on rural deliverers and not on urban people or planners, is the reason that adequate travel dollars are generally not included in program's administrative allocations. In any event, funding extra time and energy for innovation and helping staff people move around

their regions were two important features designed into this grant.

Finding: Administrative dollars were both plentiful enough and unencumbered by program strings so that they provided staff with time to explore alternative delivery mechanisms, and to travel as necessary to meet with consortium members, gain expertise and deliver programs.

The third planned aspect of the grant that helped it work was the requirement that each region form a consortium including not only deliverers but also regional planning agencies. Since these agencies, the RDCs, were completing their 701 Housing Elements as the grant began, the possibility existed for valuable planning contributions to the consortium: a regional viewpoint, useful data, and technical assistance. In return, deliverers could contribute direct, practical knowledge of programs, and especially of clients and their needs. Thus the consortium approach, while never spelled out as to structure or functions, provided a forum for interagency coordination and for better linkages between planners and deliverers.

The fourth planned aspect of the grant was the inclusion of an "eleventh grantee": a grant-funded technical assistance/evaluation position. This full time position, shared by two people, was in the State Planning Agency, Office of Local and Urban Affairs, which has some program responsibilities affecting RDCs. The grant administrator and an outstate field person were located in another state agency, Department of Economic Security, which has some coordination responsibilities with CAAs. The availability of additional staff resources from OLUA and DES increased the range and level of assistance grantees could call on.

State assistance took many forms: site visits, brokering information, and periodic statewide grantee conferences which attracted Chicago and

and Minneapolis HUD visitors, FmHA staff, outside experts from the Housing Assistance Council, and state agency directors and staff. The conferences also encouraged an informal communications network among grantees that helped them define their own roles and exchange information and ideas.

Finding: The state provided the grantees with a level of technical assistance and evaluation that increased their access to expertise, heightened the significance of what they were doing, and allowed them to share their ideas.

Finally, the fact that this was a demonstration program with a project deadline was also helpful. The presence of a deadline recognizes that innovation is not an ongoing phenomenon. Innovators go on to something else, or settle down to managing what they have created. More important, better plans are made when there is a known time framework within which to work. For this program, it should be said, grantees felt that 18 months was too short a time for some initiatives to bear fruit. It takes a long time to get new things going, they said, pointing to the grant itself as an example.

One of the more important features of the grant was the freedom grantees had to choose their activities. While partially due to the fact that the funding itself was for administration, this freedom was due mostly to unforeseen circumstances: the lack of clearly defined goals and objectives at the beginning of the grant, and the subsequent goal-setting in which grantees participated.

The original goal of the grant was to improve rehab delivery. This goal expanded continuously until well into the grant period itself. The first expansion came when State Planning became involved and added planning and evaluation to the mix of funded activities. A second

expansion occurred when consortia were formed and received funding for proposals that incorporated objectives based on local needs.

These objectives included rehab activities but also activities designed to expand institutional capacity and attract new resources.

As the grant evolved, grantees came to see themselves as opportunists. They had the funding and expertise available to try new things, things not guaranteed to succeed. They had the freedom to pick, from a wide range of options, the activities they felt were most critical or produced the most benefits. Also, individuals were able to concentrate on doing what they knew they themselves could do best. Because of the different kinds of agencies and individuals involved, different "strong suits" were present.

Thus when the grantees and evaluators finally sat down together half way through the grant to define its goals, the evolutionary process was consciously acknowledged. The Mission Statement produced could probably not have been arrived at any earlier and been "owned" as it was by the grantees. The results of grantees' activities attest to their success in meeting the Mission Statement goals.

Finding: The way in which the grant functioned provided a framework for getting results. It combined locally defined objectives, freedom to operate independently, interagency cooperation and a clear time frame on the local level, with technical assistance, expectations for production and an evaluative process from the state.

In addition to the grant framework itself, rural Minnesota provided a setting where the use of unencumbered funds and local initiative could succeed. Some of those attitudes and conditions peculiar to Minnesota follow.

1) Consortia were able to attract highly competent staff who had the concern and skills to initiate new courses of action: rural agencies in Minnesota seem to be staffed on a regular basis by the same caliber of person.

2) The quality of life in rural Minnesota encourages the above people to stay there, so that the expertise gained during the grant will not be lost.

3) Many of the potential clients are elderly, and counties are willing to meet their needs.

4) Minnesota as a whole has a higher percentage of homeownership than does the nation as a whole, and in rural Minnesota, the percentage is higher still at 85.6%.*

5) Figures show that rural Minnesota population is growing faster than its urban population. Farm population continues to decline, but rural non-farm population is increasing, especially in central and northern Minnesota.

6) A relatively small amount of rehabilitation money can make an impact on a small Minnesota community, where houses in general are well-kept. A house in need of repair stands out, and so do repairs; the results of rehab programs are therefore visible and can gain credibility for the programs quickly. Also, because of the cold climate, homes are substantially built, so that repairing them is worthwhile. Thus Minnesota rehab programs are in the enviable position of being particularly worthwhile and visibly successful.

7) Independent and resourceful rural residents, often possessing

carpentry skills, make self-help programs another potentially powerful tool, useful for stretching rehab and new construction dollars.

8) Perhaps the most important feature specific to Minnesota is the presence of excellent state housing programs. These programs demonstrate legislative willingness to address housing problems, ingenuity in designing good programs, and competent leadership on the part of DES and OLUA, whose long-standing interest in housing deserve credit.

9) The state's rehab grant program itself is responsible for creating much of the rural delivery capacity that the Rural Innovative grant fostered, since the program offers some administrative funds and is allocated by formula to every region in the state.

Finding: This setting, which combines awareness of housing needs on the part of state and local officials with pride of ownership among the state residents, contributed to the success of the HUD Rural Innovative Grant.

In conclusion, it should be pointed out that the grant framework cost HUD \$360,000. It produced significant locally generated improvements in rural housing delivery. The grant has demonstrated that, using less money than the amount of a typical Small Cities grant, a variety of local deliverers can produce statewide benefits to rural low income people.

* Source: Housing In Minnesota, 1977
(Office of State Demographer, State Planning Agency, 1978)

SECTION I

Part 2: The Consortium Approach

While the consortium approach in general was effective in improving rural delivery, little or no commonality existed among the ten regional consortium models.

When grantees came together for their first statewide meeting it became apparent that each region had arrived at its own conception of a consortium. Debate ensued as to whether the group interaction that occurs in a consortium or the energies of a hired staff person, later labeled "catalyst," would have more impact on rural housing delivery. The evaluators and grantees agreed that this issue would be the focus of the evaluation.

Many of the questions asked of grantees during the site visit interviews attempted to get at perceptions of how differing consortium arrangements affected delivery results. The evaluators intended to rank regions by success and then compare the various consortium models used between the more and less successful regions. However, it was decided that the activities varied so widely and the original level of delivery ability was also so variable that no valid success comparisons could be made from region to region. Still, some conclusions as to consortium form can be drawn. Although there was a wide variation in consortium formation, eight out of ten regions pooled their monies to pay a staff person or persons to work for their consortium. The report will demonstrate that this model, combining the benefits of coordination through the consortium with the time to develop strategy and direct activities provided by the catalyst, is one effective model for improving delivery of housing programs in rural areas.

CONSORTIUM DESCRIPTION

Every region was required to form a consortium in order to be funded under the Rural Innovative grant. The only guiding definition provided to them was that both RDCs and CAAs had to be included, so local decisions were therefore made as to other characteristics. There is a wide variation among the regions regarding consortium membership, allocation of funds, staffing pattern, and method of operation.

It is difficult to present these variations without describing every consortium as they had little in common. For more detailed descriptions of each consortium and how it functioned, the interested reader is urged to see individual case studies in Appendix A.

1. Membership: The consortia ranged in size from two to eight agency members. Beginning with the required RDC and CAA, some consortia expanded to include all CAAs overlapping the RDC boundaries and also county HRAs. The "lead agency" in most consortia was responsible for administering funding, arranging for consortium meetings, and facilitating communication. That responsibility frequently brought extra dollars to that agency: the lead agency was always an RDC or a CAA. The variations appear below.

Table 2-A: Membership Variations

<u>Size of Membership</u>	<u>Type of Member Agencies</u>
2 members---6E, 7E, 9, 11	CAAs only-----11 (metro)
3 members---	CAA, RDC-----2, 5, 9
4 members---3	CAA, RDC, HRA-----1, 3, 4, 6W
5 members---1, 2, 5	CAA, RDC, private sector*-----7E
6 or more---4, 6W	CAA, RDC and their board members (public officials)--6E

*An existing RDC subcommittee.

Lead Agencies

RDC-----2, 5, 6W, 7E, 9
CAA-----1, 3, 4, 6E, 11

2. Allocation of consortium funds: The largest allocation any consortium could receive was \$30,000; some received \$20,000. The distribution of funds within consortia varied as widely as all other consortium attributes; however, seven regions allocated a substantial part of their dollars to the lead agency.

Table 2-B: Variations in Allocation of Funds

Total Allocations

Region received \$30,000-----1, 2, 3, 6E, 9, 11
Region received \$20,000-----4, 5, 6W, 7E

Distribution among Member Agencies

Not all members funded-----1, 2, 3, 6E
Funds divided equally-----11 (2 members)
Funds divided into small amounts to
many members-----4, 6W
\$15,000 or more to lead agency-----1, 2, 3, 5, 6E, 7E, 9

3. Methods of operation: The grant administrators did not prescribe any specific role for the consortium to play. Some regions formed

Finding: Since guiding definitions/requirements were not provided, there was a wide variation in membership, internal funding arrangements, and methods of operation among the ten consortia.

4. Staffing patterns: Half of the consortia allocated funding among members in such a way as to allow the hiring of an extra full time person in the lead agency. In other cases, the consortia chose to divide the funds among grantees so that each one received a relatively smaller allocation. This provided each grantee with some administrative dollars to supplement salaries of ongoing staff. In all cases the funds, which were not attached to a particular program, provided extra flexibility for staff people to explore various funding and delivery options. The table below shows the various staffing arrangements.

Table 2-E: Consortium Staffing Variations

New full time person paid wholly by grant-----	1, 3, 5, 6E, 11
New persons hired, paid partially by grant-----	1, 9
Ongoing staff in lead agency partially paid by grant--	2, 6W, 7E
Ongoing staff in member agencies partially paid-----	2, 4, 5, 6W, 7E
Consultant hired with grant funds-----	9

When all the Rural Innovative grantees met together they labeled the full time, hired, staff person an "unencumbered catalyst" because they felt the term effectively described the role they wanted this person to play. The "unencumbered catalyst" was defined as a person who is attached to an agency, but unattached to particular program responsibilities; who is funded to initiate or facilitate programs and/or mechanisms.

Some hired staff were only partially paid with grant funds and found themselves with a mix of duties, including project initiation and some program management responsibilities. They were regarded as "partly encumbered."

The following breakdown shows, of those who identified themselves as catalysts, what regional consortia they were involved in, and whether or not they were unencumbered.

Table 2-F: Presence of "Catalysts"

2 catalysts-----	1, 9, 11
1 unencumbered catalyst-----	3, 5
1 partly encumbered catalyst-----	2, 6E, 7E
No "regional" catalyst-----	4, 6W

In several regions the catalyst carried on the majority of activity. Only one consortium/catalyst combination developed a board/staff relationship where the board set policy for the catalyst to carry out. More frequently the catalyst played a leadership role with the consortium, helping members identify program and delivery alternatives and offering them technical assistance.

Finding: Staffing patterns varied widely. In most consortia, lead agency staff people paid wholly or partly by the grant identified themselves as catalysts, either completely free to be innovative or partly encumbered by program responsibilities.

CONSORTIUM BENEFITS

Many barriers work to inhibit inter-agency cooperation. Indeed the present systems of delivery function to encourage separation, especially in rural areas. Programs themselves are categorically separate and fierce inter-agency competition for program dollars is common. One basic reason for the competition is that agencies look to the programs not only for the services they can provide but for administrative dollars to keep the agencies functioning. CAAs, HRAs, and RDCs are all short of administrative dollars and, because there are few ways to attract unencumbered administrative funds, they take on programs that can help the agency remain solvent. In

a region where all three agencies are starved for administrative funds, they may compete for the same program dollars, regardless of which agency might best provide that service.

In addition to this natural competition, other barriers exist. Agencies are geographically separate from one another which makes direct communication among staffs difficult. Differences in style separate planners and deliverers. Finally, past history of interagency conflicts are hard barriers to overcome. This grant encouraged, and in some cases forced those barriers to be bridged.

It is important to note, from the kinds of coordinated activities carried on by consortium members, (Table 2-D, page 28), how much inter-agency cooperation resulted from all the various consortium models. Grantees did meet in every region in some combination of consortium and catalyst. Which staffing model was the most effective cannot be determined, but it can be clearly shown that many communications linkages in the rural delivery system were made as a result of the consortium approach.

Region 1, for instance, had an active consortium with two paid staff who took their direction from the consortium committee. The consortium mutually decided to undertake two activities together, a low-income attitudes survey and the hiring of four housing technicians to provide extensive outreach. Both activities required cooperation from each consortium agency in the form of operating records, providing space and staff time. This type of cooperation in housing activities had not occurred previously between the RDC and the CAAs.

Region 6W had a very supportive consortium committee and no catalyst. They determined a regional emphasis for consortium activity: improving outreach. They shared ideas on how to accomplish their goal, and then each agency carried out the activity separately in its own county.

In several regions where consortium committees did not carry out activities together, individual agencies formed alliances with the catalyst to accomplish specific goals. In Region 3, for instance, the catalyst, located in a CAA, provided expertise to two CAAs in preparing CDBG pre-applications. In Region 5 a CAA agency was able to assist the catalyst, located in the RDC, in convincing a county board to form a county HRA.

Finding: Whether or not a catalyst was present, the consortium served to open up communication among grantees, who frequently had not met together previously.

Grantees perceived that there were benefits to be gained from the communication provided by the consortium approach. Although they found it understandably difficult to separate the consortium from the catalyst approach, as the two frequently overlapped, they were nevertheless able to distinguish several characteristics that were unique to each approach.

The consortium benefits listed in Table 2-G are their responses to open-ended questions on the strengths/benefits of their own consortium. (Responses were tabulated by region and only those statements are listed which were mentioned in four or more regions.)

Table 2-G: Benefits of the Consortium Approach
(Ranked according to number of times mentioned)

Improved relationships among consortium members-----	8 regions
Increased housing information available to members-----	8 regions
Increased understanding of agency intentions-----	7 regions
Increased program expertise-----	6 regions
Improved communication-----	6 regions
Increased coordination between planning and delivery-----	5 regions
Increased coordination among delivery agencies-----	4 regions

Most grantees found the primary benefit in belonging to the consortium was the improved relationships among member agencies that occurred. There was a good deal of conflict involved in forming some of the consortia and several chose not to meet until prodded by the state. However, once grantees began meeting and established some rapport, those concerns faded.

The existence of a consortium also increased the flow of housing information. Such items as new program availability, changes in rules, effective methods for delivery, and training opportunities were shared.

Increased understanding of agency intentions also occurred. That step led to increased coordination between planning and delivery and among various deliverers in some regions. The shift in attitude is most easily seen in Table 2-H. The information in the table was arrived at by considering accumulated responses of grantees in each region to questions concerning the formation and functioning of the consortium, benefits derived from participation in the consortium and what led to grantees' successes in activities.

Table 2-H: Grantee Attitudes Towards One Another

At the beginning of the grant, consortium members, on balance, regarded one another with:

Trust/mutual acceptance-----	1 region
Neutral/unknown feelings-----	4 regions
Distrust/hostility-----	6 regions

At the end of the grant, consortium members, on balance, regarded one another with:

Trust/mutual acceptance-----	6 regions
Neutral/unknown feelings-----	0 regions
Less distrust-----	3 regions
Distrust/hostility-----	1 region

Finding: Increased communication resulted in improved delivery through increased member expertise and better relationships among agencies, most importantly between planners and deliverers.

CATALYST BENEFITS

The chief benefit of having an unencumbered catalyst in the region was the flexibility and very simply the time that person had to look at housing problems and develop strategy for solutions. With the small number of professional staff in rural areas, most rural housing deliverers are so tied down to managing specific programs that they do not have time

to develop other programs. Ideas abound for ways to improve rural delivery, but free administrative time must be available in order to make those improvements.

Table 2-I shows grantee responses to open-ended questions on the strengths/benefits of the catalyst approach. (Responses were tabulated by region: only benefits mentioned in four or more regions are included.)

Table 2-I: Benefits of Catalyst's Presence

What they did:

Provided expertise to local government-----	8 regions
Provided expertise to consortium members-----	6 regions
Provided a link among agencies-----	5 regions
Raised awareness in public of available programs----	5 regions

Qualities they possessed:

They were initiators-----	6 regions
Previous housing knowledge-----	6 regions
Ability to develop strategy-----	5 regions
Determination; untiring efforts-----	4 regions

Catalysts had:

Time to concentrate on goals-----	6 regions
Freedom to try new techniques; they were unencumbered-----	6 regions

Finding: Because catalysts had unencumbered time and flexibility to try new techniques, they were able to provide initiative and expertise both to their region and to the consortium itself.

THE COMBINED CONSORTIUM AND CATALYST APPROACHES

Most grantees believed that the presence of the catalyst had more impact on their own region's success than did the consortium approach, but that combining the two approaches was a better way to improve delivery than using either of the two approaches separately. Below are the collected responses of all grantees concerning the two approaches. (To see how each was assessed in a particular region, please refer to its case study.)

Table 2-J: Consortium and Catalyst Effectiveness Ratings
(Tabulated by individual interview)

<u>Consortium Effectiveness</u>	<u>Catalyst Effectiveness</u>
Very effective-----8	Very effective-----19
Somewhat effective----11	Somewhat effective----6
Not too effective-----8	Not too effective-----0
Not at all effective---7	Not at all effective---0
Did not answer-----6	Did not answer-----11

Table 2-K: Choices for Future Policy

Relative Impact ("Overall which of these had the most impact on your region's accomplishments?")

Consortium-----6
Catalyst-----21
Did not answer-----13

Future Model ("If you were asked to recommend the funding of a consortium, an individual staff person in an agency, or a combination of both, which organizational model would you choose?")

Consortium-----4
Individual staff person-----8
Combination-----21
Did not answer-----6

Grantees gave one main reason for choosing the combination of the consortium and catalyst approaches; each approach works better when the other is present. A consortium provides coordination and communication among agencies, and a catalyst has the time and energy to keep that consortium functioning to achieve better delivery of housing to low income rural people.

Finding: The consortium approach, when combined with the presence of a catalyst, created a framework for initiative, expertise and interagency cooperation that significantly improved rural housing delivery.

SECTION I

Part 3: Specific Examples; Reasons for Success

Part 1 of this section described grantee activities and successes and showed why they were the result of the grant framework. That information is considered too general to be of use to the individual funding agency or program manager who wishes to replicate their success. Therefore, Part 3 presents more specific examples of how grantees successfully addressed particular delivery issues. While no attempt is made to mention all the techniques tried, the most successful and/or unique solutions to delivery problems are highlighted. (For descriptions of specific approaches tried in each region, note from the activities chart, in Part 1, where the activity took place and then refer to the particular case study in the appendix.

The following delivery issues are discussed:

- 1) more effective delivery of MHFA rehab grants and loans
- 2) finding new programs to supplement MHFA grants and loans
- 3) providing a broader range of program options to the regions through creating and strengthening HRAs, and
- 4) using comprehensive planning and research to improve delivery.

In addition, the reasons grantees saw for their successes will be explored.

More Effective Delivery of MHFA Grants and Loans

The original focus of this grant was on rehabilitation, primarily through MHFA grants and loans. As those programs were only in their first year of operation when this grant began, the first question grantees addressed was "Are those existing programs being delivered effectively in our region?" They discovered three problem areas: first, internal administrative capacity to delivery the programs needed improvement

in some agencies. Second, outreach efforts needed improvement. Third, lending institutions, which administer MHFA rehab loans on a voluntary basis, were not providing extensive geographic coverage in some regions. Tied to all of these problems is the issue of adequate administrative money to do the delivery job well. MHFA provides 7% of the grant allocation to an agency for administration. Grantees agree that this amount is not adequate and have frequently used CAA outreach money as a supplement. Using the HUD Rural Innovative grant, they were able to do even more to build administrative capacity and outreach.

In Region 11, for example, the Scott-Carver Economic Council (SCEC) was subcontracting its weatherization program to private contractors, and had not delivered any of its MHFA grant commitment for Year I prior to the arrival of the Innovative Grant staff person. Administrative capacity in the agency was strengthened by creating an energy and housing department where weatherization and rehab grants could be combined easily to meet the needs of low-income clients.

Both the Scott and Carver County Boards were convinced to apply for CETA positions for SCEC and relied heavily on those workers to do outreach work and to provide the labor for the weatherization program. The key to success in using CETA labor was the staff person's knowledge of each delivery process, which was passed on to the new employees through intensive training. As the initial workers proved their ability in delivering the programs, more CETA positions were applied for. The agency now has a commitment for 18 slots through 1979. The advantage of using CETA labor for weatherization is that the labor costs are carried by CETA so that all weatherization dollars can be used for materials and more work can be done per household. The obvious pitfall in depending on CETA labor for delivery of housing and energy programs, however, is that the CETA program is in jeopardy. To partly offset this problem and to provide continued expertise, the agency created three permanent non-CETA positions heading the energy and housing department.

The result of SCEC's effort were that the weatherization program served clients more intensively, and that MHFA grants were operated efficiently in Year II of the grant cycle for their two counties plus two other municipalities.

* * * * *

In Region 6W grantees used an innovative internal processing technique to address the problem of distributing limited program dollars in the most productive way.

The major goal of the MHFA grant program is to maintain the existing housing stock. In Year I of the grant program, many deliverers tried to spread grant dollars out to help as many clients as possible; the result was that minor repairs were made to many structures rather than more extensive repairs actually increasing the life of the house.

Five grantees in 6W are MHFA grant administrative centers and they decided to document photographically the housing defects they found in their inspections. Their slides were used with grant selection committees to document needed repairs and assist them in their allocation decisions. The results were: 1) in one county the average grant amount increased from \$1,200 to \$4,000, demonstrating a new understanding of more comprehensive rehab, 2) review committees found it easier to determine applicants most in need and 3) fewer re-inspections were required. By also combining "before" and "after" slides into a presentation, a powerful tool was developed for creating awareness of the benefits of the rehab program among public officials and potential clients.

In addition to having an internal administrative capability to deliver rehab grants, an agency also needs an effective outreach effort. Grantees agreed that one-to-one, personal outreach is a necessity in rural areas where people take pride in their independence. Techniques which simply inform the public of programs are not enough. Grantees needed to see programs; to create a demand where need already existed but where people would not expect help. All CAAs have outreach workers who can give a general description to all housing programs, but several agencies attempted more intense outreach to promote housing programs.

Region 1 developed the most comprehensive and innovative outreach effort. The two consortium staff persons hired four "housing technicians" paid by CETA to cover the region. Described as "para-professionals," they were trained in the intricacies of several programs so that they could make knowledgeable referrals for clients with rehab needs through loans and/or grants, or for those with rental needs via section 8.

The technicians' method, described by one as "going around," is to maintain continuous contact with both public and private providers and potential clients. Technicians are responsible to the consortium and are employed through the lead agency, NWCAA. Each covers a particular territory in the region and is loosely affiliated with the CAA in that area which provides office space. They check in regularly with banks and agencies to keep current on remaining dollars in MHFA loan and grant programs, to exchange referrals and to troubleshoot where necessary. They also stop by cafes in small

communities to visit with people and let them know that housing assistance is available.

The housing technicians extend the catalyst function in Region 1. They were hired, trained by, and report to the catalysts. Technicians say their circuit amounts to a "perfect circle with the techs in the center." Because they know where funds in various programs are available and who among bankers, FmHA supervisors and other agencies are the most helpful, a chain of referral possibilities has been created. Banks refer unserved clients who may be served by FmHA, realtors refer clients who may be served by banks, CAAs refer and receive referrals: the techs even trade referrals among themselves.

The technicians are well enough informed to help find the most appropriate program or combination of programs to meet clients' needs. They meet together weekly to share information and offer each other mutual support in their very flexible jobs. The housing technicians have only been on staff since May, 1978, so it is impossible to assess their success at this early date. The potential for expanding delivery of all rural housing programs in Region 1, if they can find some permanent funding, is impressive. This delivery mechanism should certainly be looked at again in the future. (For a wide variety of other outreach techniques, see the Region 6W case study.)

Three quite different approaches to extending use of MHFA rehab loans demonstrate the variety of techniques that can be used to solve similar problems. All of these grantees wanted to increase geographic coverage of MHFA loans and two were also especially concerned that loans were not going to lower income families. In all cases, grantees recognized that lending institutions are not used to "delivering" government programs that require added processing and an outreach effort to reach appropriate clients.

In Region 4, three grantees put their energies into convincing banks to participate in the rehab loan program. Working separately, they tried many techniques: speaking to the Bankers' Association, holding seminars with bankers on loan programs, arranging meetings between MHFA state staff and individual bankers, and providing individual attention and help to banks once in the program. Located in a rather conservative rural area, they believed only personal contact would overcome individual bankers' apprehensions about a subsidized loan program. The result: the number of participating banks increased from 4 to 21 and they cover a much broader geographic area.

* * * * *

In Region 6E, where grantee efforts to increase bank participation had failed, the 6E CAA arranged to assist one bank in delivering rehab loans throughout the region. The bank set aside \$60,000 of its \$100,000 commitment for low-income clients and the CAA located potential clients outside the bank's service area but still within the region. The CAA does all the outreach and paper work, the bank does the credit check, and the administrative fee is split. It is unique in Minnesota for a bank to be willing to set aside dollars for low-income clients, to serve outside its normal service area, and to split a fee. Many banks object to serving any but the most financially secure clients and they also resent the paperwork involved with the loan program, so sharing both the outreach and processing burden with the banks is a creative way of extending use of the loan program.

* * * * *

Region 3 also faced the problem of low/moderate income clients not being helped through existing banking services. Although some banks in the region offered rehab loans, the loans were not being used by people who were uncomfortable with going to lending institutions. Therefore, Arrowhead Economic Opportunity Agency (AEOA), the accepted CAA deliverer of programs to low-income people in the region, applied for Title I lending status. Being a large CAA, having an excellent rehab grant delivery record, and having qualified staff to process the loans led to AEOA becoming the first CAA in the country to receive certification as a Title I lender. Adding MHFA loans to AEOA's rehab grant and weatherization programs concentrated rehab delivery for three enormous counties into one agency and made combining of programs particularly simple. AEOA has loaned \$375,000 in ten months!

In comparing these examples of successful techniques for delivering MHFA grants and loans, three major reasons for their success are evident. First, the HUD Innovative grant dollars appeared at a crucial time. The state's rehab programs were both only about a year old and had become extremely popular programs. However, delivery of rehab grants is a complicated process when done well and developing that process required time and attention. Putting loans that require targeting into lending institutions presents problems that service agencies were able to help address. The administrative dollars provided by this grant allowed CAAs, HRAs, and RDCs to address these problems near the beginning of two good programs.

The second reason for their successes is that they had expertise available. Grantees used their own expertise to train CETA workers and Housing Technicians, to establish agency credentials for Title I certification, and to provide counselling service to low income loan applicants that banks were unable to provide.

Lastly, grantees pointed out that their success lay in the fact that they are "local." Dealing with banks, helping clients through outreach, convincing county boards to secure CETA slots were all successful because it was local people who did the work, and not "outsiders" from state agencies. This element of success is particularly important in rural areas.

Finding: The Rural Innovative grant provided the necessary administrative dollars for local deliverers to improve the delivery of MHFA grants and loans by building their administrative capacity and intensifying their face-to-face outreach efforts.

New Programs to Supplement MHFA Grants and Loans

In several regions, both planners and housing rehab deliverers became aware the MHFA grants and loans could not meet the rehab need alone. At the same time as grantees began to search around for alternative programs, two important developments occurred in funding agencies. 1) HUD announced that housing rehab would play an important role in 1978 CDBG Small Cities applications. This meant that program dollars were available to meet the rehab needs that grantees had already focused on and gained expertise to handle.

2) The FmHA state office began to shift from its position of isolation to more open communication with other state and local housing deliverers. Grantees were aware that some FmHA housing programs were under-utilized

in Minnesota: the shift in position allowed local deliverers to feel freer about suggesting outreach and processing improvements.

The state agencies associated with the Rural Innovative Grant attempted to help grantees take advantage of these decisions by offering technical assistance and support. The following examples show how quickly policy shifts can be adapted to at the local level if deliverers have the financial resources and staff time to respond.

All grantees were invited to hear Kate Crawford, Program Coordinator, Housing Assistance Council, speak on CDBG on two occasions. In fall, 1977, she informed grantees of the possibility of using CDBG in rural areas by combining smaller communities into one grant application. In April, 1978, she came back to tell grantees how to write the most effective pre-application possible. Several grantees responded by writing multi-jurisdictional pre-applications.

The Region 9 Development Commission (RNDC) and the Minnesota Valley Action Council (MVAC) went a step further and pooled their planning and delivery expertise into developing one multi-county pre-application for their region which will help meet the rehab needs of low/moderate income people in 31 communities in 6 counties.

RNDC and MVAC addressed two significant delivery problems. First, they decided to meet a gap in service between MHFA grants and loans; the \$5,000 to \$9,000 income person who has too much income for a grant and not enough to be considered a good repayment risk for a loan. By combining, on a sliding scale, CD Block Grants with MHFA and other loans or personal assets, they targeted their proposal to meet the needs of those people previously unserved by either MHFA program.

Secondly, by combining communities of under 2,500 population who normally would stand no chance of obtaining CDBG funding, MVAC and RNDC were able to increase the geographic coverage of rehab delivery in their region. Thus, the expertise they gained through Rural Innovative grant activities was combined with their own local knowledge of housing needs and a spirit of inter-agency cooperation to produce a winning CDBG pre-application that brought \$750,000 to their rural counties.

Half of the regions involved with the Rural Innovative grant tried to expand use of FmHA 504 rehab loans and grants. Primarily, they wanted to refer clients they could not serve to FmHA or they wanted to piggy-back FmHA programs with MHFA grants and loans to do more intensive rehabilitation

on one structure. In most cases local deliverers had had little communication with FmHA county or district supervisors prior to this grant and misconceptions on both sides about agency policies and intentions were prevalent.

In response to the interest expressed by grantees in improving delivery of FmHA housing programs, the Rural Innovative staff at OLUA joined regular OLUA staff in polling the grantees concerns about FmHA and their delivery recommendations. These were compiled into a document for FmHA. The OLUA staff then met with the FmHA director to share those grantee concerns and to emphasize the support role local CAAs and HRAs were willing to play in expanding the use of FmHA housing programs. On the state level, FmHA was invited to meet regularly with MHFA and HUD to develop compatible multi-family housing allocation systems. It is expected that this new cooperation at the state level added to FmHA's willingness to cooperate at the local level. With encouragement coming from the state FmHA office to its county supervisors regarding inter-agency coordination in housing programs, headway was made at the local level in opening communication, in sharing responsibilities for outreach and processing of applications and in increasing the use of FmHA housing programs.

The prevailing attitude about the FmHA county supervisory was that he was overworked and had too wide a range of programs to operate to know all program details well. Grantees came to agree this was true, and offered some of the same packaging assistance to FmHA that they offer to banks. For example, Bi-County CAA in Region 2 devised a unique mechanism for providing extra housing staff in the Beltrami County FmHA office. A CETA employee was contracted for through the CAA but then was loaned to FmHA to process 504 rehab grants. In Region 3, the Rural Innovative grant staff person used her personal rapport with the FmHA district supervisor to build a cooperative arrangement between FmHA and AEOA. The housing staffs of both agencies meet monthly to make referrals and combine grants and loans where possible.

None of these efforts produced a large number of new FmHA grants and loans but they did open the door for future cooperation among housing providers serving the same clientele at the local level.

In sum, these efforts to find new solutions to rehab needs were successful because agencies began to realize they serve the same constituency and were willing to combine their efforts to meet those needs. The grantees had acquired enough housing expertise to reach beyond their own agencies to find new rehab resources, so that when the opportunity presented itself they were prepared to act.

Finding: The flexible format of the HUD Rural Innovative grant gave grantees the freedom and time to initiate new agency contacts in their regions. These new contacts led to coordination of program delivery and expansion of housing resources.

Providing a Broader Range of Program
Options to the Regions through
Creating and Strengthening HRAs

In order to provide comprehensive delivery of available programs to rural Minnesota people, one has to look at the role of HRAs. They are the only agency eligible to deliver HUD Section 8 Existing, and Public Housing.

Minnesota has more HRAs than any other state in the country. However, many of them located in rural communities are tiny Public Housing Authorities, with volunteer staffs, who once built a small elderly housing project and continue to manage that one project. They tend to be unaware of the full range of HRA powers and do not look for other housing options for their communities. In recent years, the emphasis in Minnesota has been on building administrative capacity by creating or reactivating county-wide HRAs, which can run a larger variety of programs and hire at least one full-time professional staff person.

Grantees in three regions either attempted to create new HRAs or reactivate old ones that had no functioning programs. Generally, these

HRAs had been created in the early 1970's and collapsed during the 1973 Moratorium on HUD programs.

Region 5's central activity was the reactivation of three county HRAs and the creation of another. The consortium was staffed by a full-time catalyst, located in the RDC, who had worked previously for a large HRA and understood its organization and program potential. The Rural Innovative grant money provided the front end assistance needed to determine appropriate programs for the counties, write initial HUD Section 8 Existing applications, and develop administrative capacity in the HRAs before the administrative dollars attached to the Section 8 Existing program would be provided.

The start up process, according to this grantee, is lengthy if one is going to build a strong HRA Board of Commissioners who can sustain a permanent countywide housing delivery agency. After getting County Commissioners to appoint HRA Commissioners to the inactive HRAs, the recertification and program application processes began. Several months were spent educating the Commissioners, none of whom were familiar with housing programs, as to the housing needs that exist in their counties. As this grantee said, "Housing needs aren't identified well by those people in rural areas whose personal housing needs are being met." Once they gained an appreciation for the importance of their mission as a member of the HRA Board, they were taken through the Section 8 Existing application process step-by-step.

The grantee encouraged the commissioners to think through each piece of the process and develop their own solutions to the problems posed. She believed it was essential that the commissioners come to have a feeling of owning the program themselves. Because of this guidance, commissioners were able to reach a point where they could set policy, provide public relations, and gain political support for HRA programs. Although assisting in the formation of HRAs is an RDC function, generally no staff person has the time to provide the intensive assistance this grantee gave to establish HRAs on a firm footing.

Organization of the Section 8 Existing program was also interesting. Morrison and Todd counties each applied for Section 8 units, but neither HRA alone had enough administrative money to support a full-time staff person. So the two HRAs entered into a joint powers agreement which allows them to work together, pooled their Section 8 Existing administrative dollars from their combined 80 units and hired one professional staff person to run the program in both counties. Fortunately, this occurred near the time this grant expired and the counties hired the grantee who established their program, thus keeping staff housing expertise in their area. The Section 8 Existing program will be a base program upon which these beginning HRAs can build their management capability.

* * * * *

An excellent example of how the infusion of administrative dollars into a young HRA can stabilize the agency occurred in Region 4. There the HUD Rural Innovative grant funds were divided by county, with the Otter Tail share going to the Otter Tail-Wadena CAA who chose to sub-contract their funds to the Otter Tail HRA in the hopes of strengthening that agency. The HRA received only \$3,826, but the director used those funds to hire additional staff to manage the agency's one existing program, MHFA grants. This freed her time to pursue new programs for the county.

The first step was to determine the needs in Otter Tail County and write a Housing Assistance Plan, (HAP). She then explored all the housing programs that might meet the needs identified in the HAP. Working closely with the HRA commissioners, she developed applications for Section 8 Existing, Large Family Public Housing, and CDBG. In addition, she carried on an intensive campaign to increase bank participation in MHFA loans in Otter Tail County. All of these efforts were geared to providing coordinated housing delivery.

The results are impressive. The county has acquired 50 units of Section 8 Existing and 16 units of Large Family Public Housing, to be located in four municipalities. Although the CDBG was not funded, 21 communities were involved in working mutually for improvements in their county. The number of banks participating in the MHFA loan programs increased from 4 to 12. Beyond these new activities, the CAA and HRA developed a working relationship where none had existed before: they now combine their programs. The HRA director readily admits these program options would eventually have been pursued, but the HUD Rural Innovative grant allowed an expansion of staff to address more county needs and strengthen the agency much more quickly. With proposed Section 8 cuts looming in the future, the agency was fortunate to have had the time to develop programs while dollars were available.

There are three major reasons for the success of these efforts. First, the two staff people involved clearly brought special expertise to their regions and they were also willing to learn the necessary steps involved with recertification and applying for program funds. Secondly, local officials were successfully involved in the process. HRA commissioners gained awareness that led to a personal commitment on their part to provide decent housing for low-income residents of their counties. Thirdly, the flexibility of this grant and the available dollars allowed the two staff people the time and freedom to pursue these activities.

Finding: The Rural Innovative grant money provided the front-end assistance needed by staff to explore program options and develop applications for future funding, commitment in local officials and administrative capacity in new and young HRAs.

Using Comprehensive Planning and
Research to Improve Delivery

One of the purposes for mandating RDC and CAA participation in Rural Innovative consortia was to raise the level of communication between planners and deliverers. Such communication often presents problems; deliverers and planners do not always speak the same language, and both sometimes operate in a vacuum, ignoring the perspectives of the other.

The successful activities highlighted so far have all been delivery projects. The following example describes a successful approach to improving delivery through planning and technical assistance.

In Region 7E, the grantee used the experience and community input provided by deliverers and public officials on East Central RDC's Board and on its Community Development Advisory Committee (CDAC) to produce a particularly useful regional housing plan. Like other regions' plans, it allocates state program funds, but unlike many it does so on a subcounty basis. It also ranks communities' needs for subsidized housing according to priorities based on a wide range of factors suggested by the CDAC.

The work this grantee did while investigating such factors as existing subsidized units, availability of vacant land, and sewer and water capacity had impact on more than just the allocation plan itself.

Information on subsidized units was compiled and subsequently put into a directory. The directory lists individual buildings by county and by town, numbers of units, whether they are elderly or family units, and gives the phone number to call for rental information. The list has proved valuable for individuals and agencies searching for modestly-priced rental housing.

By having information on vacant, buildable sites, by knowing which communities need subsidized housing the most, and what their sewer/water and excess school capacity is, the RDC has become the first place potential developers go when they wish to build in the region. The effectiveness of the technical assistance available at the RDC is demonstrated by the fact that developers are proposing buildings

only in highest priority communities. The information produced by the RDC has also been useful in convincing a local community development corporation to pursue housing construction, in attracting a FmHA 111 capital improvement planning grant to the region, and finally, in helping the CDAC and the commission do better A-95 reviews.

Attacking the specific problems of regional housing delivery, the RDC produced a second document, "Improving the Delivery of Housing Services in East Central Minnesota," that will directly influence delivery patterns. The study lists resources currently under-used in the region, evaluates the relative merits of various alternative delivery systems, and makes recommendations for change which are now being considered by local officials.

The study is well researched. It contains a useful bibliography and specific information on such components as local HRAs, private sector institutions, and CAAs, and the roles they all play in current delivery. In summary, the study compiles all the information and pros and cons necessary for decision makers to make intelligent choices and provides a model process for any rural area to use to assess its delivery strengths and weaknesses.*

The grantee said the reason this planning and research was effective is that the public officials on the CDAC and on the RDC Board supported the work, and that their good political judgment helped him. The RDC is seeing to it that the study of alternative delivery systems is discussed by public bodies all over the region. Again, the Rural Innovative funds provided supplemental assistance so that the mandated 701 planning effort in the region could be done thoroughly and to good effect.

The fact the Region 7E pursued a study of alternatives for regional housing delivery prior to allocating its HUD Rural Innovative dollars to any particular delivery agency, raises an interesting issue. Would HUD dollars be better spent to support a regional determined, coordinated, delivery system rather than a collection of individual agency activities

*For a copy of the study of alternative delivery vehicles, contact Tom Foley, East Central RDC, 18 North Vine Street, Mora, Minnesota 55051.

geared to meeting separate delivery problems? The logical answer seems to be "yes," the planning of a regional delivery system should come before delivery dollars are doled out.

However, in most regions the dialogue between planners and deliverers began with this grant. Without some period to develop mutual trust, perceptions, and goals it is unlikely they could have reached agreement on a coordinated delivery arrangement. As the grantees began to cooperate and draw in deliverers, such as FmHA, who were left out of the original consortium, they saw more need for coordination of delivery and became more willing to support other deliverers' roles in the total picture. For several regions, now is the time to look for the best delivery arrangement they could develop.

Finding: For a regional housing delivery arrangement to be a meaningful tool for improving housing, it should be both mutually designed and accepted by existing planners and deliverers who serve that region.

REASONS FOR SUCCESS

The two main questions to be answered about the many projects grantees undertook are "what worked?" and "why?" The successful activities described above are examples of what worked; many more are described briefly in the case studies. The specific reasons mentioned for success after each highlighted activity bear repeating. They are:

- critical administrative money came at the right time,
- grantees successfully involved local officials to gain their support,
- expertise was available at the local level,
- activities, especially outreach, were being undertaken by people who were known and trusted in the community, and
- inter-agency cooperation existed.

Table 3-A indicates that these reasons are not specific just to activities highlighted in this section of the report; in fact, they apply to many kinds of activities. The reasons documented in the table represent

the compiled answers all grantees gave to the question "what were the reasons for your success in this activity?" The question was open-ended, and it was asked for every major activity grantees described. For simplicity's sake the answers have been arranged in categories, and those mentioned three or fewer times are not listed.

Table 3-A: REASONS FOR SUCCESS: "WHY IT WORKED"

Type of Activity	Total Mentions	Rehab	MHFA Loans	Out-Reach	HRAs	CDBG	Plan-ning	FmHA
<u>Community Characteristics</u>								
- because need was so great	11	///		///	I	I	///	
- had awareness/commitment of local officials	10	II		II	I	II	///	
<u>Agency Characteristics</u>								
- external expertise available	15	II		///	///	///	I	I
- funds/program available	8	///		///			I	
- had good local reputation/credibility	6	I		I	II		I	I
<u>Staff Characteristics</u>								
- was local, known in community	20	///	///	///	I	///	///	I
- was expert/professional	16	///	///		///	///	///	I
- was organized/responsible	8	///	I	I	I			
- was flexible/willing	7		I	I	I	I	II	I
- was supported or encouraged	6			///	I		II	
<u>Procedures Characteristics</u>								
- good information flow/data available	5	I		I	I	I	I	
- had enough time to do a job well	4				I		II	I
<u>Outreach Characterisitcs</u>								
- had enough time/staff to do personalized outreach	13	///	I	///				
- used brochure, printed material	8			///	II			
- used multiple techniques, inc. media	8	II		///	II			
<u>Cooperation/Coordination</u>								
- interagency cooperation was good	22	///	I	///		II	///	I
- used personal, face-to-face approach	5		///					I

Grantees, incidentally, were also asked "what problems did you encounter?" for each major activity. Problems were mentioned less often than reasons for success, but those mentioned most often are frequently the logical reverse side to reasons for success. Problems of time were mentioned most frequently. "Delays, the slowness with which things proceed" was cited nine times, as was the problem of "not having enough time or not having a full time outreach worker or planner." Money problems came second to time problems. "Not enough administrative or program dollars" was mentioned six times. "Lack of commitment on the part of local officials" was a problem mentioned five times.

In addition to success factors related to specific activities, grantees could draw on their experiences with all Rural Innovative activities, as well as their own personal knowledge of rural housing delivery, to make more generalized comments about what they had learned. The comments are listed in Table 3-B, "What I Learned About Successful Delivery." These brief observations serve to expand on the reasons grantees gave for success, and may be useful to other rural housing deliverers.

Table 3-B: "WHAT I LEARNED ABOUT SUCCESSFUL DELIVERY"

About the community

1. Getting local input on allocation decisions is important.
2. It is important to work with local officials, especially if they are "unaware." They tend to distrust programs and promoters: professionals sound "elitist." County boards care in general, but need to be educated.
3. Having local expertise available is important.
4. Levels of awareness spread: get the key people and they spread the word.

Table 3-B cont.

About agencies

1. Need a good reputation/track record.
2. Need well organized staff, to develop services a step at a time.
3. Need to be large enough for depth of staff, so that expertise is not all in one person.
4. Need to provide thorough training for well informed staff.

About staff characteristics

1. Reasonable goals still take time, self-confidence, and commitment: a person shouldn't get discouraged.
2. To be effective, a catalyst needs to be a representative of an agency or group for credibility.
3. Should put aside need for taking the credit.

About procedures

1. Outreach is important (see "outreach" section below).
2. Things move slowly. Everything takes a lot of time.
3. You have to deal with local people; you need local people to convince banks to join loan program, for example.
4. It is easier to combine programs when both are operated by same agency. Referral is better through one central spot.

About outreach

1. Personal contact on an ongoing basis in clients' setting works; it takes a lot of time but is worth it.
2. Word of mouth is the most effective method: key people spread the word.
3. An outreach worker needs to take time to help clients, especially elderly, understand their feelings about a program.
4. Outreach worker should be straightforward and honest and not build up false hopes.
5. Brochures don't work and/or are expensive. (Note: this reason was given by grantees who didn't use brochures. Interestingly, those who did do program description brochures had good results.)
6. Using the media get results.

About cooperation/coordination

1. It is necessary: can use best talents of agencies involved; one agency can't undertake everything.
2. Takes patience and determination on both sides.

The grantees' knowledge of what elements led to their individual successes are virtually the same as the elements observed in the specific examples given in the first part of this section, but they do expand on some themes. In addition to the points emphasized before, the grantees pointed out that the need was so great that a demand existed for their services. Every region mentioned that the commitment of local officials is essential to any number of endeavors. The importance of having "external" expertise was also mentioned, i.e., technical assistance from state agencies or from someone in their region, but outside their own agency. Many grantees took a dim view of programs being offered from any jurisdiction larger than a county, and attributed their successes to the fact that they were known and trusted in the various municipalities within their county. A great deal of emphasis was placed on having the time and staff to do personal outreach. The fact that cooperation is necessary was reinforced: grantees mentioned 22 times that existing cooperation did indeed lead to their success in accomplishing a specific activity. Cooperation took such forms as sharing data, combining programs, and making referrals to one another.

Finding: The reasons grantees cited for their success in all activities are the same as the reasons observed in specific examples of successful activities. The answers of the grantees corroborate the findings of the evaluation as to necessary elements for successful rural delivery.

Grantees and evaluators worked together at a statewide meeting in April, 1978, to develop a list of elements of successful rural delivery that were common to the various grantee's situations (see Exhibit B-3, Appendix B). The theoretical elements proposed are very similar to the reasons for actual success reported above; reasons that were identified while discussing specific activities during the individual evaluation

interviews. At the time the original list was made, the aim was to lay groundwork for later formulation by grantees of a model rural delivery system. These questions were posed: should CAAs deliver housing programs, should HRAs do all housing delivery, or should a whole new kind of delivery agency be created?

Grantees became reluctant to spend time discussing "ideal" systems. Unwilling to go beyond identifying necessary elements for successful delivery, they were more interested in devising arrangements incorporating those elements but based on their own local situations. Several regions spent time pursuing these questions further. In Region 4, several meetings were devoted to discussions of a model delivery system within their region. They proposed a "one-stop shopping" approach for referral, in order to eliminate client confusion concerning overlapping programs, agencies and jurisdictions. They considered it even more desirable to consolidate program delivery into one agency for each county. Observation of one county in Region 6W showed that the location of both the CAA and the county HRA in the same building made coordination of programs considerably easier. A comprehensive study of the various alternative delivery vehicles and their strengths and weaknesses was prepared by the grantee in Region 7E (see discussion of this study on page 75 of Appendix A): the study recommended a system that would use the particular strengths of several kinds of agencies, including a proposed regional HRA.

The grant demonstrated that successful delivery of one housing program can occur in several different agencies. Both HRAs and CAAs were observed to be effective deliverers of MHFA grants, for example. Still, grantees often debated which agency was the most appropriate

deliverer. Some HRA directors feel that a single-purpose agency is more likely to offer the most professional service. CAAs, while being multi-purpose agencies, see strength in their extensive outreach capability.

A coordinated delivery system can certainly gain from the strengths each of these agencies have to offer. From looking at the examples of successful activities, and the reasons given for success, it appears that each kind of agency can be effective if it incorporates qualities that provide for the presence of the necessary elements identified as factors leading to success.

Finding: Successful delivery of housing programs can occur in different agencies. The key to success lies not in which agency delivers the programs but in having the right combination of qualified staff with housing expertise, funding and time to carry objectives to completion, support from local officials, and inter-agency cooperation.

SECTION I

Part 4: Conclusions

The findings of this evaluation point to several conclusions. First, using general administrative dollars to fund local staff to work within a framework of local objectives, inter-agency cooperation, and guidance from the state provides an inexpensive but effective way to improve rural housing delivery.

The emphasis here should be on the work "local." In rural Minnesota an increasing spirit of independence added to traditional rural ideals of self-sufficiency makes it particularly important that local people have ownership of their assistance. Given the non-local tools they need: i.e., funding, expertise, and attention, they clearly possess the capability and determination to proceed with innovative and effective delivery improvements.

The second conclusion is that the consortium approach should be continued because of the benefit it provides in the form of increased interagency cooperation at the regional level. It works best when accompanied by administrative funding for initiative and follow-through on the part of staff in member agencies. Coordination between planners and deliverers who serve the same region is an important function of a consortium, as is the person contact that facilitates combining programs. One indefinable benefit mentioned by several grantees was the support of the consortium provided. Rural deliverers often find themselves "out there alone," and the opportunity to meet with other professionals occurs much less frequently than in the city.

The third conclusion is that there is no single "model" rural delivery system. However, there are certain elements that must be present, no matter what kind of agencies deliver the programs. These are: adequate administrative funds, support from local officials, expertise available locally and at the state level, personal outreach, and cooperation among all agencies, public and private, involved in planning and delivering housing assistance. Even though there are common problems in rural delivery, there is no single solution. In fact, since regional

and county situations differ, varieties of approach are not only useful but necessary. No one vehicle, no single agency is even eligible to do the whole job, possibly no single one could. If the "ideal deliverer" does not exist, then coordination among the several existing agencies is, again, not only useful but necessary.

To quote from the Region 7E study of housing delivery alternatives, "each approach to the delivery of housing is accompanied by a set of strengths and weaknesses. Therefore, it is advisable to encourage deliverers to concentrate in areas of their greatest strengths. In this manner, a broad array of housing solutions can be applied with each having a good chance of succeeding."

Again, one necessary element any rural delivery approach should include is local initiative. Local controls of agencies such as HRAs, known people working with clients, and locally generated advice to decision-makers always contributed to success. To operate effectively in rural Minnesota, state and federal agencies must take this preference for local action into account. When they do, as the Rural Innovative grant shows, great things can happen.

The HUD Rural Innovative grant provided Minnesota with the resources to try new ways of coordinating planning and delivery of rural housing programs at the regional level. At the same time, it also supported individual agency activities. The success of the various grantee activities attests to the value of providing administrative dollars, unattached to any specific program, but rather aimed at overall improvement in the use of housing programs by rural, low-income people. The need is great. Some people in rural Minnesota are still ill-housed, but this grant did make a difference.

SECTION II: POLICY ALTERNATIVES

Part 1: Future Action

There are two basic approaches to meeting the difficulties rural housing agencies face. Either federal and state programs can be simplified and/or rearranged, or expertise and cooperation can be developed at the local level so that the existing system can be made to work more effectively. Unless program dollars are increased rather than decreased for rural America, no long-term solution to inadequate rural housing can be achieved. But while awaiting adequate funds, the HUD Rural Innovative Grant has demonstrated that rural housing conditions can be improved now by providing funding for increased local delivery capability.

Much like the CDBG process, the HUD Rural Innovative Grant incorporated federal dollars with local initiative. The process used in Minnesota is a model for improving rural housing delivery that should be replicated.

Recommendation: HUD should provide administrative funding to housing and planning agencies in rural America, using a process similar to that incorporated by the Rural Innovative Grant in Minnesota.

Characteristics of the HUD Rural Innovative Grant that should be retained:

1. Funds should be used for administration and not tied to specific programs.
2. Funds should be available only to groups of agencies who contract to apply together as a consortium presenting a designated sub-state planning area. Such a consortium should include sub-state housing planners as well as deliverers to maximize the utility of the HUD 701 Comprehensive Planning efforts.
3. States in which the program will operate must agree to provide grant

administration in the form of liaison among consortia, technical assistance, and evaluation.

4. Funds should be available only during an understood time period; they should automatically terminate after a specified end date.
5. Funds should be allocated on a competitive proposal basis that allows consortia to set their own objectives.
6. Eligible administrative costs should include travel items to reflect that cost and time problem peculiar to rural delivery. It is important that guidelines reflect that distance is a major fact of rural delivery and funding must be available for travel, particularly for outreach efforts.

Improvements based on Minnesota's experience with the HUD Rural

Innovative Grant:

1. Provide further definition to applicants of what a "consortium" should be. Suggestions from Minnesota's experience:

Membership: Require all public and non-profit deliverers within a designated sub-state planning area to be members unless good reason exists to exclude any. We mean to include FmHA county and/or district supervisors where possible. FmHA was not included in any Minnesota consortium and yet one-half the consortia found improved relations with FmHA to be a major priority. FmHA needs to perceive itself as part of a total housing delivery picture rather than as a totally separate entity.

Consider incentives for including private deliverers: bankers, developers, realtors, and contractors.

Method of Operation: Require 1) presence of an unencumbered staff person responsible to the consortium, 2) regular meetings, 3) mutually agreed on objectives, and 4) a "commitment" to work cooperatively for improvement in the delivery of housing programs to rural low-income people.

2. Encourage the commitment to cooperate among members and improve the work plan process by tying both elements to the funding process.

using a two-stage approach with a possible third or follow-up stage.

Suggestions from Minnesota's experience:

Stage 1 - Planning: Provide funding to substate areas willing to meet consortium membership requirements. The funding would be used to hire a staff person and pay travel costs of members during a planning period. The result of this period should be a serious work plan that includes mutually agreed upon goals, objectives, activities and agency responsibilities that would have to be approved at the state level before Stage 2 or "implementation" funding arrives. This first stage duplicates the RFP process used in Minnesota, but provides funding for that period, which will encourage more serious consideration of overall regional needs and more cooperative activity to meet those needs. It is important that these first stage funds be used to assist each local mix of delivery agencies to reach its best potential rather than trying to institute one statewide or nationwide model. The Minnesota experience showed that CAAs and HRAs can each deliver some of the same programs: the choices should depend on the local situation.

Funding in the first stage should also go to the state agency or agencies, so that both the evaluation process and technical assistance to consortia can occur as consortia develop their plans.

Stage 2 - Implementation: Funding should be keyed to the individual consortium estimates of need, but should be sufficient to include the salary of a consortium staff person, some travel and agency expenses for each consortium member, plus continued technical assistance and evaluation funding to the state. A termination date should be agreed upon. Grantees in Minnesota felt that 18 months was the minimum period of time necessary to get projects off the ground, especially if they require changes in delivery arrangements. Many thought two years would be more appropriate, saying that the basic conservatism of rural areas means things move slowly.

Stage 3 - Optional Follow-up Funds: Grantees should be able to apply for additional funding to support new mechanisms that are not yet self-supporting. The application period should be early enough so that no break in funding would occur between Stage 2 and Stage 3. Follow-up funding should not exceed one year.

The best example of the need for this extra funding is the unique Housing Technical program in Minnesota's Region 1. Because the Housing Technicians are specialized outreach workers who facilitate programs for both public and private deliverers, they do not receive the administrative dollars what come with managing a program. Thus some source of permanent funding needs to be created. They hope to replace their CETA funding with a combination of local funding from banks and some administrative dollars from federal or state sources. Such successful new mechanisms may require interim funding before concrete achievements document their value sufficiently to local decisionmakers who could supply permanent funding. HUD and FmHA should be open to suggestions from local planners and deliverers concerning such interim funds.

3. Improve the level of rural expertise and information-sharing state-wide as well as region-wide. Suggestions from Minnesota's experience:

Establish a network of rural consortium members through the efforts of state-level staff as facilitators. As part of its technical assistance, the state could provide information on state and federal programs, workshops to improve capability on particular programs, and a newsletter with information concerning new developments and the activities of each grantee. Periodic meetings of all grantees are useful to help them focus their energies and understand the range of possible activities. The network could also be used to develop a dialogue with state and federal agencies, and to provide a forum for outside as well as internal expertise.

The recommended process, taken as a whole, will provide for a vertical partnership among local, state and federal housing interests that incorporates local choices, state coordination and technical assistance and federal guidelines and funding. The process is relatively inexpensive and does not require massive changes in the current national housing system.

Regardless of whether or not HUD establishes a national policy of funding Rural Innovative projects as recommended above, HUD and the State of Minnesota should recognize that the Minnesota demonstration has created a momentum through its success that should be maintained. It takes considerable time for people to overcome the natural fragmentation that exists in the provision of rural housing services. Once this process has begun to occur, and staffs within the agencies perceive they are serving the same clientele and can help them more by working together, it is imperative to keep moving in the same direction. Grantees are exploring ways to keep their consortia functioning: HUD and the State of Minnesota should consider ways in which they could help.

- 1) Fund a state-level person, on at least a part-time basis, to

continue to provide encouragement and technical assistance to rural consortia to stay together and continue joint efforts.

- 2) Pay travel expenses for consortium meetings.
- 3) Provide administrative funds on a proposal basis to regional consortia who can demonstrate a Rural Innovative assisted activity that needs more time to be completed or to become established.

Recommendation: The State of Minnesota should foster the consortium mechanism and provide housing technical assistance to rural Minnesota planners and deliverers. The State should be prepared to begin its assistance when HUD's assistance ends.

- 1) Prepare guidelines for rural housing consortia and promote the concept in all regions of Minnesota.
- 2) Pay travel expenses of members for attending consortium meetings.
- 3) Provide ongoing housing technical assistance to rural consortia, including: assistance in creating, reactivating, or strengthening HRAs; training in management and outreach techniques and program content for rural housing staffs; coordination among the various consortia, and; advocacy with state and federal funding agencies for better attention to the housing needs of Minnesota's rural low-income residents.

SECTION II:

Part 2: Grantee Recommendations to HUD

During the course of the Rural Innovative grant period, a task force headed by Joseph Burstein, Counselor to the Secretary, presented to Secretary Harris a set of recommendations for improving the administration of HUD programs in rural areas, entitled, Report of the HUD Task Force on Rural and Non-Metropolitan Areas. Commenting on these recommendations was not envisioned when this evaluation was proposed; however, the delivery problems pursued by Minnesota's rural grantees are in many cases very similar to those addressed in the report. These grantees, looking at the problems from the "client end" of the delivery spectrum, would agree with many of the task force recommendations. Thus references to the task force recommendations that are best corroborated by Minnesota's Rural Innovative experience have been incorporated with the specific program recommendations the grantees wished to make to HUD.

Consortium members in each region participated in a meeting with the evaluators where they were asked to define the particular housing needs of their region and to describe how current programs do or do not meet those needs. They were then asked to make specific recommendations on how to improve current HUD, FmHA and MHFA program content and processes so that programs would better meet rural needs and delivery capacity. Because each region focused on their specific concerns and not on a list provided by the evaluators, the range of suggestions is broad and represents the perceptions and opinions of the grantees. If these perceptions indicate any confusion on the part of rural deliverers about HUD programs, it is only further evidence of the complexity of the programs themselves. Individual suggestions were not mentioned many times; the most frequent suggestion was mentioned in four regions. The suggestions pertaining to HUD are broken into categories for clarity and are listed below.

ADMINISTRATIVE RECOMMENDATIONS:

From the perspective of local deliverers of HUD programs, there were a number of concerns related to administration that speak to specific rural problems of capacity. These are small agencies which cover large territories; they must deal with several funding sources, and therefore several sets of regulations, eligibility requirements, and paperwork. Grantees wholeheartedly agree with the HUD Task Force that HUD forms need simplifying and that HUD and FmHA should coordinate their housing efforts.

Their suggestions to reduce the complications include:

- 1) simplify and standardize forms for HUD and FmHA housing programs;
- 2) make eligibility requirements uniform between the agencies, or if that is impossible, at least
- 3) arrive at a common definition of "median" income;
- 4) clearly define "substandard" in 1980 Census questions so that all rural areas are using the same definition of that term when applying for funding;
- 5) provide better information as to how to fill out complicated forms-- examples of filled-out forms, and clear instructions and guides accompanying forms would be helpful.

Many grantees felt that the above suggestions would reduce the complications presented by working with several sets of programs. They also said that there is no substitute for personal attention and assistance and they would support the Task Force recommendations to increase (outreach) efforts by HUD staff to offer more "technical assistance" to small rural clients (refer to page 19 of the Task Force report). Their suggestions as to how to do this include:

- 1) provide more staff in HUD area offices to give the rural deliverer the individual help he needs to apply for program funds;
- 2) provide more extensive management training to rural deliverers, particularly public housing authorities;

- 3) require HUD area office personnel to spend more time observing and doing field work, and
- 4) in all cases provide clear and consistent answers and information.

Grantees in three regions went one step further, and suggested that the best way to simplify administration and provide more emphasis on rural housing problems would be for HUD to turn over its rural programs to FmHA, which already has a network of field offices in place.

HUD RELATIONSHIP TO LOCAL HRAs

Rural HRAs are, in a way, a kind of stepchild of HUD and grantees felt HUD could contribute to the development of strong HRAs in rural areas. Congress requires a PHA to be present to administer rental assistance programs, but bypasses them in favor of private developers for new construction. HRAs have taxing authority which could be used to establish general administrative funding for their agencies, but in rural Minnesota the likelihood of gaining county approval without showing some successes first is very slim. Thus rural HRAs depend heavily on the administrative funding that comes with program dollars to keep their agencies functioning. In rural Minnesota a pattern has evolved where many small municipal agencies were formed in order to build one elderly housing project; they still function with a single part-time or volunteer staff. They do not have the professional staff nor perhaps the inclination to develop the administrative capacity to meet the general housing needs of all low-income residents in their communities. To address this situation, grantees would support the Task Force's recommendation to HUD to encourage the regionalization of housing authorities (see page 12 of Task Force report).

During the Rural Innovative grant, many grantees used Rural Innovative funds as "front-end" money to provide staff and time to form, reactivate, or strengthen county-level HRAs. Only one rural "regional" HRA exists in Minnesota

that covers 7 counties; most grantees were thinking in terms of county or two-county arrangements. It is their contention that county HRAs provide several advantages over a multiplicity of municipal HRAs:

- 1) They can serve people outside of municipal boundaries - in many counties that includes the majority of the population.
- 2) HRAs have quasi-governmental status, giving them a permanence and stability non-profit agencies do not have.
- 3) HRAs are single-purpose, identifiable sources of housing assistance, and if their base of programs and service is broad enough, they can hire and keep professional staff.
- 4) Finally, and perhaps most importantly in independent-minded rural areas, their policies and activities are managed by locally appointed commissioners who can perceive and respond to local needs.

Without extra funds from some source, county HRAs are difficult to organize and staff; in order to achieve any level of county financial support, they must have first demonstrated a track record of success: This chicken-and-egg cycle is difficult to break. Furthermore, though several grantees looked into creating multi-county HRAs, they found that no incentives exist that are strong enough to overcome a county board's traditional unwillingness to share decision-making with another county. Grantee suggestions for improving the situation include:

- 1) Grantees feel they made good and creative use of the general administrative money that came through the Rural Innovative grant. Citing the fact that rural delivery often is more costly because of time and distance requirements, they urged more administrative funding to rural HRAs to stabilize their sources of income, which are currently too "up and down". It is further recommended that administrative dollars, unattached to program dollars, be made available to HRAs during their start-up period and while they are establishing ongoing programs.

- 2) As a potential source of administrative funds, county HRAs should have priority over private management teams and be offered the opportunity to manage Section 8-assisted new buildings in their counties.
- 3) Grantees support the Task Force recommendation to target low-rent public housing programs to rural areas.
- 4) HUD should provide incentives for multi-jurisdictional HRAs, both to encourage small municipal HRAs to merge with county HRAs, and to encourage multi-county arrangements. Incentives could include the "front-end advances" recommended by the Task Force in the Capacity Section; adjusting the CDBG point system to encourage multijurisdictional applications and; reflecting the administrative economies of dealing with larger entities by increasing administrative allowances to those entities for the programs they run.

PROGRAM RECOMMENDATIONS:

Grantees had specific comments and suggestions concerning the application of HUD programs to rural areas.

1. Section 8 Assisted Housing

In general, the allocation system continues to be a problem. The process needs to be clarified so RDCs and HRAs can do a better job of coordinating placement of new units with applications for Section 8 Existing units in their jurisdiction.

New Construction/Rehab:

- 1) Again, HRAs see management of newly constructed Section 8 units as providing an administrative base of funding for their agencies, and wish first consideration for that management function.
- 2) An extremely common complaint from rural Minnesota deliverers is that neither HUD nor the Minnesota Housing Finance Agency will finance construction of small numbers of Section 8 units. For many

rural towns even 30 units is too many, but ten in each of three towns would work out well. One grantee spoke for most rural deliverers when he said, "we don't want to force our population to relocate just to accommodate an administrative process." Grantees perceive the difficulties involved with aggregation of units, but believe this approach is necessary. The Task Force recommends a more flexible approach on HUD's part which could accommodate the aggregation of such small projects into one financing package of feasible size for processing: grantees would heartily agree. HUD staff should help rural deliverers explore creative ways to make this happen - through willing leading institutions, through competent local HRAs who could work with developers to package the proposals and manage the units when constructed, or through a demonstration project geared to establishing a simpler process for achieving aggregation. FmHA could also help small communities develop projects appropriate to their size by concentrating their Section 515 efforts in communities that HUD finds it infeasible to assist. HUD, FmHA, and finance agencies all need to pay more attention to this issue which is of major concern to rural people.

Section 8 Existing Housing:

Although this program has limited application in rural Minnesota due to the high percentage of home ownership, its use has been significant for two reasons. First, this is the only program in wide use that meets the needs of renters. Second, this program has become the base program for rural HRAs that provides them with enough administrative funding in year one to become established and then look to other program alternatives to meet the broader spectrum of community housing needs.

- 1) The program needs more funding according to two regions.

- 2) The level of fair market "rate" needs to allow for more regional differences in costs. HUD should not automatically assume that costs are lower in rural areas. In Region 3, for example, high utility costs make HUD's fair market rent for large family dwellings inadequate.
- 3) One grantee thought eligibility requirements for the Section 8 existing program are too high; he thought almost everyone in his county could qualify so the program is not targeted at lower income people.

2. Community Development Block Grants (CDBG)

Several grantees experienced the CDBG process for the first time during the Rural Innovative grant. They all applied for the single purpose grant, and were eager to use this HUD program. On the whole, grantee concerns about CDBG can be summed up by saying they fear the program is too urban-oriented to give them a fair chance of being funded. They were particularly sensitive to the weighting for absolute numbers which meant that small communities had little chance of being funded: on the other hand, this criterion led grantees to submitting multijurisdictional applications. They also felt that the presentation of CDBG as a program where local people could determine their needs and meet them through CDBG was misrepresenting the case. As they pointed out, this year HUD wanted rehab housing included. If rehab had not been a priority with HUD, these grantees would have had little reason to apply. Some preferred the old categorical programs where they knew exactly what they were applying for. One grantee commented, "HUD is warping the real local priorities by turning CDBG into a categorical program." Specific suggestions related to CDBG were:

- 1) Eliminate double weighting for absolute numbers to help communities under 5,000 population.

- 2) Create set-asides for small communities: have the same size communities compete against one another.
- 3) Decide that CDBG is an urban program and design a different program that is less complex to meet the needs of rural communities.
- 4) Publish the regulations on time.
- 5) Allow more time for writing and approving the CDBG pre-application. Obtaining approval from many municipalities for multijurisdictional applications takes considerable time. CDBG and Section 8 deadlines are too close together: make all deadlines at least one month apart.
- 6) Simplify the CDBG process; offer more technical assistance to small communities; offer explanations to losing applicants so they can learn how to improve on future applications.

SECTION II

Part 3: Future Study

HUD

When HUD originally granted Minnesota funding for the Rural Innovative grant, the concept of delivering resources through a consortium approach, rather than through a single agency, had not been developed. The impetus for looking at these two approaches came from the grantees themselves and really too late to be thoroughly explored.

HUD may wish to explore this issue further by establishing a more controlled demonstration project where both methods could be tested. The evaluation process would need to begin at the start-up of the grant period in order to gather all the data needed to reach any conclusion on the relative productivity of the two approaches. Hopefully the results would tell HUD if they should encourage coordination at the local level and how to better distribute demonstration monies in the future.

State of Minnesota

In addition to a continuing technical assistance role, the State of Minnesota should take a closer look at the pattern of rural housing delivery in this state. The HUD Rural Innovative grant has pointed up the fact that an organized, statewide, rural housing delivery mechanism does not exist in Minnesota. Before any legislation is passed that might change the current roles of housing deliverers, it is important for Minnesota to undertake an analysis of current and potential delivery vehicles, with emphasis on CAAs and HRAs. HRAs require special attention as many local planners and deliverers are convinced of the necessity of county or multicounty HRAs, and that conviction is based on OLUAs and HUD support of the establishment

of larger HRAs. At the same time, federal legislation and agency policy at HUD and MHFA limit the delivery role HRAs may play.

The state should analyze the present pattern of HRAs in Minnesota - how many exist, active or inactive, municipal or county or multicounty; what their current funding sources are; what programs they run; what their staffing patterns are; and what state enabling legislation allows them to do. CAAs that are active housing deliverers should be examined in a similar way. Minnesota should determine if there are legislative or administrative techniques at the state level that could be employed to foster development of appropriate and professional housing delivery vehicles in rural Minnesota.

APPENDIX A: CASE STUDIES

Each of the following case studies contains simply a description of the grant as it functioned in that region. No judgments are made, nor any attempt to show why activities were or were not successful.

The case studies are presented in the regions' numerical order. Each case study is organized around the following outline:

- I. DESCRIPTION OF REGION
- II. THE RURAL INNOVATIVE GRANT IN THE REGION
 - A. Member Agencies in the Consortium
 - B. Allocation of Funds
 - C. Staffing Pattern
 - D. Work Plan
- III. GRANT ACTIVITIES AND RESULTS
 - A. Regional Activities (including individual agency and joint activities)
 - B. Results (compared to work plan and also to the Mission Statement)
- IV. THE CONSORTIUM AND CATALYST APPROACHES IN THE REGION

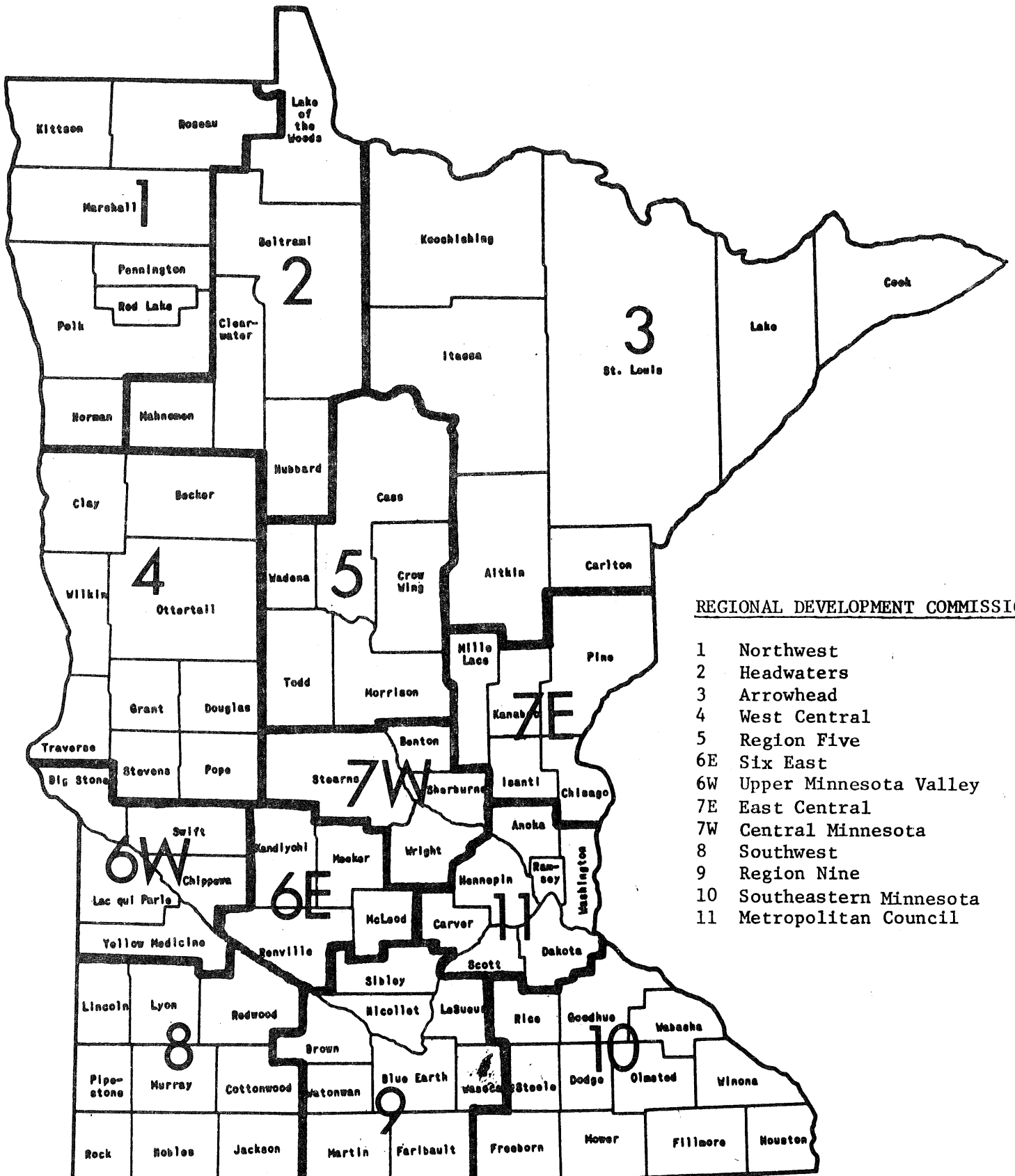
(Including description of each, and effectiveness of each as rated by consortium members)

On the following page is a map showing the state's development regions.

All regions except 7W, 8 and 10 participated in the Rural Innovative Grant.

For examples of materials produced by grantees, such as brochures, slides, studies, etc., the reader is urged to contact the local agency responsible. Case studies include names of agencies and the town in which they are located.

Minnesota Development Regions



REGIONAL DEVELOPMENT COMMISSION

- 1 Northwest
- 2 Headwaters
- 3 Arrowhead
- 4 West Central
- 5 Region Five
- 6E Six East
- 6W Upper Minnesota Valley
- 7E East Central
- 7W Central Minnesota
- 8 Southwest
- 9 Region Nine
- 10 Southeastern Minnesota
- 11 Metropolitan Council

Compared to Mission Statement Criteria

Criteria	Activity	Outreach	Assisting Local Units of Government	Assisting Private Sector (Banks, Developers)	Developing HRAs	Increasing Coordination with FmHA, Each Other
1. Available resources used more effectively			1) Clay County HRA construction programs for elderly and families are in high priority areas in regional plan. 2) All RDC activity was implementation of regional plan.	Increasing private sector involvement is a goal of the regional plan.	Increasing delivery capacity is a goal of the regional plan.	
- Met objectives of regional plan						
- More people were served		Grant County brochure brought in more clients for Section 8 existing. Agency was slow to rent up when using only newspaper advertising.		More people got rehab loans; banks offering loans increased from 4 to 21.	Section 8 existing: more households in Clay County, 50 more in Otter Tail. 60 other new units: 12 units of 515, 18 in Clay, 16 of large family public housing in Otter Tail.	1) Grant and Otter Tail brochures brought in clients that were referred to FmHA. 2) West Central got 2 clients served by FmHA 504.
- Individuals were served more intensively						CAAs combining weatherization with the MHFA grants that HRAs deliver: system working better.
- More people aware of programs & needs		50 responded to 1300 brochures mailed in Grant County. 50 responded to 350 brochures distributed in Otter Tail. CAAs use the brochures.	1) Clay County HRA did applications for 7 communities and some HAPs: the officials learned much about needs and available programs. 2) All mayors in Wilkin County. 3) 21 communities' officials who were helped on CDBG by RDC. 4) Otter Tail municipalities were visited for CDBG, Section 8, and public housing by HRA.	More bankers are now aware of MHFA loan programs.	County commissioners in counties where HRAs were discussed (Pope, Stevens, Becker, Wilkin).	FmHA more aware of others' programs and needs through brochure production and through West Central's efforts to get clients served by FmHA.
- More people working to solve housing problems			1) New staff to administer CDBG funds in 2 communities 2) Mayors in Wilkin County 3) Local officials all over the region are more committed to meeting housing needs.	17 more bankers in MHFA loan programs.	1) Increases in staff size in HRAs as they develop: part to full time dir. in Clay County HRA. 2) New HRA boards.	New full time planner in RDC funded by FmHA 111 planning grant.

Compared to Mission Statement Criteria

Criteria	Activity	Outreach	Assisting Local Units of Government	Assisting Private Sector (Banks, Developers)	Developing HRAs	Increasing Coordination with FmHA, Each Other
- Level of housing expertise was increased.		Doing brochures increased agencies' understanding of each others' programs.	Local officials.	Bankers understand MHFA programs better due to efforts of RDC, Otter Tail HRA, Mahube CAA. Developers learned about 515 process.	1) New and current HRA boards learned through HAPs and new program consideration. 2) HRA staffs gained experience and track record in new programs.	
- Objectives of individual programs were met more fully		Increased number of eligible applicants for grant: allowed "most" eligible to be chosen.	Otter Tail: Working with municipalities on Section 8 existing and public housing locations allowed wider geographical coverage of county. RDC was able to spend more time implementing regional housing plan with local officials and developers.	Increasing bank participation in MHFA loans increases geographic coverage.	Programs that weren't being delivered previously are now available (Sect. 8, public housing). 1) New funding from Rural Innovative added special staff to manage MHFA grants and free directors' time for pursuing new programs in Clay and Otter Tail. 2) Proposed Clay merger with Moorhead promises future efficiencies. 3) Card referral system provides better ongoing management techniques in Grant HRA.	Other agencies, including FmHA, more aware of their obligation to serve low income people.
- Ongoing programs were administered more effectively		Training from extra workshops and a circuit riding approach in Becker improved delivery of MHFA grants.				
2. Expanding Resources			Clay County: \$265,000 in new construction through FmHA 515. 37,000/yr in subsidy. Otter Tail County: \$800,000 in new construction through HUD public housing 59,000/yr in subsidy. 12 elderly in Clay County. 16 family in Otter Tail County Mayors' committee in Wilkin County has potential to affect county delivery.	Increase of \$200,000 in loan commitments in Otter Tail County alone: total increase probably at least twice that amount for whole region.	New funds through Section 8 existing: \$112,000/yr in Clay County; \$102,000/yr in Otter Tail County. 3 new county HRAs created; 3 others were strengthened.	\$30,000 from FmHA 111 Planning grant to RDC. West Central CAA has planned to develop "broker" concept next year.
- Volume of dollars was increased via existing or new programs						
- New units approved						
- New delivery mechanisms created						

Activity

Individual Agency Activities

Agency (County)	Outreach	Assisting Local Units of Government	Assisting Private Sector (Banks, Developers)	Developing HRAs	Increasing Coordination With FmHA, Each Other
Clay County HRA (Clay County)		Developed housing programs for 7 municipalities in Clay County geared primarily to new construction. Applied on their behalf for Sect. 8 new and existing and FmHA 515; HRA will own and manage.		1) Have many applications pending: for example, Sect. 8 new construction using 11 b bonding. HRA will develop, own and manage. 2) Working towards merger with Moorhead HRA so as to utilize the two staffs better and provide countywide focus.	Cooperated with Clay-Wilkin CAA on applications for new units: C-W did needs assessments, HRA wrote applications. Thus, the strengths of each (CAA understanding of community and HRA expertise) were each used.
Clay-Wilkin CAA (Wilkin County)		Created and now staffs the "Wilkin County Governmental Coalition" of all mayors in county (who had never met before.) Purpose: to explore and promote ways to meet local housing and community development needs.		1) C-W allocated its Rural Innovative dollars for Clay County to Clay County HRA. 2) Worked with RDC to try establishing a Wilkin County HRA.	Helped Clay Co. HRA apply for new units in that county. Has contracted with Mahube CAA for MHFA grant delivery in Wilkin Co. in year III of program.
Grant County HRA (Grant County)	1) Printed and distributed 1300 brochures to every boxholder in county. Brochure describes housing programs available in county and lists contact person. 2) Developed card file for tracking clients brochure brings into agency.			Developed Reference--Referral card file to accommodate response to brochure, tabulate needs of HRA clients, and provide system for follow-up.	Developed better system of combining HRA's MHFA grants with West Central CAA's weatherization. Worked with them on developing brochure.
Mahube CAA (Becker County) -Mahube concentrated on improving MHFA grant delivery in its 3 counties. (Hubbard & Mahanomen are in Region 2.) Codes workshop.	Instituted a circuit-rider approach to outreach and delivery of MHFA grants in Becker and 2 counties in Region 2.	Along with the Becker County Industrial Development Corporation, Mahube convinced Becker County Board to apply for CDBG: Wrote pre-app., arranged hearings. Single purpose housing rehab proposal to be administered by Mahube. Not funded.	1) Convinced Detroit State Bank to participate in MHFA rehab loan program. Is helping another bank acquire Title I certification. 2) Assisted developers in Lake Park and Ogema package FmHA 515 applications.		Attended workshop on 515 packaging: stimulated applications and helped write them for 2 communities.

Individual Agency Activities Continued

Activity Agency (County)	Outreach	Assisting Local Units of Government	Assisting Private Sector (Banks, Developers)	Developing HRAs	Increasing Coordination With FmHA, Each Other
Otter Tail HRA (Otter Tail County)	Director spoke to local civic groups and senior citizen centers. Produced and distributed flyers in strategic spots. Pro- duced printed catalog of housing program (brochure.) Did regular news releases to 6 county papers and township officials.	1) Organized CDBG pre-appli- cation on behalf of 21 municipalities in Otter Tail County. Wrote pre- app. Not funded. 2) Coordinated with municipalities on location of Section 8 existing units and again on location of family public housing units. 3) Provided TA to local groups applying for new units.	Spoke at Bankers' Associa- tion, followed up with individuals, and maintains contact with bankers participating in MHFA loan programs.	Director trained herself and the HRA Board in: 1) understanding county needs by doing a HAP, and 2) knowledge of available programs. Applied successfully for Sect. 8 existing and for public housing.	
West Central CAA (Douglas, Pope, Traverse, Stevens Counties)	1) Catalog of housing resources planned but not as yet completed; will be distributed by CAA outreach workers. 2) Trained CAA staff and outreach workers in housing programs.			West Central CAA allocated its Rural Innovative dollars for Grant County (in its service area) to Grant County HRA.	1) Established co- operative arrange- ments with FmHA in Traverse and Stevens offices. 2) Improved coordi- nation of CAA weatherization with Grant County HRA's MHFA grant program. 3) In general, however, felt cooperation is lacking among the many delivery agencies in the region. Will ex- plore a "broker" concept for centralized client referral.
West Central RDC (All Counties)		1) CDBG: encouraged local governments to include housing rehab in their applications, and wrote 21 pre-apps. for Region 4 communi- ties. 2) were funded. 2) Lobbied state and federal funders to increase dollars to rural areas.	Encouraged bank partici- pation in MHFA loans through: 4 seminars with bankers on programs, individual meetings between bankers and MHFA staff, and meetings where bankers could discuss their concerns with other bankers.	RDC provided staffing to: 1) Reactivate Becker County HRA. 2) Reactivate Pope County HRA and write HAP. 3) Write HAP for Stevens County HRA. 4) Apply for Section 8 existing units for both Pope and Stevens. RDC also worked with Clay- Wilkin CAA to try to establish an HRA in Wilkin County.	1) Received FmHA 111 planning grant to do needs assessment and allocation for 515 in the region, and help 20 com- munities develop their planning capabilities. 2) Is working with Clay-Wilkin CAA on HRA for Wilkin County.

REGION 1 CASE STUDY

I. DESCRIPTION OF REGION

Region 1 is the northwest corner of the state. Geographically, it is the 3rd largest region in the state but has a very small, scattered population (99,600 people). It encompasses seven counties.

Region 1 is unique in its pattern of housing delivery agencies: it is the only rural region that has a multi-county HRA. The Northwest Multi-county HRA serves all the region's counties except Norman, and is also currently doing administrative work for the new Clearwater County HRA in Region 2.

Three CAAs operate in the region; of them only Tri-Valley is entirely within the region's boundaries. Both Northwest CAA and Intercounty CAA serve counties in Region 2, and they participated in both regional consortia.

Other housing deliverers include FmHA, whose county supervisors are just beginning to become part of the housing "conversation" in the region. Banks offer MHFA programs in all but Norman County, but the consortium spent considerable energy in improving geographical coverage they considered inadequate.

There seems to be a pattern to the division of programs among deliverers: the multi-county HRA has responsibility for existing and newly constructed subsidized units, while rehab programs (MHFA grant and Weatherization) are run by the CAAs in their respective counties. The MHFA Grant program is actually subcontracted to them by the multi-county HRA, which is the Grant Administration Center for all the counties in region 1.

II. THE RURAL INNOVATIVE GRANT IN REGION 1

A. Member Agencies in the Consortium

Northwest CAA: lead agency. This multi-service agency of 5 staff members serves Kittson, Roseau, and East Marshall counties in Region 1, plus Lake of the Woods County in Region 2. All of the counties are heavily forested, sparsely populated, and on or near the Canadian border. The office is in Badger.

Region 1 RDC: Having started operation in 1973, this relatively new RDC has a staff of 9. Its housing planner is also responsible for manpower, land use and economic development planning. The office is in Crookston.

Northwest Multi-County HRA: The only rural multi-county HRA in Minnesota, N.W. HRA is located in Mentor, Minnesota and serves the region thru 1 director and 2 traveling housing specialists. It is the grantee for MHFA rehab for the whole region, but subcontracts the work to the three CAAs in their respective counties.

Inter-County CAA: With a staff of 27, this agency serves Pennington, Red Lake and the eastern part of Polk counties in Region 1 and Clearwater in Region 2. Its office is in Oklee.

Tri-Valley CAA: Serves the western half of Polk, the western half of Marshall and Norman Counties. The staff size is 30. Its office is in Crookston.

B. Allocation of Funds

Region 1's \$30,000 in grant funds went to only two of the 5 member agencies; \$3,000 to the RDC and the balance to the lead agency, NWCAA.

C. Staffing Pattern

The lead agency hired two new full time people. These "Housing Co-coordinators", John Wynne and Yvonne Beauchamp, do deliver one program for their agency but the bulk of their time is spent "working for" the consortium. Several "housing technicians" were also hired through CETA to provide outreach and coordination among agencies throughout the region.

No new staff was hired by the other funded agency, the RDC.

D. Work Plan

Two needs were to be addressed under the grant: 1) better data and 2) generalized program assistance to deliverers.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities (see chart)

The chart (p. 9) shows that the bulk of the region's activities was undertaken by the staff hired by the lead agency. Several of their activities warrant further description.

During his training period at NW HRA, John helped convince city councils all over the region to accept some of the family public housing units granted to the NW HRA.

Housing Technicians: Originally five were hired: now there are four, and they are funded only temporarily by CETA. The beginnings have thus been shaky, but the potential of the idea was viewed by all respondents as enormous and worthy of being pursued.

The "technicians" are just what their name implies: para-professionals in rural housing. Their job is to put people with housing needs together with whatever programs and resources will meet those needs. They are different from outreach workers, however:

Activity Agencies (Counties)	Individual Agency Activities				
	Establishing the Housing Technicians	Increasing Bank Participation MHFA	CDBG Application	MHFA's Rehab & Accessibility	Doing Surveys of Financial Institutions & Contractors
NW CAA John Wynne & Yvonne Beauchamp (Kittson, Roseau, E. Marshall)	Found funds, hired, trained & now supervise the Housing Techs. (See narrative below for more detailed description.)	Letter and visit to all 27 banks in region to explain MHFA programs. Housing Techs now maintaining contact with banks.	TA to Marshall County 1) wrote pre-app. & final app. 2) did public hearings.	1. Ran MHFA rehab grant program for NWCAA. 2. 1st effort in region to deliver rehab to handicapped and stretch MHFA dollars by using extra accessibility money.	(Under Joint Activities, p. 4, see description of an additional survey undertaken by all member agencies under the RDC's leadership.)
RDC (all counties)					Designed and sent questionnaire: 1) to banks to assess attitudes and information needs on MHFA. 2) to contractors to find how much building on speculation, what market info would encourage them, and whether a HOP would be useful.
NW HRA (all counties except Norman)	Trained in HRA programs.				
Tri-Valley CAA (West Polk, West Marshall and Norman)	Provided office for Housing Tech in CAA.			Ongoing delivery of MHFA grants.	
Inter-county CAA (Pennington, Red Lake & E. Polk)	Provided office for Housing Tech in CAA.			Ongoing delivery of MHFA grants.	

they are specialists in housing, they are more persistent and they serve all of the providers in the region.

Their method, described by one technician as "going around", is to maintain continuous contact with both public and private providers. Each covers a particular territory in the region, and is loosely affiliated with CAAs in the consortium, attending staff meetings and spending a day a week in the CAA office. They check in with banks to keep current on remaining dollars in MHFA loan programs, exchange referrals and listen to bankers' problems. They also visit non-participating banks, realtors and builders. They bring clients to the multi-county HRA and municipal HRAs and are opening communications with FmHA.

The focus of their job is identifying and serving clients. They are always available to people, since they have no regular program responsibilities; they "go round" regularly to welfare and other social service agencies to find clients. They see their most important role as client advocacy, and have established a network of agency and bank contacts that both accept and make client referrals.

They meet weekly to exchange information following an intensive training period provided by the Co-coordinators and NW HRA.

CDBG Application for Marshall County: The program will serve unfunded applicants for MHFA rehab grants, and will operate under exactly the same regulations. The CDBG funds will finance the rehabilitation of approximately 135 homes. It will be administered through the County Auditor's Office.

Joint Activities: Low Income Attitude Survey.

Besides the creation of the Housing Technicians, this is the major activity of the consortium. The survey is designed to provide better assessment of need and demand than the census supplies, both as a guide for policy makers and as a tool for better outreach.

Directed by the RDC and drawing on unique agency strengths ("we're the planners; they're the doers"), the task was divided as follows: RDC staff as a whole designed the survey questions and the methodology (700 personal interviews representing a 10% sample of CAA clients by township). The Housing Technicians identified the individual respondents from CAA files and CAA outreach workers and the Housing Technicians administered the interviews. The RDC will analyze and write up the results.

The purpose of the survey is to find out low income people's attitudes, needs, wants and level of knowledge in order to document demand for use in CDBG and Section 8 applications, in a possible HOP, and in allocation decisions.

Innovative activities or methods: The Housing Technicians approach as described above is innovative because it represents a free-standing approach to outreach on a regional level. The survey of low income attitudes in itself may not be innovative, but the inter-agency cooperation is.

B. Results of individual and joint activities

Compared to Work Plan: The two goals in the work plan were met: one by the consortium's joint activity, and one by the catalysts. The consortium's survey is helping to meet data needs, the first goal. the second, to provide program assistance to deliverers, was met through a successful CDBG application for one county, through increased outreach capability of Housing Techs that is available to all providers, and through assistance and support provided to the private sector, especially banks.

Compared to Mission Statement Criteria (see chart)

Compared to Mission Statement Criteria

Activity Criteria	Establishing the Housing Technicians	Increasing Bank Participation in MHFA	CDBG Application	Operating MHFA Rehab and Accessibility Grants	Doing three surveys: Financial Institutions, Contractors, Low Inc. Attitudes
1) Available resources used more effectively. - Met objectives of regional housing plan. - More people were served. - Individuals served more intensively. - More people aware of programs or needs. - More people working to solve housing problems. - Level of housing expertise was increased. - Objectives of individual programs more fully met. - Ongoing program administered more effectively.	Hard-to-help clients can now be referred to Housing Techs. Have served approximately 100. Housing Techs are advocates for individual clients. The Housing Techs themselves, plus the new contacts they have made, also the CAAs they are affiliated with. 4 Housing Techs, working for all providers in region. Yes, John and Yvonne through training the Housing Techs; & the Techs themselves. Housing Techs bring "most eligible" clients to banks for MHFA loans. Housing Techs make good bank referrals because they know where dollars are left. Saves bank time & advertising.	More people received rehab loans. Bankers more aware of both loan programs, & of need. More banks participating in MHFA programs. \$100,000 increase in MHFA loans through 2 new banks.	Approximately 400 more will get rehab help in Marshall Co. Marshall Co. Board, & other officials. New staff in Marshall County. County officials in Marshall County. \$725,000 for rehab through CDBG.	MHFA grant allocation stretched by funding accessibility items from separate source. Yes, due to Housing Tech help, & since staff combined programs, used accessibility dollars. Rural Innovative dollars allowed time to apply accessibility funds & combine programs. \$51,000 in accessibility funds.	Will supply "better than '70 census" data that reflects demand as well as need. Useful for a HOP. Low income attitude survey may identify new clients. Banks & contractors; 700 respondents to Low Income Attitude Survey. RDC & CAAs will know more about needs when responses tabulated. Yes, for RDC and CAAs on how to do surveys: also on local housing situation. Program dollars can be directed at correct people with new information from surveys. Survey data will improve allocation decisions, and improve A-95 review. More info. for problem-solving. Better assistance to private sector. Better A-95 review.
2) Expanding resources. - Volume of dollars was increased via existing or new programs. - New units. - New delivery mechanisms created.	Yes. Housing Techs represent a better mechanism for outreach, & potential for getting FmHA 504 and HUD 235 in region.				
3) Lasting benefits.	A new mechanism for personal outreach in large rural area.		Concentrated rehab program in one county.	Program was operated better.	

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 1

A. Consortium

1. Description

Membership/Funding

Northwest CAA.....	\$17,000
Region 1 RDC.....	3,000
Northwest Multicounty HRA.....	-0-
Intercounty CAA.....	-0-
Tri-Valley CAA.....	-0-

Formation

Forming the consortium was an easy matter in Region 1 because a climate of cooperation already existed among the heads of the three CAAs involved plus the head of the multi-county HRA, which had been formed by CAAs. The RDC was included and was the only member other than the lead agency to be funded.

There was apparently no difficulty in choosing a lead agency: the only remark any respondent made was that the CAAs and HRA agreed that it was Northwest's turn to get the benefit of a grant.

None of the staff working under the grant was involved in writing of the workplan, and no one knew how it was arrived at.

Method of operation: The consortium was staffed by the two Rural Innovative-funded people working under NW CAA, the lead agency. Consortium members provided direction and advice and set policy for staff to carry out. The consortium undertook a major joint activity, a survey, that required every agency to do its part. It met quarterly.

During meetings the discussion focused on planning the consortium's joint activities, rather than on individual program delivery inside agencies. The consortium also proposed strategies for the staff in carrying out work plan activities such as dealing with banks.

Interagency communication was extensive before the formation of the consortium among the heads of the 3 CAAs and the multi-county HRA. Communication outside of consortium meetings has nevertheless increased on other fronts: CAA program deliverers found it valuable to get to know each other. Consortium staff and housing techs communicate regularly among members. A major addition to the conversation is the RDC, which is now working closely with CAAs on the survey. The RDC mentioned "a continuous flow of information around the region".

2. Effectiveness (as seen by members)

- a. Ratings: very effective.....0
somewhat effective.....3
not too effective.....0
not at all effective.....0
could not rate.....2

b. Reasons given for ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) RDC and CAAs learned about each others' functions and each gained important information from the other.
- 2) RDC says "its always a strength to work as a team."
- 3) Deliverers gained information on unfamiliar programs, other deliverer's problems and solutions.
- 4) Housing Techs, though initiated by the catalysts, not the consortium, can nevertheless function better because of cooperation among agencies.

No weaknesses/drawbacks

In terms of impact on housing delivery, strengths/benefits cited were:

- 1) All the above benefits to individual agencies improved delivery.
- 2) The consortium makes housing a recognized factor in the region.
- 3) The consortium set goals and had staff to carry them out.
- 4) The consortium helped member agencies avoid duplication and make better referrals.
- 5) It reached out to non-member deliverers: FmHA and banks.
- 6) Consortium members believed the cooperation necessary to do the low-income attitudes survey would not have occurred without the consortium.

Weaknesses/drawbacks cited were:

- 1) Consortium couldn't "tell agencies what to do," couldn't change policies.

- 2) Consortium would be weak without own staff, because members couldn't or wouldn't carry out policy decisions.
- 3) Members were not kept abreast of progress well enough.

B. Catalyst

1. Description: two "unencumbered catalysts"

A "Housing Coordinator", John Wynne, whose salary was paid by Rural Innovative money, was hired by the lead agency, NWCAA, for the duration of the grant. (In his first month he worked for and was trained by the NW Multi-county HRA.) Later a second coordinator, Yvonne Beauchamp, was hired by NWCAA. John is responsible for MHFA rehab grant delivery within his agency, NWCAA, and estimates that 30% of his and Yvonne's combined time is "encumbered" by managing this program.

All members except one identified John and Yvonne as fitting the description of "unencumbered catalysts." (That one identified the consortium itself as a group free to affect housing problems.)

The co-coordinators, or "unencumbered catalysts", describe their most important role as "deciding what's the most effective way to carry out the objectives of the consortium." Thus, while attached to an agency, the catalysts felt an employee relationship to a group that was itself called catalytic but that was also assessed as being inherently weak if not staffed.

The activities of the catalysts are described in the "Individual Agency Activities" chart and accompanying description but one activity has particular bearing on the catalyst issue. Four of the five answers to the catalyst questions identified the housing technicians, as well as John and Yvonne, as real or potential unencumbered catalysts. Furthermore, the housing techs interviewed all identified the co-coordinators as their source of direction and guidance. The effect of their presence, then, is to increase the availability of unencumbered time and expertise to all agencies in the consortium, thus augmenting the catalyst function in Region 1.

The major portion of catalyst time was spent in providing expertise and advocacy.

2. Effectiveness (as seen by members)

a. Ratings: very effective.....2

Both respondents answering this question rated John and Yvonne as very effective. Others saw the housing techs as catalysts; two rated them as very effective but two others thought it too early to judge their effectiveness.

b. Reasons given for rating:

Strengths/benefits cited were:

- 1) Provided a link among agencies.
- 2) Had "free rein": could try techniques that weren't sure things - if they didn't work, they were free to do them differently or drop the idea.
- 3) Provided available expertise.
- 4) Catalysts' personalities - plenty of determination, "untiring efforts."

Weaknesses/drawbacks: none mentioned.

c. Choices for future policy

1. Which had more impact?

Consortium.....1 ("to this point")
Catalyst.....4
Couldn't answer.....1

2. Model for future (choice among three alternatives)

Consortium alone.....0
Catalyst alone.....1
Combination.....5

Reasons for choosing the combination:

- 1) Need regional policy and approach, and must pool regional funding to be able to afford catalyst to carry out the policy.
- 2) Consortium the only single-issue housing group at hand. Respondent thought multi-county HRA "too far away" to be helpful to him, and a catalyst is appropriate to be consortium staff.
- 3) Housing Technicians need direct but regional supervision.

Changes proposed:

- 1) Expand membership to include banks & FmHA, possibly others, and
- 2) make funding permanent.

REGION 2 CASE STUDY

I. DESCRIPTION OF REGION

Like the other two northern regions, Region 2 is sparsely populated although its 55,000 people represent the second lowest population of any region in the state, the population is increasing. The largest town, Bemidji, has under 12,000 people. Much of the territory in its five counties is publicly owned forest lands.

Region 2 has the lowest average family income in Minnesota at \$7,599. The RDC informally estimates, for example, that 75% of its residents qualify for MHFA Affordable Home loans.

In general, housing is not seen by local officials as being the pressing problem that housing deliverers and RDC staff think it is. No CDBG preapplications from the region included housing components; bank participation in MHFA programs is small; there are small municipal HRAs but none besides Bemidji's does anything but operate four units or less. As a result of the Rural Innovative grant there is now a county HRA in one county.

MHFA rehabilitation and CSA Weatherization programs are run by four CAAs operating in Region 2. Northwest and Intercounty CAAs actually have their main offices outside the region, but each serves one county in Region 2. The other two, the Mahube and Bi-County CAAs, are also split between two regions. All of the four CAAs, then, participated in two consortia. While other consortia featured divided CAAs, Region 2 is the only one where all were divided.

II. THE RURAL INNOVATIVE GRANT IN REGION 2.

A. Member Agencies in the Consortium (called the Headwaters Housing Consortium)

Headwaters RDC: lead agency. Has a staff of 8. Previous to the grant they had a half time Housing Planner. Rural Innovative money allowed that person, Denise Vik, to become a full-time Housing Planner and consortium staff person. The RDC office is located in Bemidji.

Bi-County CAA serves two counties: Beltrami in Region 2, and Cass in Region 5. Its main office is in Region 2 in Bemidji. There are 5 satellite offices. Bi-County delivers MHFA Rehabilitation grant programs and weatherization in its two counties, with a staff of 62.

Intercounty CAA serves Clearwater County in Region 2, and 2½ counties in Region 1. While its main office is in Region 1, it maintains a Clearwater county office in Bagley. The outreach worker there does much of the MHFA work. The agency has a total staff of 27.

Mahube CAA's name indicates the counties it serves: Mahnomen and Hubbard in Region 2, and Becker in Region 4. Its overall

staff numbers 35. Its main office is in Detroit Lakes, and it maintains branch offices in Mahnomen and Park Rapids. Mahube provides MHFA rehabilitation grants and weatherization in all three counties.

Northwest CAA: serves one county in Region 2: Lake of the Woods, one of the least populated counties in the state. It maintains no office there, having its main office in Badger, but does deliver both MHFA grants and weatherization to Lake of the Woods residents. It is the lead agency in the Region 1 consortium.

B. Allocation of funds

\$30,000 was granted to the Headwaters Housing Consortium. One half, \$15,000, went to the RDC for the salary, travel and other support expenses of the consortium staff.

The other \$15,000 was divided among three of the four CAAs (Bi-County didn't ask for funds), as follows: Intercounty \$4,530, Mahube \$8,415; Northwest \$2,055.

C. Staffing pattern

The lead agency funded their previously half-time housing planner, Denise Vik, to be a full time housing planner and "consortium staff." Denise was responsible to her agency for 701 Housing planning, and otherwise defined her job as finding ways, both alone and with the consortium, to get all available housing programs functioning in the Region.

Denise went on maternity leave 2/3 of the way through the grant: her place was taken by Cliff Tweedale, Director of Physical Planning (which includes housing now).

The other agencies also used their funds to pay partial salary and travel expenses of current staff. Thus no new staff people were hired for Rural Innovative grant work in the region.

D. Work Plan

The original work plan for Region 2 contained a clear set of goals and activities geared to meet those goals.

They wanted to:

1. define the specific housing needs of their low income residents,
2. assess the ability of existing programs to meet those needs, and
3. assist in making existing programs fulfill those needs.

There was also the assumption that there were "gaps" in service delivery; that programs were not available to meet all the various needs of their low-income clients.

To meet their objectives, they assigned the RDC, as part of its 701 plan, to do the background research. In delivery they

focused on:

1. developing a housing information and referral system
2. encouraging public/private sector cooperation
3. providing training so clients can use self-help labor in rehabilitation grant programs, and
4. coordinating housing programs to assure effective resource use.

A work plan update was submitted for approval in April, 1978. The clarifications reflect what the consortium and its staff had learned during the first six months of the grant.

They realized that filling service gaps with new programs had to be deferred. The region's greatest need was more basic: to foster the use of resources that are available in the state but not being put to work in Region 2.

So the activities in the chart below will reflect their specific emphasis on increasing bank participation, communication with FmHA, and the establishment of HRAs to obtain Section 8 existing units.

III. Grant Activities and Results

A. Regional Activities

Individual Agency Activities: see chart.

Individual Agency Activities

Activities Agency (counties served)	Increasing Bank Participation in MHFA	Utilizing FmHA Programs	Outreach	Forming HRAs	Improving Operation of MHFA Grant Program	Alternative Housing and Energy Activities
RDC Denise Vik, Then Cliff Twaedale (all counties).	Form letter to all banks; arranged meetings between bankers and MFHA staff. Inconclusive results; now will try enlisting public officials to appeal to banks.	Worked with communities and developers to secure 515/8.	Informed other RDC staff about housing. Spoke at Senior Citizens meetings. Comprehensive planning help to local of- ficials increased amount of TA requested on housing.	Assisted in creation of Clearwater County HRA. With Bi County CAA, tried (unsuccessfully, so far) to convince Beltrami to form county HRA.		
Bi County CAA (Beltrami County).		Arranged for CETA funded CAA person to work in Beltrami County FmHA office processing 504 grants. With RDC, helped Nymore apply for 515. Investigated Self- Help: decided to wait til state policies firmer.		With RDC, tried (un- successfully, so far) to convince Beltrami to form county HRA.	About 20% of labor on MHFA rehab grants in Beltrami is done by client--a rehab "self-help" program. Bi County purchases and warehouses bulk materials for cost savings to MHFA clients.	Grant received from the center for Ap- propriate Technology funded 3 solar installations for heating weatherized homes, plus monitoring. Developing con- sultation capability on alternative con- struction and energy.
Intercounty CAA (Clearwater County).	Outreach worker in Clearwater contacted the banks: so far, unsuccessful.	Helped Clearwater FmHA office make some 504 grants and loans, did some of paperwork.		Get petitions signed by people in Clearwater County to demonstrate need for an HRA to Clearwater County Board.	Clearwater County's MHFA allocation divided into sub- county districts, each with its own grant review committee. Combine 1/2 of MHFA grants with weatheri- zation, and some with FmHA 504 grants or loans.	
Mahube CAA (Mahnomen, Hubbard Counties).	Was designated by con- sortium to work with banks. Convinced Mahnomen bank to participate in MHFA rehab loans; Mahube staff person processes loan applications in the bank 1 day a week.	Helped Akeley apply for 515.	Mahube's MHFA staff maintains a regularly scheduled "circuit ride" around the 3 counties he serves. Does personal expla- nation in homes with both eligible and ineligible clients.		Initiated circuit rider approach to deliver MHFA. Took advantage of work- shops to increase expertise, using Rural Innovative funds for travel costs.	Has installed 2 solar collectors, passes out energy information to clients.
Northwest CAA (Lake of the Woods).	Tried to get bank in Baudette involved.					

Joint Activities: The consortium arranged a training workshop for CAA outreach workers. The benefits spread to Region 1 since Intercounty CAA, which participants in both consortia, brought its outreach workers along; Region 1's Housing Techs also came. In all 50 people were present including 4 from FmHA who explained 502 and 504 in detail.

As in 6W, some activities were undertaken separately but concurrently by several members. For example, the CAAs used Rural Innovative money to help fund the provision of MHFA grants, but there was no joint activity in this area. All of the agencies saw FmHA as an underutilized resource, but except for the outreach workshop where FmHA personnel were the key guests, the agencies worked independently to unlock FmHA housing resources.

There was some interagency cooperation, as in the creation of the Clearwater HRA, but in all cases it was between the lead agency and an affected CAA, and was not a consortium "joint activity."

Innovative Activities and Methods: Three approaches to delivering FmHA programs are new to Minnesota. Clearwater County's CAA outreach worker is doing some 504 paperwork for the county supervisor. In Beltrami County, Bi-County CAA developed the most innovative approach by securing a CETA employee for the FmHA office to process 504 grants there. Also, the RDC's assistance made possible the construction of the first two FmHA 515/8 buildings in the region. Most of the extra grant funded activity among the CAAs was related to improving the delivery of ongoing CAA programs, particularly MHFA rehabilitation grants. Innovations were: Mahube's circuit-rider delivery to each of its counties, BiCAP's self-help and bulk purchasing of materials, Intercounty's sub-county allocation and client selection process.

B. Results of Individual and Joint Activities

Compared to Work Plan: While certain planned activities, such as creation of a housing information and referral system, have not been done, the objectives of the work plan have not been neglected. Some have been met: needs were defined through the 701 planning process and usable programs identified. Outreach has improved, delivery of MHFA rehabilitation grants has been strengthened, and self-help methods utilized.

The main objective, to get all available programs working in the region, has been met partially. FmHA programs newly operating in the region represent the greatest breakthrough. HUD Section 8 existing is now available through in one new county HRA. More extensive usage of MHFA loans remains the least successfully met goal, but that is not from lack of trying.

Compared to Mission Statement Criteria see chart

Compared to Mission Statement Criteria

Mission Statement Criteria	Activities				
	Increasing Bank Participation In MHFA	Utilizing FmHA Programs	Outreach	Forming HRAs	Improving Operation of MHFA Grant Program
1) Available resources used more effectively.					
-Activity met objectives of regional housing plan.	High priority in plan. More activity to come in future.	Both 515/8 projects funded in priority areas for elderly housing.			
-More people were served.	Mahube did paperwork for Mahnomen bank on 10 rehab loans.	26 504 clients served (none previously) 40 households in two new 515/8 bldgs.	Mahube's outreach circuit: increased personal contact with more clients.	50 households through Section 8 existing in new Clearwater County HRA.	Grants go 10% further with county's "self-work" methods.
-Individuals were served more intensively.		About 20 504 grants combined with MHFA grants.			
-More people aware of housing needs and/or programs.	Mahnomen bank.	Other communities now interested in 515, since they've seen building go up. Delivering 504 "opened FmHA's needs of elderly".	50 people at consortium workshop.	Clearwater County Board, 5 new HRA commissioners. Beltrami County Board.	
-More people working to solve housing problems.		Volunteers, developers and agency staffs working to get 515 units because of efforts by RDC, Bi-County, Mahube.		1 new staff in new HRA.	
-Level of housing expertise was increased.		FmHA, developers know 515/8 now. FmHA learning how to deliver 504.	50 outreach workers trained at consortium workshop--also RDC and FmHA.	New CETA-funded Clearwater HRA staff, new HRA Board.	Training of Mahube staff at workshops and seminars valuable.
-Ongoing programs were administered more effectively.		Bi County is helping FmHA define who it will help and with how much (on 504 grants).			Mahube fostered better relationship with contractors, "the key" to success. Bi County advertises once for FmHA and MHFA rehab. Saves time and confusion.
2) Resources were expanded.					
-Volume of \$ was increased via existing or new programs.	\$150,000 in Mahnomen bank (none previously in Mahnomen County.)	Approximately \$100,000 for 515/8 construction plus continued subsidy of \$150,000 annually.		Clearwater HRA: \$9,000 in CETA funds for new staff person. \$105,000/yr. for 5 years in Section 8 existing.	
-New housing units were influenced.		40 new 515/8: never had any before in Beltrami.			
-New delivery mechanisms were created.		New CAA/FmHA co-operation has potential for increased money through other programs: 504 loans, 502.		Clearwater County HRA established. Has ACC for 50 units of Section 8 existing.	
3) Lasting benefits.	Mahnomen bank an example to other banks in region, whose participation level is still unsatisfactory.	Other FmHA offices can learn from Beltrami example of CAA/FmHA co-operation. Other communities already asking for	Outreach workers now better informed on housing programs and can make better referrals.	More affordable rental housing in Clearwater: delivery vehicle for other HUD programs is in place.	Improved housing condition in region.

Compared to Mission Statement Criteria

Mission Statement Criteria	Activities	Increasing Bank Participation in MHFA	Utilizing FmHA Programs	Outreach	Forming HRAs	Improving Operation of MHFA Grant Program
1) Available resources used more effectively. -Activity met objectives of regional housing plan. -More people were served. -Individuals were served more intensively. -More people aware of housing needs and/or programs. -More people working to solve housing problems. -Level of housing expertise was increased. -Ongoing programs were administered more effectively.	High priority in plan. More activity to come in future. Mahube did paperwork for Mahnomen bank on 10 rehab loans. Mahnomen bank.	Both 515/8 projects funded in priority areas for elderly housing. 26 504 clients served (none previously) 40 households in two new 515/8 bldgs. About 20 504 grants combined with MHFA grants. Other communities now interested in 515, since they've seen building go up. Delivering 504 "opened FmHA's needs of elderly". Volunteers, developers and agency staffs working to get 515 units because of efforts by RDC, Bi County, Mahube. FmHA, developers know 515/8 now. FmHA learning how to deliver 504. Bi County is helping FmHA define who it will help and with how much (on 504 grants).	Mahube's outreach circuit: increased personal contact with more clients. 50 people at consortium workshop. 50 outreach workers trained at consortium workshop--also RDC and FmHA.	50 households through Section 8 existing in new Clearwater County HRA. Clearwater County Board, 5 new HRA commissioners. Beltrami County Board. 1 new staff in new HRA. New CETA-funded Clearwater HRA staff, new HRA Board.	Grants go 10% further with county's "self-work" methods. Training of Mahube staff at workshops and seminars valuable. Mahube fostered better relationship with contractors, "the key" to success. Bi County advertises once for FmHA and MHFA rehab. Saves time and confusion.	
2) Resources were expanded. -Volume of \$ was increased via existing or new programs. -New housing units were influenced. -New delivery mechanisms were created.	\$150,000 in Mahnomen bank (none previously in Mahnomen County.)	Approximately \$100,000 for 515/8 construction plus continued subsidy of \$150,000 annually. 40 new 515/8: never had any before in Beltrami. New CAA/FmHA co-operation has potential for increased money through other programs: 504 loans, 502.		Clearwater HRA: \$9,000 in CETA funds for new staff person. \$105,000/yr. for 5 years in Section 8 existing. Clearwater County HRA established. Has ACC for 50 units of Section 8 existing.		
3) Lasting benefits.	Mahnomen bank an example to other banks in region, whose participation level is still unsatisfactory.	Other FmHA offices can learn from Beltrami example of CAA/FmHA co-operation. Other communities already asking for help on 515/8.	Outreach workers now better informed on housing programs and can make better referrals.	More affordable rental housing in Clearwater: delivery vehicle for other HUD programs is in place.	Improved housing condition in region.	

As can be seen from the chart, Region 2 consortium members were successful in their efforts to bring new programs into the region through 1) their cooperation with FmHA which generated \$500,000 in new construction and \$100,000 in 504 rehabilitation loans and grants, and 2) through obtaining Section 8. Although consortium members were frustrated overall in their efforts to enlist banks in the MHFA loan programs, their work did result in \$150,000 of new loan money coming into the region.

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 2

A. Consortium

1. Description

Membership/Funding

Headwaters RDC - \$15,000
Bi-County CAA - -0-
Intercounty CAA- \$ 4,530
Mahube CAA - \$ 8,415
Northwest CAA - \$ 2,055

Formation

Organizing the consortium apparently presented no problems in Region 2. The RDC said it has good relations with CAAs. When the funds were announced, the RDC was quick to respond, as its budget was tight and a staff member would have had to be dropped had not the Rural Innovative funding been available.

Other deliverers (banks, FmHA, Municipal HRAs) were not included: "They're part of the problem," one consortium member said.

The RDC became the lead agency: it had provided the original initiative for a consortium, having apparently called a meeting of deliverers even before money was known to be available. Also, the RDC wrote the grant proposal, including the work plan, which amalgamated the individual goals of the member agencies.

Method of Operation

Regular meetings held quarterly until January, 1978, when they decided to meet every other month. The consortium operated with staffing provided by the RDC. The RDC's role was to convene meetings and to provide up-to-date information on programs, legislation, and on new funding sources such as UDAG and CDBG. Denise and later Cliff were complimented by one member for being well prepared for meetings, for providing excellent information, and for being clear about what they expected from members. Thus the RDC played a true leadership role.

The CAAs functioned in the consortium as individual deliverers. The RDC felt it sometimes had to prod and encourage them to participate actively.

Meeting content generally consisted of the RDC offering technical assistance and the delivers sharing program ideas and problems: "We bounce questions off each other." The RDC felt the CAAs, through the consortium meetings, provided it with a direct link to the individual client. In return the RDC could provide CAAs with a link to planning.

The consortium stimulated some communication outside of consortium meetings. Each respondent mentioned communication with Denise, but only one mentioned any among other members. That one said that since the consortium began meeting he has had more "county-to-county" client-related contact with the other consortium members, whereas before he only occasionally saw them in Minneapolis.

2. Effectiveness (as seen by members)

- a. Ratings: very effective -- 1
somewhat effective -- 1
not too effective -- 1
not at all effective -- 0

b. Reasons given for ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) RDC gained a more practical outlook, as well as a better understanding of delivery and of clients' problems.
- 2) "It's good to have meetings with peers." The exchange of expertise was valuable. Members learned what programs could operate that currently are not available.
- 3) CAAs feel they have gained credibility with the RDC; RDC independently complimented CAAs on their program delivery.

One weakness/drawback cited was that members needed prodding, didn't take enough initiative.

In terms of impact on housing delivery in the region, strengths/benefits cited were:

- 1) Increased interagency communication both inside and outside consortium meetings. "The important thing is getting together and helping each other; finding out what's going on."
- 2) Planning and delivery more closely linked.

Weaknesses/drawbacks cited were that:

- 1) there wasn't enough time to get much done as a group, and

- 2) local officials (county boards, etc.) weren't affected by the consortium as a group.

B. Catalyst

1. Description: "partially uncumbered catalyst"

Denise and later Cliff's job was seen in two ways. They had the time to pursue their own agency's goals much more extensively: they could choose to go the "extra step" with 515/8 and with technical assistance. But they and the other consortium members also saw their job as "keeping the consortium going."

In the early days of the consortium Denise was fulfilling her 701 planning obligation to her agency (about 30% of her time). The 701 planning she was doing could be done better because the Rural Innovative funds allowed her to spend all her time in the housing area. Furthermore, her extra time allowed her to follow through on implementing the plan through technical assistance. At the same time she was the source of energy and leadership for the consortium, forcing them to deal with larger questions of service delivery than simply an exchange of program information.

She undertook to initiate and follow through on planning and technical assistance activities alone, and she worked jointly with individual agencies on issues that affected their counties. She let agencies know what she expected of them, thus encouraging them to go an extra step also.

The catalyst function in Region 2, then, was a dual one. This is illustrated best by Cliff's assessment that her role in the consortium was leadership, but that her most important role under the grant was expanded technical assistance and planning.

2. Catalyst effectiveness

- a. Ratings: very effective -- 1
no other ratings

- b. Reasons given for ratings:

strengths/benefits cited were that:

- 1) the full time housing person had time to really concentrate on goals and be persistent,
- 2) the catalyst could choose what to do, and
- 3) the catalyst could organize the consortium and "get it going," not as a sidelight to another job, but as a main purpose.

c. Choices for future policy:

1) Which had more impact in Region 2?

Consortium-1 ("but needs a catalyst to keep
it going")

Catalyst-1

2) Model for future funding

Consortium alone - 0

Catalyst alone - 0

Combination - 2

Why? Because the consortium idea is an
excellent one, but takes time and
energy to develop.

Changes proposed were to expand membership
to make the consortium committee a part of
an RDC Housing Advisory Committee, or to
fund extra catalyst time in the agencies,
but ensure coordination with planning through
a consortium.

REGION 3 CASE STUDY

I. DESCRIPTION OF REGION

The Arrowhead Region of N.E. Minnesota consists of seven counties covering over 20,300 square miles - more than twice the size of any other region in Minnesota. This particularly scenic region, which encompasses the Boundary Waters Canoe Area, consists of 80% government owned forest and mining lands. These public lands greatly restrict potential land for new housing construction which exacerbates the housing shortage in this region.

Outside of Duluth, a harbor city on Lake Superior of 221,700 population, the rural population is widely scattered in small communities that comprise 42.6% of Region 3's residents. The region as a whole contains 8.7% of Minnesota's total population and is experiencing moderate growth except for Cook County which has experienced very rapid growth in the past 10 years due to the taconite industry located there.

Three county HRAs plus municipal HRAs provide subsidized units for the elderly. These are small projects run by part-time staffs. The three CAAs deliver all home improvement programs and FmHA is responsible for new single family construction and, of late, much of the multi-family new construction. At the inception of this grant, the ARDC had a housing staff person with considerable interest and expertise in rural delivery problems which allowed him to provide TA and advocacy for the rural areas of Region 3 (he has since left the agency).

II. THE RURAL INNOVATIVE GRANT IN REGION 3

A. Member Agencies in the Consortium

Arrowhead Economic Opportunity Agency (AEOA) - lead agency. This large multi-purpose community action agency has 125 staff members. It maintains its main office in Virginia, with 8 satellite branches that are staffed by travelling personnel. Some of its programs cover all seven counties in Region 3, but it primarily serves Lake, Cook and St. Louis counties in the N.E. corner of the state. These are extremely large counties (covering 10,000 sq. miles) with very scattered populations.

Koochiching - Itasca Community Action Council serves the two counties in its name with a full range of programs including MHFA grants and weatherization. Its staff numbers 52. Its main office is in Grand Rapids and it has one satellite office.

Lakes & Pines Community Action Agency - A multi-purpose agency covering seven counties in East Central Minnesota. Two of these counties, Aitkin and Carlton, are located in Region 3 - the others are located in Regions 7E and 11. Its office is in Region 7E, in Mora. Lakes and Pines delivers both MHFA grants and weatherization in all of its counties.

Arrowhead Regional Development Council - Located in Duluth, this is one of the oldest and best established of all the RDCs in the state. During the grant period the RDC formed a Housing Advisory Committee.

B. Allocation of funds

Of the \$30,000 received in Region 3, \$25,000 went to AEOA to administer the grant and to hire a consortium staff person. \$5,000 went to the RDC to develop a low-income needs assessment. The other two CAAs were not funded.

C. Staffing pattern

The lead agency hired one full-time person, Pat DeWitt, to staff the consortium. Although she offered technical assistance to each consortium agency and spent time on consortium communication and administration, about 50% of her time was spent developing housing programs that will be run out of AEOA.

D. Work plan

The work plan was an amalgamation of interests from the various agencies involved and thus listed several separate activities, including:

1. Revise and update regional allocation plan
2. Look into use of FmHA programs-particularly self help, 515, and 504 home improvement loans
3. Develop a multi-county HRA for Lake, Cook and St. Louis counties
4. Use CETA employees in weatherization program at Lakes and Pines CAA
5. Explore and obtain Title I Certification in AEOA in order to deliver MHFA rehab loans
6. Provide TA and training to local governments, outreach workers and other housing deliverers
7. Explore mutual activities and vehicles for multi-jurisdictional cooperation such as joint powers agreements for CDBG applications
8. Needs assessment

III. GRANT ACTIVITIES AND RESULTS

A. Regional activities

Individual agency activities (see chart)

Individual Agency Activities

Activity Agency (Counties)	Delivering Rehab Programs More Effectively	Increasing FmHA/CAA Cooperation	Exploring FmHA Self-Help, Panelization	Applying For CDRG	Planning
AEOA -Pat Dewitt (Housing Programs in Lake, Cook and rural St. Louis)	1) Received Title I Cert. in Fall, 1977. Now delivering MHFA Rehab. loans to low income people in three-county area. Loaned \$125,000 through June, 1978. Now working on \$250,000 commitment to be completed by December, 1978. 2) Secured CETA slots for Lakes & Pines' weatheriza- tion program.	1) Researched FmHA programs and usage. 2) Contacted County/District supervisors to encourage leveraging of FmHA loans with MHFA grants. Promoted service role for CAAs with FmHA and local HRAs. 3) Arranged two training sessions with CAAs and FmHA staff on 504, 515, Self-Help. 4) AEOA/FmHA reached agreement: AEOA does outreach and processing for leveraged loans. 5) Trained CAA's outreach workers to make good 504 referrals to FmHA.	Organized S-H Project in Arrow- head in Fall, 1977. Facilitated communication with local and state FmHA officials on S-H. No agreement reached with FmHA. Project was abandoned in Feb., 1978. Now pursuing a S-H Project in Floodwood.	For St. Louis Co. Did research & developed idea of rehab of rental units. Contacted 25 towns to explain program-attended council meetings. Wrote pre-app. for 3 cities & 1 town- ship, and developed joint powers agree- ment. Not funded. For Kooch.-Itasca Did research, provided joint powers agreement, and contacted some communities.	
Koochiching- Itasca CAA		Works with Itasca- Aitkin FmHA on crisis cases only.	1) Attended FmHA meetings on S-H. 2) Suggested Panel- ization as a construction method for S-H Housing to promote S-H & employment at same time.	1) Developed joint pre-app. for Kooch. -Itasca counties, based on rental rehab. 2) Held public meetings. 3) Determined which buildings were cost-effective to rehab. Not funded.	
Lakes & Pines CAA (Aitkin & Carlton)	Now using CETA work crew for weatherization.	Occasional coopera- tion with Duluth FmHA office.			
ARDC (all counties)					1) Formed a Housing Advisory Committee to develop 701 plan: a variety of deliverers included. 2) Will produce low income needs assess- ment for region.

As can be seen from the chart, almost all activities in Region 3 were initiated by the consortium staff person, Pat DeWitt. On behalf of AEOA, she put in many hours working on the MHFA loan program, FmHA Self-Help program and CDBG pre-applications (see Innovative Activities).

Joint Activity: There was no joint activity in the sense of each member participating in a single common task, but the consortium staff person did function as a spokesperson for all consortium members in developing communication between FmHA and the CAAs. She used her personal contacts at FmHA to arrange training and overcome their suspicion of CAAs as deliverers in order to combine usage of MHFA rehab grants and FmHA loans so that individual clients could be served more completely. FmHA now also willingly accepts referrals from the CAAs for its 504 grant program.

Innovative Activities or Methods: Several activities undertaken in Region 3 were highly innovative and involved CAAs in using housing programs in new ways.

AEOA was the first CAA in the nation to receive Title I Certification from FHA. It was clearly innovative for a non-profit agency to seek lender status in order to make home improvement loans. AEOA has demonstrated with their success that a private non-profit agency is capable of making loans that can help meet the needs of families who are not serviced by the existing private lending system. AEOA staff feel other responsible Grant Administrative Centers could operate this program in areas where banks are unwilling to join the program or are not meeting the needs of lower-income people.

The FmHA Self-Help program was unused in Minnesota at the outset of this grant. Pat was among the first to put a S-H group together here and try to get the state office to set policy for accepting such groups in Minnesota. Although her effort failed, it helped the state FmHA office define its guidelines. Two projects are now under way in the state.

FmHA/CAA leveraging of funds is also new in Minnesota. Previously, FmHA county offices had seen themselves as separate from other agencies in the housing delivery system and no joint activities had taken place. In this case, FmHA and the CAAs in Region 3 have reached agreement that they serve the same population; they now see themselves as "co-providers."

Pat helped the Koochiching-Itasca CAA put together a joint CDBG pre-application for their two counties. Although it was not funded, the approach used was innovative in that the pre-application was for more than one county and that the program would be administered by the CAA.

B. Results of individual and joint activities

Compared to work plan: Region 3 outlined many new activities in their work plan and managed to explore almost all of them. The one major exception is developing a multi-county HRA for Lake, Cook and St. Louis Counties.

Compared to Mission Statement (see chart)

Compared to Mission Statement Criteria

Activities Criteria	Delivering Rehab Programs	Increasing FmHA/CAA Cooperation	Exploring FmHA Self-Help Panelization	Applying For CDBG
1) Available resources used more effectively. -Activity met objectives of regional housing plan. -More people were served. -Individuals were served more intensively. -Number of people aware of housing needs and/or programs was increased. -Number of people working to solve housing problems was increased. -Level of housing knowledge and expertise increased. -Objectives of individual housing programs were more fully met. -Ongoing programs administered more effectively.	1 year - about 70 loans...All new and AEQA clientele. 1) Yes - combine MHFA loans and grants. 2) Homes weatherized more completely by CETA labor. MHFA: Yes, but not advertising too much; don't want a long waiting list for rehab loans. 2 new CETA people in L & P do weatherization. Yes. Several in AEQA trained to make loans. 1) MHFA loans reach broader spectrum of clients. 2) Weatherization met CSA objectives better. L & P with CETA work crew, can do more weatherization at less cost.	Yes. Combining programs a goal. Yes. 30 referrals to FmHA accepted. Yes. 8-15 leveraged loan clients received grant and loan. Yes. Thru AEQA outreach. 1 AEQA staff. FmHA county sups spending more time on housing program. Yes. FmHA county sups housing staffs at AEQA and Koochiching-Itasca. Yes. More people reached by CAA making referrals to FmHA. FmHA serving low income people. Both FmHA and MHFA programs, because of new cooperation.	Yes. Cooperation among agencies a goal. Of original 11 self-help families, 2 obtained housing thru FmHA 502. AEQA, but results negative. 23 families became familiar with self-help and problems involved in constructing own home. State FmHA office will seriously consider panelization for future self-help projects. CAAs across state and state FmHA office looking for ways to implement self-help in Minnesota. Pat's time. Definitely - Pat, FmHA staff at all levels.	24 municipal boards and 3 county boards became familiar with CDBG and committed to housing rehab as a critical need. Yes - CAAs staffs - AEQA/Koochiching-Itasca local officials. Did not receive funding. 1, through FmHA 502. Set framework for future multijurisdictional applications.
2) Resources were expanded. -Volume of \$ was existing via new programs. -New housing units were produced. -New delivery mechanisms were created.	\$375,000 in one year from Title I certification. Title I rehab loan capacity. Ongoing administration funded by percent of loan \$.	More \$ from 30 more 504 grants and loans. Monthly meetings between AEQA housing staff & FmHA county sups to review applications.	Made FmHA aware of need; forced decision-making at FmHA state level.	
3) Lasting benefits of this activity.	Improved housing stock.	FmHA now committed to serving housing needs of region's low income population. Cooperates with other deliverers.		

In terms of bringing new dollars into Region 3, the MHFA Loan program in AEOA was the most successful activity in the region - it produced \$375,000. In using existing programs more effectively, the FmHA/CAA cooperative efforts were most successful. It should also be mentioned that although the funds requested for CDBG in three counties were not granted, this initial effort to solve housing problems on a multi-jurisdictional level is significant because it has greatly increased awareness among local political leaders that housing rehab is a need and that their communities must work together for successful solutions.

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 3

A. Consortium

1. Description

Membership/Funding

AEOA.....	\$25,000
Koochiching/Itasca CAA.....	-0-
Lakes & Pines CAA.....	-0-
ARDC.....	\$ 5,000

Formation

Region 3 had little difficulty forming their consortium. The three CAAs that provide service coverage on the region plus the RDC held several meetings where they identified local problems and set priorities for consortium activity. They did not focus on regional problems.

The participating agencies identified AEOA as the logical lead agency, since it is the largest, strongest CAA in the region. Although participants agreed to this, there were some tensions due to feelings that "AEOA gets everything."

Together, AEOA and ARDC wrote the work plan which was an amalgamation of ideas gathered from the various participants.

Method of Operation

The consortium has met irregularly and with poor attendance; some members feel this was due to the very long distances they must travel to meet.

The consortium staff person convened consortium meetings, initiated personal contacts between herself and other grantees and circulated written materials in an effort to facilitate consortium communication. HRA directors from Koochiching and Itasca counties were invited to consortium meetings in the spring of 1978. All agencies other than AEOA were primarily "reactors" within the consortium.

No clearcut focus emerges from the consortium meetings. Some time was spent discussing issues such as HRA operations and the MHFA housing allocation system within Region 3 (grantees think an inordinate percentage of dollars goes to Duluth at the expense of the rural sections of the region). Grantees did not do any joint planning for delivery, nor did they provide much policy guidance for their consortium staff person. They did review what each agency was doing, and shared resources and information.

Most communication outside of meetings was initiated by Pat and occurred between her and individual consortium members. She called agencies at least every two weeks, did regular mailings, and provided considerable technical assistance to each agency. Her role will be further discussed under catalyst description.

2. Effectiveness (as seen by members)

- a. Ratings: very effective.....1
somewhat effective.....2
not too effective.....0
not at all effective.....1

b. Reasons given for ratings:

Although consortium members rated consortium effectiveness differently, they did agree that face-to-face contact brought about better understanding of agency intentions and improved communications among grantees. This is a step forward from initial consortium meetings where members displayed defensiveness for their own agencies and had difficulty in understanding one another. The consortium staff person found that the consortium committee did not provide her with direction; however, the existence of the consortium aided her in dealing with outside housing agencies as she was viewed by them as a "regional representative."

Although consortium members were instrumental in convincing the ARDC to begin a Housing Advisory Committee, they also felt that the membership and activity of that committee diluted the effectiveness of the consortium itself. The ARDC Housing Advisory Committee had broad-based membership but excluded two of the three rural CAAs in the consortium. It also had the responsibility for developing the regional housing allocation system. This left the consortium with no clear planning responsibilities and less coordination between planning and delivery than they liked.

Two grantees emphasized that consortium activities, particularly CDBG applications, created awareness in local officials that housing programs can be provided to larger geographic areas than just local jurisdictions. This lays the groundwork for future multi-jurisdictional cooperation.

B. Catalyst

1. Description: a partially "unencumbered" catalyst

All grantees but one agreed that the catalyst function for Region 3 was centered in Pat DeWitt, the consortium staff person. That one grantee saw Pat as a "coordinator" among agencies rather than as a catalyst.

Pat said her activities centered in three areas: 1) gaining knowledge that showed service gaps and familiarizing herself with program options, 2) initiating activities to fill service gaps and using available resources, and 3) sharing her expertise with consortium members in the form of technical assistance that helped them pursue new activities.

Initially, Pat explored federal and state program options both used and unused in the region. For example, she became familiar with FmHA housing programs and felt their use could be expanded. She also realized that individual communities in Arrowhead, with their small populations, had little chance of receiving CDBG funds unless they developed a multi-jurisdictional approach to CDBG pre-applications.

She discussed these issues with the consortium and they agreed to her initiating activity. She contacted FmHA supervisors on both the FmHA Self-Help program and the possibility of leveraging MHFA rehab grants with FmHA 504 loans. Discussions on CDBG led both AEOA and Koochiching-Itasca CAAs to promote county and multi-county CDBG pre-applications with local units of government.

Pat followed up this initiating with technical assistance to help the efforts move along. She organized and then offered technical assistance to the AEOA Self-Help group and to FmHA to define how Self-Help would work in Minnesota. Her role between FmHA and the CAA on the 504 program was one of facilitator/catalyst. In the CDBG process, Pat did everything for the St. Louis County pre-application and played a supportive role for Koochiching-Itasca CAA in their two-county pre-application.

Pat had no direct program management functions. However, no one viewed her as "unencumbered," perhaps because the majority of her time was spent initiating programs that would be carried out by AEOA rather than in the whole region. It is clear, however, that Pat did provide technical assistance to consortium members in order to help them reach their individual agency goals contained in the work plan.

2. Effectiveness (as seen by members)

a. Ratings: very effective.....3
somewhat effective.....1
not too effective.....0
not at all effective.....0

b. Reasons given for ratings:

All consortium members praised Pat's competency and motivation. There was no question that the work she produced for them was of high quality and was relevant and useful.

Each agency also felt they could call upon Pat for assistance. She was viewed as consortium staff, available to each agency for help, rather than just an AEOA employee. However, there was some criticism that her time was not shared "equally" among all grantee agencies.

The CAAs wanted technical assistance in order to run their housing programs better. Ordinarily CAAs do not have dollars available for staff to explore existing and new programs. The Rural Innovative grant allowed Pat to do that and she shared her expertise with all CAA staffs. She also encouraged the staffs and local communities to take advantage of identified resources and then had the time available to help them through the process. This combination of local expertise and the initiating function, working together, was new to Region 3.

c. Choices for future policy

1. Which had more impact?

Consortium.....0
Catalyst.....4

2. Model for the future

Consortium alone.....0
Catalyst alone.....0
Combination.....4

Proposed changes:

- 1) the consortium should expand to include all city and county HRAs.
- 2) consortium members should have a larger say in choosing their work plan rather than state/federal agencies telling them what to do.
- 3) important that catalyst be housed in a multi-service agency (i.e., no change on this point from present arrangement).
- 4) the Arrowhead region is so large that they need a regional approach, but they might also need 3 or 4 catalysts to do the job and provide the coordination needed.

REGION 4 CASE STUDY

I. DESCRIPTION OF REGION

Region 4, with 8,671 square miles, is the second largest region in the state. It is predominantly farmland; it contains one "large" city, Moorhead, whose population is 30,000. It ranks about midway among the regions in average family income.

The RDC has found, by looking at such indicators as age, value and plumbing facilities of its housing, plus proportions of elderly and low income people, that Region 4 residents are housed much less adequately than are residents of the state as a whole.

There is a complex array of housing program deliverers among the counties in Region 4. Four CAAs offer CSA weatherization: two serve counties wholly with the region's boundaries, and two are only partly in Region 4, thus participating in other regional consortia. Both CAAs and HRAs deliver MHFA grants: only one CAA does so in more than one county.

There are a number of county HRAs. Some were reactivated during the Rural Innovative grant period but are not yet running any programs. Grant, Clay and Otter Tail HRAs were consortium members and are active deliverers of Section 8 existing and MHFA grants. Clay and Otter Tail HRAs are also involved in other programs, including public housing and possibly Section 8 New Construction.

The large and heterogeneous membership of the consortium itself testifies to the fact that delivery is clearly done county by county in Region 4. With so many agencies involved, it is not surprising that several did brochures to reduce client confusion as to where to go for help. It is also interesting to note that the consortium devoted some thought to designing a "one stop shopping" delivery system using a broker concept to consolidate delivery and especially referral.

II. THE RURAL INNOVATIVE GRANT IN REGION 4

A. Member Agencies in the Consortium

Clay-Wilkin Opportunity Council: Lead agency. The director described Wilkin County as placing no priority on meeting housing needs. There is no HRA, and not even a county planner; the director knew of no banks participating in MHFA programs. Clay-Wilkin operates MHFA grants and weatherization in Wilkin County. It has a staff of 23 and its office is in Moorhead.

Clay County HRA: A subcontractee to the Clay-Wilkin CAA to carry out the CAA's work program in Clay County. The HRA's director is also the Clay County Planning and Zoning Director and his staff is planning staff. With newly gained administrative dollars, there will soon be a full time HRA director and several other staff people. It is likely that the Moorhead HRA, a strong municipal HRA, will merge with the rural Clay County HRA to form one countywide organization. Clay operates MHFA grants, over 100 units of Section 8 Existing, and is actively producing new units through FmHA 515,

family public housing and possibly Section 8 New Construction. The HRA's administrative costs are partially covered by a county board appropriation. For most of the grant period, the HRA has used the county planning staff of 4; its office is in Moorhead.

Otter Tail-Wadena CAA: Subcontracted with Otter Tail HRA to carry out its work program, and other than attending consortium meetings carried out no activity that could be definitely identified as "grant-related". It has a staff of 5 and its office is in New York Mills in Region 4; it delivers weatherization.

Otter Tail County HRA: A subcontractee to the Otter Tail-Wadena CAA to carry out the CAA's work program in Otter Tail County. While the HRA was initiated in 1968, it did not have a full time director until two years ago. At the beginning of the Rural Innovative grant period it was delivering only MHFA grants. With her time freed by new Rural Innovative-funded staff, the director applied for and received Section 8 Existing units and family public housing. The agency has a permanent staff of two plus currently three CETA employees. The office is in Fergus Falls.

West Central CAA: Subcontracted with the Grant County HRA to carry out its work program in that county, but used the rest of its allocation for activities in the other four counties it serves (Douglas, Pope, Stevens and Traverse). West Central manages weatherization in all five of its counties, and the MHFA grant program in Pope, Stevens and Traverse. It has a staff of 12 and its office is across the street from the Grant County HRA office in Elbow Lake.

Grant County HRA: A subcontractee to West Central CAA to carry out the CAA's work program in Grant County. The director is part time, also serving as County Coordinator. Created in 1972, the HRA has been active only since 1976. It manages MHFA grants and 50 units of Section 8 existing, and has applied for public housing. The agency operates out of the County Coordinator's office in Elbow Lake, with a staff of 3.

Mahube CAA: Its name indicates the counties it serves: Mahnomen, Hubbard and Becker Counties. Of these, only Becker is in Region 4. Mahube thus was a member of both the Region 4 consortium and of the consortium in Region 2, where its other two counties are located. Mahube operates MHFA grants and weatherization in all three counties. Its staff is 35, and it maintains two satellite offices besides its main office, which is in Detroit Lakes in this region.

West Central RDC: One of the three RDCs in the state that has not levied the tax support it is allowed to by statute, the RDC in Region 4 operates in a part of the state where government social programs are generally suspect and the concept of regionalism is not well accepted. Housing planning is not a full time position currently, though a planning grant from FmHA will provide support for more housing planning capacity in the future. The agency has a staff of 16 and is located in Fergus Falls.

B. Allocation of Funds

Region 4 found it difficult to agree on who should get how much of the total regional allocation. They finally agreed that the RDC would get \$8,000, and the balance would be divided among grantees and their subgrantees based on each county's percentage of the region's low income population.

When the total allocation turned out to be \$20,000 instead of \$30,000, each amount was reduced by one-third. The results were:

<u>Agency</u>	<u>County</u>	<u>Amount</u>
Clay-Wilkin CAA	Wilkin	\$ 635
Clay County HRA	Clay	2,273
Otter Tail-Wadena CAA	Otter Tail	400
Otter Tail HRA	Otter Tail	3,426
West Central CAA	Douglas, Pope, Stevens, Traverse	4,207
Grant HRA	Grant	748
Mahube CAA	Becker	2,428
RDC	All Counties	<u>5,333</u>
		\$20,000

C. Staffing Pattern

Since the grant funds were divided among so many agencies, there was not enough in any one agency to hire special Rural Innovative staff.

Funds were used to supplement existing administration. In some cases Rural Innovative money was combined with other sources to hire some new agency staff; in the case of Otter Tail County HRA, for example, new staff freed the director to undertake "catalyst" or innovative functions. But no full time "unencumbered catalyst" was present in the Region 4 consortium.

D. Work Plan

Region 4's work plan, based on an anticipated grant allocation of \$30,000, was not scaled down to reflect the lesser amount the region actually received.

The plan outlines three overall objectives for grant activity in the region:

1. achieve maximum use of rehab resources (MHFA grants, CSA weatherization, and FmHA 502 and 504) through good information and referral;
2. achieve maximum use of new construction programs (FmHA 515 and HUD 202); and
3. achieve maximum use of subsidy programs (Section 8 and other social service income maintenance programs.)

Having established these broad objectives, the consortium goes on to contend that since local (i.e., county) needs and delivery deficiencies/strengths vary greatly around the region, the activities undertaken must also vary. The consortium grouped activities according to each county's peculiar pattern of delivery agencies. Thus, each of the four CAAs contributed a work plan for its group of counties. But since three of the four CAAs serve counties that have county HRAs, these three subcontracted with HRAs to carry out the CAA work plans in the "HRA" counties.

The resulting work plan is a complicated document. It is a collection of five separate plans, one each for the RDC and the four CAAs; the activities listed are to be carried out by seven separate agencies.

- 1) Clay-Wilkin CAA and Clay County HRA: assist communities in the two counties to define and meet their housing needs by offering liaison with funding sources, cataloguing resources, helping with applications, organizing and advising citizen committees, negotiating complementary roles among providers.
- 2) West Central CAA and Grant County HRA: to develop a comprehensive information and referral system for the 5 counties served by cataloguing resources, referring and following up clients, developing training sessions, providing case management for clients needing help from several agencies, and advocating complementary roles among agencies.
- 3) Mahube CAA: increase bank participation in housing programs, inform and assist potential clients, maintain current data on Becker County needs, and help local HRAs do HAPs.
- 4) Otter Tail HRA (subcontractee of Otter Tail-Wadena CAA): develop the service capacity of the HRA by coordinating with other county deliverers, increasing bank participation in MHFA loans, cataloguing resources, providing research services, promoting coordination and possibly mergers among agencies, identifying new resources, and providing public information.
- 5) RDC: advocate for more state and federal housing funds, encourage county HRAs, convene "an ad hoc committee of housing deliverers" (i.e., consortium members), and provide TA to private sector on new construction.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities (see chart)

Joint Activities: There were none that were jointly planned and carried out by all consortium members working together. Some linking in two-agency groupings did occur, especially by means of the subcontracting to HRAs that was done by three of the CAA consortium members.

Innovative Activities and Methods: The Region 4 consortium took a unique approach to dividing up its Rural Administration dollars. While the reasons for the county by county allocation were probably political ones, it is also true that because the grant was arranged to benefit so many agencies, county-level housing expertise was strengthened.

A number of innovative activities deserve mention. Some are innovative only in the sense that they had not usually been done in the area: brochures describing programs and contact people. public housing, reactivation and support for county HRAs, and assistance to banks to obtain Title I certification so they can offer MHFA loans.

The Clay County HRA is pursuing some innovative activities only partly attributable to this grant: They plan a merger with the Moorhead HRA, and are well on the way to convincing HUD to approve them as developers of a Section 8 building financed by 11 (b) bonding.

The RDC, working with the City of Morris, organized a successful CDBG application that includes a unique arrangement with a Morris bank. The bank will do all the fiscal packaging on the rehab loans that will be issued through CDBG, and will receive 10% in administrative fees for its assistance.

One of the more creative activities is happening in Wilkin County, where little housing delivery activity has ever taken place. There the Clay-Wilkin CAA, using traditional CAA techniques of community organization, has created, trained, staffed and eventually will spin off an organization of mayors from all of Wilkin's municipalities. After looking at housing needs and programs for the first time, the mayors have realized the need for a county planner to help with CDBG applications, develop and staff an HRA, do HAPs, and in general provide a focus for increasing future housing services to Wilkin's residents. They have taken their concern to the County Board, which is currently debating the merit of funding a CD planner from county revenue sharing dollars.

B. Results of Individual and Joint Activities

Compared to Work Plan: Comparing individual agencies' accomplishments to the objectives they set out boggles the mind because there were so many. First, it should be said that none of the agencies reduced their objectives when the grant money was reduced; second that many simply listed all of their agency activities and attributed their success partially to the grant, being unable to separate grant dollars from ongoing funding.

Remarkably, most of the objectives were met in one way or another, either by the grantees or their subcontractors. West Central CAA could show fewer concrete results based on their objectives than the other agencies. Clay-Wilkin CAA with its small allocation for Wilkin undertook only one the activities it had laid out; that one, however, organizing committees (of mayors, as it turned out)

was a particularly effective and innovative choice. On the whole it appears the subcontractees took their work plans more seriously than did anyone else, though the RDC and Mahube also met most of their objectives.

Compared to Mission Statement Criteria (see chart)

IV. THE CONSORTIUM AND CATALYST APPROACHES

1. Description

Membership/Funding:

<u>Agency</u>	<u>County</u>	<u>Amount</u>
Clay-Wilkin CAA	Wilkin	\$ 635
Clay County HRA	Clay	2,273
Otter Tail-Wadena CAA	Otter Tail	400
Otter Tail HRA	Otter Tail	3,426
West Central CAA	Douglas, Pope, Stevens, Traverse	4,207
Grant HRA	Grant	748
Mahube CAA	Becker	2,428
RDC	All Counties	<u>5,333</u>
		\$20,000

Formation

The formation of the consortium was characterized by conflict that has been slow to dissipate. The conflict has its roots in a previous history of distrust between CAAs and the RDC, and in delivery agency competition for funding.

In the beginning two separate proposals were submitted, one by the RDC and one by the CAAs. Forced to resolve their difference over who would get how much, they finally agreed to allocate the funds by county. As in several other regions, there was little commitment to cooperate initially, and the only reason a consortium was formed at all was to obtain the funding. "Cooperation will not happen here unless it is coerced" said one member.

Clay-Wilkin was chosen as lead agency, but the responsibility for convening consortium meetings was given to the RDC: an arrangement of duties unique among all funded regions. Each CAA and the RDC wrote their own work plan.

Method of Operation

The consortium did not meet until about half way through the grant period when the evaluators went for a visit. Meetings were then held on an irregular basis. Everyone that undertook funded activity, including the subcontracting HRAs, was a member of the consortium and attended its meetings. The RDC prepared agendas and moderated the meetings. Roles were unclear: one subcontractor thought the RDC was the lead agency.

The eight descriptions of what happens at meetings varied widely. Some found the meetings boring or of little benefit. Others said they benefitted from an exchange of information both on programs and on each others' grant activity. The consortium discussed plans for centralizing referral and delivery: some found the discussion useful and intend to pursue the idea: others said it met with "blank stares", that there was little value to the discussion. Several said distrust still exists and people "chit chat but don't resolve anything", each feeling threatened by the others: one said of all the housing committees he had participated in, this one accomplished the most by showing members that they share a common perception of the need.

The amount of interagency communication that occurs other than in meetings was not significantly increased by the presence of the grant, except between CAAs and the HRAs with whom they subcontracted.

2. Effectiveness (as seen by members)

a. Ratings:

Very effective	- 0
Somewhat effective	- 2
Not too effective	- 3
Not at all effective	- 3

b. Reasons Given For Ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) The consortium increased members' knowledge of other agencies and their staff, programs, and capabilities.
- 2) It provided a forum that increased the flow of information and expertise.
- 3) Some thought the level of suspicion was reduced.

Weaknesses/drawbacks cited were:

- 1) Several said the consortium provided only hassles and extra work; one said the meetings were a waste of time.

In terms of impact on housing delivery strengths/benefits cited were:

- 1) Delivery within counties was improved by increasing co-ordination among county deliverers (CAAs and HRAs).

Weaknesses/drawbacks cited were:

- 1) The consortium tended to "strengthen fractionalism"...there was no regional focus...cooperation on the regional level was not increased. "Everybody is doing their own thing in their own little corner."

B. Catalyst

1. Description: no single catalyst

With the funds split so many ways, no agency received enough to hire a full time person that would function as a catalyst. Two respondents, however, identified themselves as playing the catalyst role by virtue of their positions as heads of their agencies. One HRA director said she had spent 100% of her time on grant-related activity because her share of the funds allowed her to hire staff to manage the agency's program, thus freeing her time to initiate new ventures. Both of the self-identified catalysts said the most important role they played was initiating or facilitating.

2. Effectiveness (as seen by members)

a. Rating:

Very effective	- 2
Somewhat effective	- 0
Not too effective	- 0
Not at all effective	- 0

b. Reasons given for ratings:

It is misleading to say that the region had only two examples of the catalyst approach: most of the region's accomplishments came from individuals rather than from cooperation in a consortium. However, since only two identified themselves as catalysts, only two were asked to rate the effectiveness of that approach.

C. Choice For Future Policy

1. Which had more impact?

Consortium	- 0
Catalyst	- 2
No other answers	

2. Model for future funding.

Consortium alone	- 0
Catalyst alone	- 3
Combination	- 3
Didn't answer	- 2

The agencies seem to feel that an extra staff person is important whether or not joined by a consortium. There was a feeling among most agencies except, of course, the RDC, that a regional level catalyst would not be effective. This feeling reflects the sentiment in a region that traditionally looks to county governments to meet needs and not to anyone in any higher level of government.

REGION 5 CASE STUDY

I. DESCRIPTION OF REGION

Over three-fourths of Region 5's population is rural--one of the highest proportions of rural people in the state. It ranks about middle among the regions in actual population size and in land area but average family income is the second lowest in the state.

The housing needs expressed in the RDC Housing Plan are so all-encompassing, says the lead agency's staff person, that "almost anything you did" would meet the plan's objectives. The pattern of housing program delivery has been a shifting one. For example, the MHFA rehab grant program was administered mainly by CAAs in the program's first year: in the second and third years administration moved, in three of the five counties, to county welfare agencies.

There has been a dramatic change in the pattern of HRAs as well. Prior to the Rural Innovative Grant there were no active county HRAs in the region. Now two are staffed and operating a program, and two more have been reactivated, and have applied for program funds.

All three of the CAAs in the region deliver weatherization. Only one CAA, Tri-county, serves counties that are all located in Region 5. Bi-County and Otter Tail-Wadena CAAs serve counties outside the region, and thus each participated in two consortia.

II. THE RURAL INNOVATIVE GRANT IN REGION 5

A. Member Agencies in the Consortium

Region 5 RDC: lead agency. Located in Staples, the RDC staff is approximately 15. Housing Planning is a part-time function.

Bi-County CAA operates the MHFA grant program and weatherization. It serves Cass County in this region, and also Beltrami County in Region 2. Its main office is in Bemidji, in Region 2.

Otter Tail-Wadena CAA, like Bi-County, serves two counties in two regions: Wadena County in this region, and Otter Tail County in Region 4. It has a staff of 5, and delivers weatherization. Its office is in Region 4, in New York Mills.

Tri-County CAA serves Crow Wing, Todd and Morrison counties with a staff of 30. It delivers weatherization in all three counties, and the MHFA grant program in Morrison County. Its office is in Little Falls.

Individual Agency Activities

Activity Agency (counties)	Increasing Coordina- tion Among Agencies	Stimulating New Construction	Establishing New Delivery Agencies (HRAs, etc.)	Applying for New Programs (CDBG, etc.)	Assessing Community Needs
RDC-Kathy Johnson (all counties)	Late in grant period the RDC invited all CAAs and HRAs to participate in a series of housing strategy sessions related to a HOP. Has designated them temporary members of RDC Housing Advisory Committee for this activity.	Gave technical assistance to the community of Grey Eagle & potential developers in Hackensack, Browerville, Brainerd, Motley, Menahga and Royalton.	Kathy did the staff work necessary to re-activate dormant county HRAs in Wadena, Todd and Morrison and to create one in Cass County. HUD approved Section 8 existing units for Todd and Morrison. Kathy convinced the two HRA boards to pool their Section 8 administrative funds and jointly hire a single staff. (More detailed description below.)	Helped Bi-county promote a CDBG preapplication for Cass Co. Kathy researched and wrote the pre-app. Funds requested would be administered by new HRA. (Pre-app. not funded.) Applied for Section 8 existing for Todd, Morrison and Wadena HRAs. Wadena not funded.	
Bi-County CAA* (Cass)	Cass County clients are served with FmHA 504 grants through the FmHA Beltrami office. (Note: new FmHA/CAA delivery arrangement in Region 2 case study.)		Bi-county helped Kathy create a Cass County HRA, using its influence to convince the county board.	Bi-county convinced Cass County Board to apply for CDBG, then helped Kathy shape the program and did the needs assessment. Offered to help administer. (Pre-app. not funded.)	
Ottertail- Wadena CAA (Wadena)	Negotiating an agreement with county welfare, which delivers MHFA grants, to combine those grants with CAA's weatherization. Have arranged for CETA funded CAA staff to work on 504 in Wadena FmHA office; now searching for right person. Idea came from Bi-County.	Helped citizens of New York Mills organize for a successful application for Section 8, did market survey. This project, although located outside Reg. 5, will serve Wadena County elderly.			
Tri-County CAA (Crow Wing, Todd and Morrison)	Arranged a workshop in Morrison County for all housing deliverers, including FmHA, to learn about each other's programs. Regularly refers ineligible MHFA applicants to banks and FmHA.	Organized a Housing Study group in Browerville. Helped them assess housing needs, presented available housing options. Group is meeting on its own now, and working for elderly units in Browerville through a FmHA application for 24 units.	With two other CAAs, organized a 5-county Community Development Corporation. CDC has no housing plans currently but is potentially a delivery agency for new units. Also applied for and received CSA grant to help set up a Housing Development Corporation which will cover three counties.	Planned a housing maintenance assistance program for elderly. Proposal for funding turned down by RDCs area agency on aging.	Organized and guided a group of 50 low income people from 3 counties. Helped them to 1) identify the most pressing needs in each county, 2) present findings and back up data to community and to CAA board, and 3) advocate changes to meet the needs. Purpose: personal development and community awareness.

*Bi-County improved its operation of the MHFA grant program by allowing some client labor, and by purchasing materials in bulk. Listed among Bi-County's activities in Region 2, they apply also in Region 5.

B. Allocation of Funds

The region received \$30,000. The lead agency, the RDC, received \$20,000, which it used to contract for salary and expenses of a new full-time staff person for one year.

The CAAs were allocated the other \$10,000. The prospective funds were divided based on a formula of \$2,000 for each county served. Thus Tri-County was allocated \$6,000, Bi-County and Otter Tail-Wadena were each allocated \$2,000.

The actual receipt of the funds occasioned some controversy. The CAAs did not bill the lead agency for their funds until late in the grant period, and some of their bills were not approved. Bi-County allocated its \$2,000 to pay travel expenses of its "construction expeditor," who administers MHFA grants, and was paid. Otter Tail-Wadena has not yet billed at all. Tri-County's billing was only partially paid. Its remaining allocation has been dedicated for a newly planned regional activity with the RDC Housing Advisory Committee.

C. Staffing Pattern

The lead agency hired Kathy Johnson as a one-year full-time contractee. Because the Region 5 RDC did not assign any 701 planning functions to its Rural Innovative Staff person and saw her role as implementor rather than planner, she became a true "unencumbered catalyst." The CAAs earmarked their funds for current staff.

D. Work Plan

The original work plan was revised midway through the grant period. The major change was a shift in focus to implementation rather than planning. The heart of the plan is the section headed:

Strategies for Implementation

RDC: provide TA to local governments, CAAs, HRAs and developers; advocate county HRAs and assist with Section 8 Existing applications; encourage banks to participate in MHFA loan programs.

CAAs: community organization; coordination with FmHA and banks; investigate potential of CAAs initiating new construction, both through MHFA and FmHA Self-Help; explore locally funded rehab; design housing maintenance program for elderly.

As can be seen, the CAAs and RDC had essentially separate work plans with a few overlapping pieces.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities: see chart.

Prior to the Rural Innovative Grant, the RDC has submitted a pre-application for Section 8 Existing units on behalf of three inactive county HRAs in Todd, Morrison and Wadena counties. The RDC hired Kathy Johnson to undertake the recertification of Todd, Morrison, and Wadena counties' inactive HRAs, as well as to investigate the potential in Cass and Crow Wing counties. The long-range purpose was to establish an "infra-structure," as Kathy calls it, that would provide a permanent source of local housing expertise and countywide program delivery.

Having secured county board approvals in Wadena, Todd and Morrison, Kathy did the paperwork for recertification. The process in Wadena involved only updating information; but in Todd and Morrison, where the original organizational work had been less formally recorded, the documentation task was far more arduous. In Cass County, Kathy allied herself with Bi-County CAA. Together they convinced the County Board both to apply for a CD Block Grant and at the same time to create a new County HRA. Her offer to do the staff work for both activities was critical to the Board's acceptance, as was Bi-County's good relationship with Board members.

Kathy's resource for future administrative funds for these four new HRAs was the Section 8 Existing program. Todd and Morrison were each approved. Wadena was not, because a city HRA development using Section 8 New Construction funds had consumed Wadena's "fair share" HUD allocation. In Cass she and Bi-County hoped for a successful CDBG pre-application to provide funds, but were disappointed. Both Wadena and Cass have submitted letters of intent for Section 8 Existing units and are awaiting the next application period. Neither has staff nor any program, but the Wadena HRA Board is serving as the existing Grant Review Committee for the MHFA grant program which is operated by Wadena's County Welfare Department.

Kathy spent a great deal of time working with the new HRA Boards, helping them learn about programs, procedures, needs. The Todd and Morrison HRA boards met and learned together, and in fact decided to administer their Section 8 programs together. Through a joint powers agreement they pool the administrative money from their total of 80 units, and are thus able to hire one full-time staff person and to contract for secretarial services and an office.

Forming a single two-county HRA is not being contemplated. The County Boards prefer to have their own separate policy boards, and wish to retain the flexibility to choose which programs to operate for their county.

Joint Activities: There were none until very late in the grant period. Kathy worked individually with Bi-County in its service area, and established good personal relationships with all three CAAs.

Late in the grant period, however, a slowly improving RDC/CAA relationship bore fruit. The RDC temporarily expanded its

Housing Advisory Committee to conduct strategy sessions for a regionwide HOP, including all three CAAs and representatives of the HRA Boards. Tri-County has allocated its remaining Rural Innovative money for this activity. No CAA has ever been represented on the RDC's official Housing Advisory Committee.

Innovative Activities and Methods: In Region 5, the capabilities of an active HRA were not understood, as all the local models are municipal and do little but manage a few elderly units. Therefore, creating and fostering county HRAs was innovative here. The joint powers method of working together is a new approach that preserves county-by-county decision making but allows administration to be more cost-effective.

B. Results of Individual and Joint Activities

Compared to Work Plan: Although members felt that their collected activities, excepting Kathy's, did not measure up to the Work Plan's goals, it appears that more was tried or accomplished than they thought... a comment, perhaps, on the effectiveness of their communications.

The Work Plan activities that were not undertaken include a feasibility study of FmHA Self-Help and exploration of locally funded rehab programs. Others were tried but were not successful: a housing maintenance program designed for elderly was submitted twice for funding to the RDC Agency on Aging and turned down both times. (The CDC's funding proposal also received a negative A-95 review, but the funding source, this time not the RDC, was persuaded to grant the money anyway.) Some work with banks occurred on a spot basis, but no one is sure that new banks would not have joined the MHFA loan program anyway, through other means.

Compared to Mission Statement Criteria: see chart.

Compared to Mission Statement Criteria

Activities Criteria	Increasing Coordination Among Agencies	Stimulating New Construction	Establishing New Delivery Agency/Applying for New Programs	Assessing Community Needs
1) Available resources used more effectively.				
- Met objectives of regional housing plan.	Better communication between RDC and CAAs because of Joint Participation in Housing Advisory Comm. Strategy Sessions for HOP.	Browerville Study group working for units in area designated for priority in plan.	Yes.	Three-county needs assessment complements local plans; adds personal dimension.
- More people were served.	Potentially more 504 grants from Wadena FmHA office.		Section 8 existing in Todd and Morrison together will house about 200 people in 80 units.	
- Individuals were served more intensively.	Possibly in Wadena by combining MHFA and weatherization.			
- More people aware of housing needs or programs.	FmHA learned about other deliverers' programs at Morrison workshop.	Browerville study group: 48 people involved. Browerville local officials.	All the new HRA Board members, plus whoever they talk to. The county boards in 4 counties. "10 lay people (Todd & Morrison HRA boards) can do more than 3 or 4 full time staff people to raise awareness." Cass county board & municipal officials learned needs through participation in CDBG pre-app process.	People in the three-county needs assessment group all became more aware of community needs.
- More people working to solve housing problems.	Potential new CETA person in Wadena FmHA office.	26 left on Browerville Study Group - still working for elderly units.	All new HRA board members 1 new full time HRA director.	
- Level of housing expertise was increased.	FmHA's from Morrison County workshop: program information.		Kathy's expertise increased. Also Bi-County's, County Bds, HRA Bds. Kathy learned how to write CDBG pre-app.	
2) Resources were expanded.				
- Volume of dollars was increased via existing or new programs.	Potentially more 504 grant money in Wadena.		-\$25,000 to Tri-County from CSA to start Housing Dev. Corp. -\$167,000/yr for 5 years in Section 8 existing to Todd and Morrison together.	
- New housing units were influenced.		Technical Assistance from RDC and help from CAAs on many applications; probably would have happened anyway.		
- New delivery mechanisms were created.	CAA/FmHA cooperation potential.		4 HRAs; 2 working together.	
3) Lasting benefits.	Better relationships between FmHA and CAAs; between RDC and CAAs.	Increased feeling of participation for members of Browerville Study Group.	On-going housing assistance in Todd & Morrison. Less sure of Cass & Wadena HRAs future, but mechanisms in place.	Self confidence for participants, new skills.

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 5

A. Consortium

1. Description

Membership/Funding: RDC-----\$20,000
Bi-County-----2,000
Tri-County----- (6,000)*
Otter Tail-Wadena--- 2,000

Formation

The CAAs felt that the RDC dictated the terms of the arrangement, that no one would get any money unless the RDC received the share it specified. It is fair to say that relationships between CAAs and the RDC were not all good either before the grant or during the organizational stage. The RDC's board, according to CAAs, refused to include CAAs on its Housing Advisory Committee, and routinely gave negative A-95 reviews to any CAA proposal. In fact it was partly because RDC staff agreed to act as advocates for funding the CAAs' elderly housing maintenance proposal that the CAAs agreed to the RDC's proposed allocation for Rural Innovative funds. The strained relationships were not improved when the CAAs' elderly maintenance proposal was subsequently turned down for the second time.

The CAAs said the choice of lead agency was made on the same basis as was the money allocation. RDC staff involved in the formation simply said that the RDC "made the proposition and the CAAs accepted it."

The work plan was jointly written but represented what each individual agency wanted to do.

Method of Operation

In the consortium's work plan, the RDC's role was to offer time and expertise to the task of establishing delivery capacity; the CAAs' roles were to provide advocacy and community organizing skills.

Individual agency roles in the actual functioning of the consortium were poorly defined from the beginning. Initial discussion of the grant was in November of 1976; the consortium got off the ground the following May. But the lead agency staff person, Kathy, was not hired until August, and it was not until January that she found out that part of her job should be to staff a "consortium" whose existence was unknown to her.

The consortium had a hard time overcoming the handicaps of agency distrust, conflicts over its organization, and

*Approximately \$2,800 of this amount was not spent by Tri-County and was used to pay some administrative expenses of the new county HRAs.

delayed start-up. It met when Kathy called meetings. When asked if the consortium had continued to function, most participants said no. "The consortium meets, but it didn't function from the start...It exists only in name." Recall of what was discussed at meetings was vague.

Outside of consortium meetings, Kathy maintained communications on an individual basis with the CAAs, especially with Bi-County because of their joint work in Cass County, but also with Tri-County. Being a contractee rather than an employee of the RDC made Kathy's communication with the CAAs easier as they saw her as an individual rather than a representative of an agency they don't entirely trust. In fact, her own background was in community organization so the CAAs saw her as an ally. Thus Kathy was able to forge communications links that an ongoing RDC staff person might not have been able to do. Most of that communication, however, occurred outside of consortium meetings.

Communication via the CAAs' temporary participation on the RDC Housing Advisory Committee constitutes a new, more cooperative approach than had appeared during most of the grant period. It happened partly because of the consortium, shaky as it was, and partly because the new RDC director, formerly the Assistant Director, is more willing to work with CAAs.

2. Effectiveness (as seen by members)

Ratings: very effective-----0
somewhat effective----0
not too effective----2
not at all effective--3

Reasons given for ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) shared expertise, more information
- 2) helped Cass County understand RDC and its usefulness (HRA and CDBG in Cass County probably were more a catalyst function than a result of the consortium, however.)

Weaknesses/drawbacks cited were:

- 1) "No commitment to cooperate existed before the grant." "A non-cooperating mentality."

B. Catalyst

1. Description: an "unencumbered catalyst"

All of the member agencies said that Kathy played the role of "unencumbered catalyst" in Region 5. She was described

by several members as "encumbered" but those encumbrances were activities outlined in the work plan, not ongoing regular functions of the RDC.

As for the catalyst role, she both brought people together and made things happen. She described her work on creating HRAs as community organization work rather than planning. This approach, as well as her personality and experience made her a natural for creating linkages between CAAs and the RDC. She was also seen as a good representative to local governments.

The results of her activities, described in the chart on page 45, testify to the fact that she was able to make things happen. "She's been able to move: to get things started." While she estimated spending 90% of her time on initiating types of functions, she said her most important role was "educating public officials--being a teacher."

2. Effectiveness (as seen by members)

Ratings: very effective-----5
somewhat effective----0
not too effective-----0
not at all effective--0

Reasons given for ratings:

Strengths/benefits cited were:

- 1) Her knowledge of community organization.
- 2) "Kathy's a good organizer"; members of both the RDC and CAA said she belongs in a CAA. She linked the planners and the deliverers by being able to function in both worlds.
- 3) Personal characteristics: tenacity and candor. A "person-minded individual."
- 4) Had freedom to survey possibilities and choose most effective activity.
- 5) Provided support, expertise and understanding.
- 6) "She had the time. With regular program delivery you just don't have the time..." or, as Kathy said, the energy to try something new that might not work.

Weaknesses/drawbacks cited were:

- 1) Her focus on HRA activity took away too much time from communication in the consortium.
- 2) Isolation. Kathy said "not having a network of others to rely on in a crunch" was a drawback.

C. Choices for future policy

1. Which had more impact?

consortium--0
catalyst----5

2. Model for future funding:

consortium alone--0
catalyst alone----2
combination-----3

Catalyst alone: Those who preferred the approach of funding an individual staff person in an agency based their reasons on Region 5's experience under the Rural Innovative Grant. They thought the consortium approach had proven ineffective, while the catalyst approach was very effective. (Both respondents thought the employer should be a CAA.)

Combination: The most frequently chosen model was the combination of consortium and catalyst. Kathy herself thought the consortium approach has inherently more potential than did the catalyst approach alone. Her reasons: professionals in every agency, especially in rural areas, need the support and fresh ideas a consortium can provide. The catalyst could be the "prime mover." The others agreed, though each preferred the catalyst to work for his own agency, and one would like to see enough money to fund part-time catalysts in every member agency. Consortium membership should include HRAs, all MHFA Grant Administrative Centers and FmHA representatives.

REGION 6E CASE STUDY

I. DESCRIPTION OF REGION

Region 6E is comprised of four counties and is located in the eastern half of what was originally one region. Its 104,000 people comprise about 2% of the state's total population.

Delivery of housing programs in the region is centralized in the Region 6E CAA, an organization which, as its name implies, serves the same area as does the RDC. MHFA grants, parts of some MHFA loans, and weatherization are all administered by the CAA. By arrangement with three reactivated county HRAs, the CAA also administers all of their Section 8 Existing units.

Bank participation in MHFA loan programs is concentrated in Kandiyohi County; coverage outside Kandiyohi is slight and limited to rehab loans. FmHA has been responsible, according to the CAA, for quite a bit of 502 and 515 new construction. The CAA and RDC agree that there is a lack of local development expertise; most developers of Sec. 8 New Construction are outsiders, though almost all 515 owners/developers are local.

II. THE RURAL INNOVATIVE GRANT IN REGION 6E

A. Member Agencies in the Consortium

Region 6E CAA - lead agency. This multi-purpose service organization has a staff of 22. It serves all the counties in the region with the housing programs described above. The office is in Willmar.

Region 6E RDC - Located in Willmar also, the RDC has a full time housing planner, and a total staff of 11.

B. Allocation of Funds

All of the region's allocation of \$30,000 went to the CAA, the lead agency. The arrangement specified that staff time rather than dollars would be shared between the two consortium agencies.

C. Staffing Pattern

The lead agency hired a new full time person, Paul Borene. A former RDC employee, his job as Housing Projects Director for the CAA was to manage the MHFA grant program and initiate Rural Innovative activity.

Although the consortium initially agreed that Paul would spend 20% of his time at the RDC doing some planning-oriented tasks, this arrangement never came about. Each agency waited for the other to initiate the necessary arrangements; the result was that Paul spent all of his time at the CAA.

D. Work Plan

The originally submitted work plan broke down the functions of the Housing Projects Director into four goals and assigned percentages of time to each. They were:

- 30%: Administration and coordination of ongoing housing programs in the CAA.
- 20%: Expansion of resources by implementing new or little-used programs; i.e., Section 8 Existing, MHFA loans, and possibly securing Title I Certification.
- 30%: Technical assistance to local governments and the private sector on the above two programs plus workshops and encouragement of CDBG applications.
- 20%: Help to the RDC to do Housing Assistance Plans for communities and possibly counties.

Later a revised work plan was submitted that reduced the amount of time Paul had been spending on administration of existing CAA programs. The revised plan reflected his increasing focus on expanding resources, primarily through implementing Section 8 Existing.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities

Activity Agency	Initiating and Managing Section 8 Existing	Increasing Participation in MHFA Loans	Exploring Alternative Energy	Working With FmHA
6E CAA (Paul Borene)	While at the RDC, Paul convinced 3 inactive county HRAs (Kandiyohi, Meeker, & Renville) to apply. They asked him to handle the application process: he did so for Kandiyohi while still at the RDC and for Meeker and Renville after he joined the CAA. The apps were approved, and all 3 HRAs have now contracted with 6E CAA to organize and manage all 3 programs.	Arranged with Kandiyohi bank to have \$60,000 of bank's \$100,000 rehab commitment set aside for low-income CAA clients (had used \$20,000 in previous phase). CAA does all work except credit check, and splits processing fee with bank. Attempted to convince more banks to participate.	Paul directed CAA energy activities: installation of several solar heating units, and several grant proposals.	Conversations with FmHA county supervisors concerning self-help and 504.

The above activities, as the chart shows, were all undertaken by the lead agency through its Rural Innovative staff. There were no RDC activities, since the sharing of staff time never occurred.

Joint Activities: No joint activity involving both consortium agencies was undertaken.

Innovative Activities and Methods: All of the activities described in the chart are innovative; two particularly warrant further description. The 6E CAA is the only CAA in the state that now manages Section 8 Existing for an HRA. Furthermore, the arrangement effects an innovative compromise between the single and the multi-county HRA approaches by pooling administrative capacity, but not decision-making. At the same time, the management of Section 8 assistance has been placed in an agency that is both organized for and committed to serving low income people.

The other major innovative activity is the CAA's arrangement with the Kandiyohi bank to share paperwork and split fees for MHFA rehab loans. Sharing paperwork is occurring here and there around the state, but only here is the fee shared. The CAA does not use the fee, but banks it: the accumulated money will go towards meeting the bank's commitment fee for the next phase. The other innovative aspects of this activity are the bank's agreement to serve clients from all over the region, not just those in its service area, and the bank's agreement to reserve a portion of its commitment for the CAA's low-income clients.

B. Results of Activities

Compared to Work Plan: As Paul said, the work plan severely underestimated the time it takes to manage programs. When Paul was able to free himself somewhat from management, he felt he made more progress. Still, many of the planned activities were deferred or slowed, and a few were added during the course of the grant.

Little work was done on Title I certification, CD assistance or workshops and no activity on Housing Assistance Plans took place at all. Alternative energy and a possible Housing Development Corporation were accorded some time that was unanticipated in the original work plan.

Compared to Mission Statement Criteria: (See Chart)

Compared to Mission Statement Criteria

Criteria	Activities	Initiating and Managing Section 8 Existing	Increasing Bank Participation in MHFA Loans	Exploring Alternative Energy (AE)	Working With FmHA
1) Available resources used more effectively	-Activity met objectives of regional housing plan. -More people were served. -Individuals were served more intensively. -More people aware of housing programs or needs. -More people working to solve housing problems. -Level of housing expertise was increased. -Ongoing programs administered more effectively.	100 households in Meeker & Renville served by Sect. 8 existing units. HRA Boards: Also general public thru CAA advertising and outreach. Section 8 staff person at CAA funded by pooled administrative dollar: Paul's salary will also be covered next year. Paul and Sect. 8 staff person, HRA Boards, 6E CAA Board. Administration of 3 HRAs' programs centralized in one agency allows enough administrative funds to staff the programs efficiently.	15 loans to people bank wouldn't have served and that were ineligible for MHFA grant. More loans delivered means more people are aware of programs. CAA Board more aware of delivery gaps. Responsibility of existing staff expanded to include loan packaging. Paul, staff. More people of lower income being served than before, plus a broader geographic coverage.	7 households have solar collectors to reduce heating costs. Visible solar units stimulate interest in the community. VISTA Volunteer working on AE was hired & supervised by Paul; this person will be retained by agency to continue A.E. activities. Paul, staff and the VISTA energy expert.	Some ground work has been laid which will allow for delivery of FmHA programs in next two years. Made referrals to FmHA. Paul, staff.
2) Resources were expanded.	-Volume of \$ was increased via existing or new programs. -New housing units were influenced. -New delivery mechanisms were created.	\$200,000/year for 5 years in Meeker & Renville, plus admin. \$. (Kandiyohi would have been approved regardless of Rural Innovative grant.) Three county HRAs now active, have potential to deliver other programs. CAA may spin Section 8 back to them when they're ready.	No other banks agreed to participate, but access to loans increased to low income people by \$100,000. Loans now accessible throughout region because of 6E CAA cooperation with local bank.	Potential \$ from the grant proposals Paul wrote represent "an investment" in future capability to affect energy problems. A.E. technology now more visible. 6E CAA has experience and capability to deliver. A.E. on broad scale	Potential: FmHA agreed to accept CAA packaging on 504. Will fund S-H if it's well organized. CAA hopes to create HDC in connection with S-H.
3) Lasting benefits.		Families served, CAA acquired a good "track record" for future delivery proposals. HRAs now have program experience to build from.	New mechanism for bank/CAA cooperation on loans serves more low-income people.		504 & S.H. programs will finally be available in region.

Bringing about the delivery of Section 8 in three counties of Region 6E and, in the process, reactivating three county HRAs, was the most important achievement of this region's Rural Innovative activity. The RDC commented that the strengthening of county HRAs is very important, and commended the CAA's role in initiating delivery. It would prefer that in the future the HRAs, ideally combined with the municipal HRAs in their counties, build their own delivery capacity, establishing a track record for possible CDBG operation.

Paul's comments on the MHFA loan arrangement are interesting. Having had to spend an inordinate amount of time with the bank over several complicated and marginal applications, he feels now that the co-operative arrangement is too cumbersome and would prefer to secure Title I certification so that the CAA can do the lending itself.

The RDC, however, thought the cooperation should be continued and in fact be extended to other banks. It wants to convince more banks outside of Kandiyohi County to participate in MHFA loan programs, though this had been tried in the past without success.

IV. THE CONSORTIUM AND CATALYST APPROACHES

A. Consortium

1. Description

Membership/Funding

Region 6E CAA - \$30,000
Region 6E RDC - \$0

Formation

The organizing of the consortium was described by the RDC as a "shotgun wedding." Issues of what kinds of activities to undertake and choice of lead agency were resolved, but it was a difficult process and completed only because the money was available and they had to agree somehow in order to get it.

Disagreement about the work plan was the focus for the two agencies' conflict. The RDC wanted to concentrate on planning activities; the CAA on implementation. An agreement was finally reached: the consortium would concentrate on implementation, using 80% of the grant-funded staff time for that, and would allocate 20% to planning activities. Since the CAA was the "implementer", it was agreed that it would become the lead agency and hire the staff.

Method of Operation

A consortium committee was formed that is comprised of Board members from each agency. The Board members from both the RDC and the CAA are local elected officials and primarily farmers. Thus, Paul, the committee's staff, is the only "professional" housing deliverer on the consortium committee.

The committee meets quarterly, the meetings being described as civil but perfunctory. Paul describes the group as having "no energy of its own": the RDC says there is little discussion or participation. The content of the meetings generally consists of Paul reporting on what has happened since the last meeting, a discussion of programs not currently available, and speculation on what can be done to improve access to those programs.

There is little or no interagency contact concerning housing activities outside of consortium meetings.

2. Effectiveness (as seen by members)

- a. Ratings: Very effective----- 0
Somewhat effective----- 0
Not too effective----- 1
Not at all effective --- 1

- b. Reasons Given For Ratings: Political reasons for the consortium's ineffectiveness seem the dominant ones. Not only is there suspicion between the two member agencies' staffs, but housing is not perceived by local officials, according to Paul, as an important public sector responsibility; this attitude reflects the basic conservative tendencies of the region.

In Terms of Impact on Individual Members, Strengths/Benefits Cited Were: CAA and RDC board members who sat on the consortium committee and who are elected officials may have increased their knowledge of housing problems and programs, but no one mentioned this.

Weaknesses/Drawbacks Cited Were: The RDC mentioned that it may have been a drawback that none of the consortium members other than Paul was a deliverer.

In Terms of Impact on Housing Delivery: Paul felt that there was no impact on housing delivery. The consortium gave him, as its staff, little support or direction. He thought the consortium approach was cumbersome, the only benefit being that it provided the vehicle required for the region to be funded. The RDC thought that perhaps more frequent meetings, better agendas and more effort to involve consortium committee members would have made a difference.

B. Catalyst

1. Description: "Partially unencumbered catalyst"

Paul was readily identified by both agencies as a catalyst in the region. Both independently observed that he was not free from program responsibility, however. His full salary is paid by the Rural Innovative grant, but directing the MHFA grant program for the CAA was part of his job. The routine administrative duties related to that program amounted to a major portion of his time.

Even though much of the work on Section 8 Existing, MHFA loans and alternative energy is now being done by others, Paul spent a great deal of time on their start-up, and described this function as essentially program management work. Taken as a whole, management of these programs comprised about 95% of his time.

Paul thought his most important role, if not the most time-consuming, was 'initiation' to increase resources available to low-income people. He described his catalyst role as "promoter, hustler, salesman and grantsman."

2. Effectiveness (as seen by members)

- a. Ratings: Very effective----- 0
Somewhat Effective----- 2
Not too effective----- 0
Not at all effective---- 0

b. Reasons Given For Ratings:

Strengths/benefits cited were:

- 1) Paying for an additional fully 'encumbered' program deliverer "would have made no sense. You can't be innovative when you're delivering full time." The progress Paul made was, he said, in direct proportion to the amount of unencumbered time he had.
- 2) Paul had local experience in planning and had already started working for Section 8 Existing while at the RDC.

Weaknesses/drawbacks cited were:

- 1) The consortium provided little policy guidance to the catalyst.
- 2) The catalyst approach combined with a weak consortium committee did not draw enough people into the process.
- 3) Not enough publicity was generated concerning this local effort to implement new ideas.
- 4) Paul did not have enough freedom from routine administration: "I'm really strapped for 'catalyst' time."

C. Choices For Future Policy

1. Which had more impact in Region 6E?

Consortium - 0
Catalyst - 1

2. Model for future.

Consortium alone - 0
Catalyst alone - 0
Combination - 1

The RDC liked the idea of funding a catalyst who is "oriented towards new concepts" and not just routine delivery, but thought that such a person should function under a strong committee or agency that will provide guidance, support and its own ideas.

Paul did not choose. His reason was that neither could function well if the local situation was not receptive. Characterizing his region as conservative, he said each area must look at its own political climate, awareness of housing as an issue, and level of local commitment to doing something before making any choices.

6W, OR UPPER MINNESOTA VALLEY (UMV) CASE STUDY

I. DESCRIPTION OF REGION

UMV Region includes five counties in western Minnesota. A relatively small region of 3,370 square miles, and had a 1970 population of 61,809. Only Region 2 has a smaller population. UMV Region is the former 6W.

The region's housing delivery pattern is unusual for rural regions in that all of the five counties are served by county HRAs. None of the HRAs is more than five years old; one actually started operation during the early months of the grant and one was created in the last months of the grant. Three of the five county HRAs are administering CDBG grants for rehab, and four of the five deliver the MHFA Grant Program and Section 8 Existing for their own counties.

Prairie Five CAA delivers MHFA grants in Lac qui Parle County. The CAA also delivers weatherization grants in all five. Prairie Five CAA has the same boundaries as the region.

II. THE RURAL INNOVATIVE GRANT PROGRAM IN UMV REGION

A. Member agencies in consortium (chosen because each one runs MHFA Grant Program)

Upper Minnesota Valley RDC (lead agency) - With a staff of 11 full time employees, the RDC's housing activity is handled by a full time housing planner doing 701 Housing elements and staffing the Regional Housing Advisory Committee. Main office: Appleton, Branch: Ortonville.

Prairie Five CAA - Full time Community Development Director. Serves all five counties in region with 10 employees. Multi-purpose service agency. Housing activity: Weatherization in all five counties and MHFA Grant in Lac qui Parle County. Office: Main-Montevideo; Branch-Madison.

Yellow Medicine County HRA - Half time director who is a full time county employee. Housing Activity: MHFA Grant Program, Section 8 Existing. Office: Clarkfield.

Swift County HRA - Director is a full time county employee. Housing Activity: CDBG Rehabilitation Grants, MHFA Grant Program, MHFA Rehabilitation Loan Program (Swift County HRA has Title I Certification), Section 8 Existing. Office: Benson.

Chippewa County HRA - Director is a full time county employee. Housing Activity: CDBG Rehabilitation Grants, MHFA Grant Program, Section 8 Existing. Office: Montevideo.

Big Stone County HRA - Full time HRA Director. Reactivated in 1977. Housing Activity: CDBG Rehabilitation Grants, MHFA Grant Program, Section 8 Existing. Office: Ortonville.

Lac qui Parle County HRA - Organized in 1978; staff not hired yet.

B. Allocation of Funds

UMV Region asked for \$30,000 but received \$20,000. Seven percent, or \$1,500, went to the RDC for grant administrative duties. The rest was divided equally among the other five agencies, each getting \$3,700.

C. Staffing Pattern

The RDC's Housing Planner, Bob Overby, facilitated consortium meetings. He undertook no extra activities at the direction of the consortium; his role was limited to carrying out lead agency administrative responsibilities.

Using their respective portions of Rural Innovative funds, several consortium agencies were able to partially fund extra staff time inside their agencies. Other than for administrative duties, then, no extra staff that worked on a regional basis was created in the UMV Region.

D. Work Plan

The work plan submitted was based on the assumption that the agencies would receive the full \$30,000 allotment. Planned activities:

1. Rehabilitation - develop manpower resources for rehabilitation work, better outreach, liaison with private lenders, coordination between CSA winterization and MHFA Grant, and coordination to stimulate applications for rehabilitation assistance through CDBG or other federal programs.
2. Other activities:
 - Increase participation in Section 8 Existing
 - Liaison to local public officials
 - Applications for Section 8 Existing in two cities
 - Better referral and other social services
 - Promote FmHA 515, HUD Section 8 New Construction
 - Look into FmHA Self Help

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual agency activities (see chart)

Individual Agency Activities

Activity Agency	Documentation By Slides of Rehabilitation Work		
	Outreach		Other Process Improvements
RDC (Fiscal arrangements, reporting, convening consortium meetings.			
Prairie 5 CAA (all counties)	Trained outreach workers; helped Chippewa HRA with brochure.	See the next page for detailed description.	
Yellow Medicine HRA	New full time outreach worker. Brochure. Special outreach to handicapped.	See the next page for detailed description. Also planning photos of Section 8 properties	Charts and logs to improve internal management processes.
Swift HRA	Saturation radio campaign, other methods.	See the next page for detailed description.	Newsletter to Section 8 tenants & landlords.
Chippewa HRA	Comprehensive brochure mailed to all boxholders, other methods.	See the next page for detailed description.	
Big Stone HRA	Concentrated on "secondary" unofficial outreach workers (ministers, etc.) plus other methods.	See next page for detailed description.	

As the chart shows, two categories of activities were undertaken by every delivery agency in the consortium; outreach and documentation by slides.

Outreach: the CAA provided training to the general purpose outreach workers it already has working in the region.

The HRA's outreach efforts were quite similar to each other. The directors and their secretaries did the work, except in Yellow Medicine where a full time outreach worker worked with the director.

All spoke at Senior Citizen's meetings, several citing the importance of visual aids to compensate for hearing problems. Slides of rehabilitation work from other counties (to protect privacy) were sometimes shown during appearances before civic groups.

They used newspaper ads, finding those aimed at contractors successful at creating "salesmen" for rehabilitation programs and for obtaining lists of local contractors to help their clients. They wrote articles (for as many as five papers in one county); Yellow Medicine runs a weekly column. Several used radio spots and interviews; Swift did so extensively.

Several HRAs did brochures: Chippewa's was mailed broadside and described all programs available, including bank and FmHA programs, telling who to contact for each one. Yellow Medicine also did a brochure, but printed fewer and placed them in strategic spots. Swift is planning one. Big Stone, citing its small population and the expense, opted to send letters to "secondary outreach" people: public officials, ministers, contractors. Two HRAs used posters: Chippewa's featured a tear-off so potential clients could avoid the stigma of a long pause standing in front to read through the details.

Most HRAs informed social service agencies of programs, and Yellow Medicine made special efforts to identify, inform and serve handicapped.

All stressed that their efforts were aimed at creating "word of mouth" outreach, seeing that as by far the most effective method. Said one, "We have to 'get in tune with the grapevine'".

Documentation: Using photographic equipment bought with Rural Innovative funds, all five MHFA grant agencies documented structural defects with slides. Photos were taken during the inspection of eligible applicants' homes, and covered interior and exterior defects, plus a total outside shot to demonstrate a house's relative viability.

The photos not only provide a permanent visual record, preventing unnecessary return trips, but also help Grant Review Committees determine which houses should be fixed and especially how completely.

Before and after shots are useful not only for review committees (in some cases the agency boards) but also for county commissioners and, as mentioned above, civic groups. They are a powerful tool for creating awareness of and the need for the program.

Joint activities: The CAA worked separately with each of the four other MHFA Grant providers to combine its weatherization funds with their rehabilitation grant funds.

Innovative activities or methods: Doing outreach was innovative as the HRAs are young and had not engaged in outreach work prior to this grant. Also, the use of slides to "enliven an otherwise dull administrative process", and as a powerful promotion for the rehabilitation grant program was innovative.

B. Results of Individual and Joint Activities

Compared to work plan: Some of the objectives listed in the work plan were met: a few issues they planned to explore, such as use of manpower programs for rehabilitation, FmHA Self Help, and increased bank participation may have occurred through program outreach and promotion activities of each grantee, but were not mentioned in any interviews concerning grant activities or in any reports.

However, their main and agreed-on goal was to improve outreach within their agencies, and each did so. They were flexible enough to adopt a good idea when they saw it: each delivery agency purchased equipment and took slides of homes to be repaired with MHFA grant funds, even though such an activity was not envisioned in the work plan.

Compared to Mission Statement Criteria (see chart)

Compared to Mission Statement Criteria

Criteria \ Activities	Outreach	Documentation by Slides of Rehabilitation Work	Other Process Improvements
1. Available resources used more effectively - More people were served - Individuals were served more intensively - Number of people aware of needs/ programs was increased - More people working on housing problems - Level of housing expertise was increased - Objectives of individual programs were more fully met - Ongoing programs were more effectively administered	Radio spots in Swift stimulated 71 successful MHFA loans from HRA. Chippewa's brochure tripled number of MHFA applicants over previous year. Outreach in all agencies increased number of people knowing programs. Also more people know HRAs exist and why. New full-time 'OR' worker in Yellow Medicine HRA; outreach functions in other HRAs paid by Rural Innovative Funds. HRA directors all learned the value of good outreach and how to do it better. Rehab loans filled gaps in service in Swift County. Larger pool of eligible MHFA grant applicants allowed "neediest" to be chosen, better geog. coverage. More personal outreach helped clients overcome distrust or misunderstandings about programs or about HRAs themselves.	In Lac Qui Parle, average MHFA grant went from \$1200 to \$4000 because Review Committee saw defects on slides. Using slides with local officials and civic groups increased their knowledge of needs and of the MHFA program and what it can do. Grant review committees gained expertise. Need for selectivity on camera slides improved inspector's expertise. Slides helped Review Committees choose the "neediest" applicants with more certainty. Fewer return trips to house to check on or document defects. Better records.	More referrals to banks, FmHA. Yes. Combining MHFA and CDRG; weatherization with MHFA. Charts, logs, contractor lists made management more efficient
2. Resources were expanded - Dollars increased via new or existing programs - New housing units were influenced - New delivery mechanisms were created	Rehab loans of \$370,000 due to the demand created by Swift radio spots. No new delivery mechanisms were created, but the young county HRAs in the region were strengthened by the outreach they did, the extra administrative dollars they received, and the directors' time freed to establish new programs.	Slides helped convince Chippewa and Big Stone County Boards to apply for CDBG county-wide. Neither funded.	
3. Lasting benefits	The region's county HRA.s have been "introduced", and know something about outreach now.	Through the slides a powerful tool has been created for "selling" the value of rehab to a community and possibly to the state.	

IV. THE CONSORTIUM AND CATALYST APPROACHES

A. Consortium

1. Description

Membership/Funding

UMV RDC:	\$1,500
Prairie Five CAA:	\$3,700
Yellow Medicine HRA:	\$3,700
Swift HRA:	\$3,700
Chippewa HRA:	\$3,700
Big Stone HRA:	\$3,700

Formation

The UMV Region had an easy time forming its membership and choosing a lead agency. The RDC had been instrumental in forming county HRAs and had already initiated some preconsortium meetings among them. The inclusion of the CAA, a regionwide service deliverer, was a critical element, since CAA/HRA relations were strained at the outset of the grant.

The RDC was seen as the logical choice for lead agency because it was willing to do it, it is regionwide, and it is the only non-deliverer.

The members agreed the main thrust of the work plan would be outreach. The RDC wrote the plan, but each agency took its own best approach to meeting work plan objectives.

Method of Operation

Roles of member agencies: in the housing delivery system, the RDC is the planner, the others the implementers. All five implementers delivered one same program, MHFA Rehabilitation grants.

In the consortium, the RDC's role was convener, or "consortium catalyst". Bob's intent was to keep members aware of the regional housing plan, and to provide information. Other members' roles were to participate, and to exchange ideas and information among themselves and with the RDC.

Meetings were held at least quarterly but sometimes more frequently. They were scheduled immediately prior to RDC Housing Advisory Committee meetings, on which all consortium members sit, so that consortium members could make one trip to attend both meetings.

Meetings consisted principally of exchange of program information among deliverers. All respondents mentioned the "free climate

to express ideas", and newer HRAs particularly benefited from the expertise of more experienced members. They reported on the past quarter's activities and planned for the upcoming one, not restricting their discussion solely to grant-related activities. Thus a quarterly "temperature check" on the status of housing delivery in the region occurred.

Communication outside the consortium's meetings happens regularly on program operation, coordinating programs and referrals. "What's really nice is there's no communication barriers. We get along", said one.

2. Effectiveness (as seen by members)

- a. Ratings: very effective.....5
 somewhat effective.....1
 not too effective.....0
 not at all effective...0

b. Reasons for ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) Support from professionals working in the same field: "the feeling I'm not the only one with a problem".
- 2) The shared expertise was especially beneficial to the new HRA director: "I couldn't have done it without the consortium."

In terms of impact on housing delivery in region, strengths/benefits cited were:

- 1) Consortium provided a regional approach to problems while not violating county control of individual agencies.
- 2) Consortium helped nurture HRAs.
- 3) "Swapping" of pitfalls and ideas improved program delivery; availability of expertise encouraged directors to try new programs.
- 4) Better understanding of other agencies led to more combining of programs, better referrals; deliverers learned planner's problems and vice-versa.
- 5) Consortium meetings facilitated regular communication, not just on need basis.

Weaknesses/drawbacks cited were:

- 1) One respondent mentioned lack of interagency action:
"perhaps we should have done a joint venture", in CDBG preapplication, for example.
- 2) The consortium as such had no public visibility.

B. Catalyst

1. Description: no catalyst.

No one person was hired to provide a catalyst function--Bob Overby served as a catalyst in the consortium meetings by trying to stretch members' thinking to include a regional focus and thoughts for future action that would relate to housing planning in the region.

Several deliverers think they are catalysts naturally--that it is a function of an HRA director to plan and initiate new programs and "hustle" up funding.

Using grant money to fund other staff persons to manage ongoing programs did free-up some directors' time to be catalysts over and above the grant-related activities they pursued; how much of the benefit of their initiatives is attributable to grant money "un-encumbering" them is impossible to determine.

2. Effectiveness: not rated.

C. Choices for future policy.

1. Which had more impact?

Consortium.....3
Catalyst.....0
Couldn't answer....2

2. Model for future funding.

Consortium alone (with funding for members)....3
Catalyst alone.....0
Combination.....0
Can't choose; not familiar with catalyst
approach.....1

Reasons for consortium choice: It is better to fund on-going staff as part time catalysts. "You can exchange ideas forever but it's not good enough unless you have time to act on them". Funding one person that "has six bosses" should not be done. "I'd stay away from the one individual catalyst idea."

Changes: add municipal HRAs; "keep it to deliverers"--let RDC Housing Advisory Committee have the broad representation.

Reasons for catalyst choice: a consortium can continue anyway through the RDC Housing Advisory Committee structure. Also, a catalyst housed in RDC could be a local expert, giving technical assistance the RDC cannot now provide. (Note: this respondent was not the RDC staff person but a deliverer.)

REGION 7E CASE STUDY

I. DESCRIPTION OF REGION

The East Central Region covers five counties on the eastern border area of the state. It is directly north of the Twin Cities metropolitan area. It is not a large region, ranking 7th in size among funded regions, but its population, 92,200 in 1977, is rapidly growing because of its proximity to the Twin Cities.

There has recently been a considerable amount of subsidized new housing construction taking place in Region 7E. Even so, a study conducted by the East Central RDC shows one house in every 4.5 to be inadequate, as compared to one in seven in rural U.S., and 1 in 25 in U.S. cities. The East Central RDC identifies housing as a priority need in the region. It takes an active role, through its Community Development Advisory Committee (CDAC), its board members and its staff, in encouraging and guiding appropriate development.

"The absence of an effective housing delivery system has resulted in the East Central Region receiving less than its fair share of subsidized housing," says the RDC. There are several municipal HRAs and one active county HRA, but none has full time staff. The RDC also points out that private developers are responsible for most new rental housing in the region, and that few of them are local developers.

MHFA rehabilitation grants are administered in several municipalities by small local Grant Administrative Centers, but regionwide, MHFA grants are delivered by Lakes and Pines CAC. Lakes and Pines also serves counties in two other regions for a total of eight counties ranging from Washington County in the metro area all the way north to Aitkin and Carlton counties in Region 3. Lakes and Pines was also represented in the Region 3 consortium.

II. THE RURAL INNOVATIVE GRANT IN REGION 7E

A. Member Agencies in the Consortium

East Central RDC--lead agency. Located in Mora, it has a staff of eight. It supports a part time housing planner who is responsible for 701 Housing planning, giving technical assistance to private developers and local governments, and staffing the RDC Community Development Advisory Committee (CDAC).

Lakes and Pines CAA serves eight counties, including the five in Region 7E, with a staff of 32. Through its Housing/Energy Committee (its grant review board) it provides MHFA grants and weatherization assistance. Its office is also in Mora.

B. Allocation of Funds

The region received \$20,000. Two-thirds of this amount went to fund planning activities in the lead agency, the RDC; it was used for the salary of the Housing Planner, Tom Foley. Of the one-third or \$6,666 that was allocated for service delivery, Lakes and Pines CAA has received \$3,000 to be used for combining MHFA grants with other loan and grant programs. The balance of funds has been reserved for creating county or multi-county HRAs.

Lakes and Pines received its allocation very late in the grant period, since the RDC waited until a study of the region's delivery alternatives was completed that indicated Lakes and Pines' appropriate role in delivery.

C. Staffing Pattern

The lead agency used its grant funds to pay salary and support of its housing planner, Tom Foley.

D. Work Plan

Goals were to:

1. establish a system of delivery based on local needs; i.e., an allocation plan,
2. coordinate programs,
3. develop a Regional Housing Information Center for technical assistance to public and private sector, and
4. recommend a housing delivery system based on an evaluation of all potential housing delivery alternatives.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities: see chart.

Individual Agency Activities

Activity Agency (counties served)	Development of Housing Allocation Program	Improving Delivery of MHEA Grants	Study of Alternative Delivery Systems	Working with FMHA
East Central RDC -Tom Foley (all counties)	Working with the RDC Community Development Advisory Committee, Tom investigated factors such as existing subsidized units, vacant land, school capacity, sewer and water capacity. Developed priority ranking system for communities in region based on the above factors. Developed allocation system for rehabilitation based on above factors.	Suggested formation of review boards in Lakes and Pines' administration of grant program. Developed the point system they now use in all eight counties for ranking applicants. Researched and provided information on insulation, recommended a performance standard for Lakes and Pines.	Lists, describes and evaluates all possible means and methods for delivering rural housing. Includes recommendations. In draft form currently; not approved, but is being discussed all over the region.	Put on workshop for district/county FmHA staff and other local deliverers, including Lakes and Pines. Purpose: to familiarize everyone with all available housing programs. Received a Sec. 111 Planning Grant to do capital improvement program for region.
Lakes and Pines (all counties)				Refers clients to FmHA for 504 grants.

Joint Activities: The two agencies met with each other in their respective internal housing-related committees and Tom helped Lakes and Pines develop its point system; however, there were no joint activities in the sense of a single regionwide activity with tasks divided up between the agencies.

Innovative Activities and Methods: Doing a regional housing allocation plan is not by itself innovative, since all regions are required to do so. Region 7E's plan is innovative, nevertheless, because of the depth and extent of the factors investigated, and the sophistication of the technical assistance the agency can now provide as a result.

Of particular benefit are two elements: the first, a Directory of Subsidized Buildings, lists for each building the numbers of units, whether they are family or elderly, where they are located, and whom to contact for rental. The second is a survey of the quantity and location of vacant land that is very useful to public and private developers.

The second innovative activity that warrants description is a comprehensive and well researched study of the current delivery "system" in 7E and all possible alternative delivery vehicles. Assessing the relative merits of each approach, the study sets forth recommendations for changes: the foremost being a proposal for a multi-county HRA. The study includes an annotated bibliography. Taken as a whole it is a useful document for any rural area wishing to take a careful look at its own delivery apparatus.

B. Results of Individual and Joint Activities

Compared to Work Plan: A flexible, thorough and useful regional plan meets the work plan's goal to establish an allocation system based on need. The goal of coordinating programs has been partially met by the workshop; the CAC and FmHA now know more about each other's housing programs. Good technical assistance based on usable data, the third goal in the work plan, can now be made available to developers and local government officials. The study of alternative delivery systems and its accompanying recommendations will certainly serve to stimulate informed discussion on appropriate delivery vehicles.

In general, Region 7E's Rural Innovative accomplishments have been mainly in the areas of planning and of technical assistance to developers and local units of governments concerning new construction. 7E has met its work plan objectives and has laid the groundwork for significant impact on the region's delivery mechanisms.

Compared to Mission Statement Criteria: see chart.

COMPARED TO MISSION STATEMENT CRITERIA

Activities Mission Statement Criteria	Development of Housing Allocation Program	Improving Delivery of MHFA Grants	Study of Alternative Delivery Systems	Working with FmHA
1. Available resources used more effectively - Met objectives of regional housing plan - More people were served - Individuals were served more intensively - More people aware of housing needs or programs - More people working to solve housing problems - Level of housing expertise was increased - Objectives of individual programs were fully met - Ongoing programs were administered more effective effectively	Developed plan itself into useful tool for guiding development. Developers now come to RDC first; are proposing development only in high priority areas. RDC can define compliance, and explain reasoning. RDC does better A-95 review. Directory helps people find available subsidized units: has contact names on it. The RDC Commissioners, the CDAC, developers and local units of government are better informed on needs since communities are ranked according to need in plan. The Directory increases awareness of subsidized rental units. Members were added to CDAC, esp. 2 developers and a board member from Lakes & Pines. More developers coming to 7E to find work. RDC and Tom gained expertise. Made HAP easier because data available. Developers have access to considerable expertise now. Directory of Existing Subsidized Units useful referral tool.	Tom's regular attendance at CAA Housing and Energy Committee brings a planner's perspective to deliberations. CAA had bogged down: now it has reestablished confidence in its ability to deliver MHFA grants and weatherization. Point system allows greater objectivity in selecting the most eligible applicants.	Tom, the CDAC, the RDC Board. Draft report is being discussed at county board, HRA, and city council meetings. Tom, in research for study. (Annotated bibliography available on rural housing delivery systems.)	Lakes & Pines has combined FmHA 504 grants with 5 MHFA grants. FmHA Planning Grant will fund ongoing Housing Planning for 1 more year in RDC. Workshop increased local program expertise in FmHA and in Lakes and Pines CAA.

2. Resources were expanded - Volume of \$ was increased via existing or new programs - New housing units were influenced - New delivery mechanisms were created.	RDC research on public facilities (factors in its regional housing plan) helped generate interest & track record for FmHA 111 planning grant. 162 attributable to the extra grant-funded planning activity.			FmHA approved a 111 grant for planning capital improvement: \$24,000
3. Lasting Benefits	Increased awareness of and commitment to solving housing problems on the part of local officials on RDC. Increased amount of low income housing in 7E.	CAA able to manage program more effectively, and investigate ways to leverage other resources into rehabilitation effort.	Discussion has been generated: potential results could be creation of stronger HRAs, since this is a recommendation of the study. Document will be useful for other regions, as well as for 7E.	Groundwork laid for better access to FmHA programs for low income people.

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 7E

A. Consortium

1. Description

Membership/Funding: ECRDC-----\$13,333
Lakes and Pines-----3,000
Creating HRAs-----3,666

Formation: There was a "battle" between the RDC and Lakes and Pines over what the funds should be used for and who the lead agency should be. This occurred before the project was funded.

A truce was called when it was agreed that the RDC would be the lead agency, and would submit the proposal. The RDC would include its interest in regional planning in the Work Plan, but would include Lakes and Pines CAC in policy direction by increasing Lakes and Pines' membership on the CDAC, which was designated as the consortium committee. Funding for Lakes and Pines CAC would be based on the housing delivery reports evaluation.

The effects of the initial conflict subsided between the heads of the agencies and their boards, though some residue still remains at the staff level.

Method of Operation: The RDC's Community Development Advisory Committee (CDAC) was designated as the consortium "steering committee," and the chairman of Lakes and Pines' Board became a member. Tom attended meetings of the Housing and Energy Committee of Lakes and Pines CAC on a regular basis. In fact, three people serve on both committees. Thus communication in the consortium actually occurred in two ongoing committees, both of which meet monthly.

Since the region did not create a new consortium committee, the lead agency's consortium staff person was not fulfilling a new role. Tom was already staffing the CDAC: his own role, then, is a continuing one. His Rural Innovative tasks expanded the range of topics discussed in the CDAC.

Lakes and Pines played a passive role in the grant's operation since its participation other than at meetings was clarified only after the draft alternative delivery study was completed. However, Lakes and Pines did contribute actively and constructively, according to Tom, to the discussions in the CDAC meetings.

In its meetings the CDAC provides good policy direction and information to Tom, and reviews his progress. They actively discuss matters of housing policy, bringing valuable input on such topics as factors needing investigation, A-95 review processes, and local community opinions.

In the meetings of Lakes and Pines' Housing/Energy Committee, which is also its Grant Review Committee, there is more accent on exchange of program information.

2. Effectiveness (as seen by members)

Ratings: somewhat effective, "to date" (no other ratings)

Reasons given for ratings:

In terms of impact on individual members, strengths/benefits cited were:

- 1) The consortium committee was a diverse group and contained politically influential people.
- 2) Links between housing planning and local governments that are potential "deliverers" were established.

Weaknesses/drawbacks cited were:

- 1) Too little involvement of delivery agencies, specifically Lakes and Pines.
- 2) Recommendations on delivery "should have been made earlier," when more time remained to accomplish something positive in delivery. However, timing of recommendations was hampered by 701 demands on staff.

B. Catalyst

1. Description: "partially encumbered catalyst"

Tom readily defined himself as an unencumbered catalyst. He did not work full time on grant-related activities, however; he estimated about one-half his time was spent functioning under the grant. He is not a full-time housing planner, though he thinks the job should be full-time.

Although in the first 12 months he spent at least 70% of his Rural Innovative time on research, planning and technical assistance activities, he was shifting his emphasis in the last six months to concentrate on creating the regional housing delivery system. Tom was sure the most important role he played in the course of these changing functions was the role of catalyst. By highlighting and clarifying housing information for developers and especially for local public officials, he has brought them together and provided them with the tools they need to pursue their own goals more effectively.

2. Effectiveness (as seen by members)

Ratings: very effective

Reasons given for ratings:

strengths/benefits cited were: "wealth of information" made available and utilized to stimulate and guide program delivery.

weaknesses/drawbacks cited were: having to spend so much time on 701 planning responsibilities. Though the results were useful, the encumbrance caused delay in the accomplishment of other tasks such as the study of delivery.

C. Choices for future policy

1. Which had more impact?

Tom didn't know whether the consortium or the catalyst approach had more impact on the region.

2. Model for future funding:

Despite his reluctance to assess the relative impact of the consortium and catalyst approaches, Tom did choose the catalyst approach as a model for future funding on a demonstration basis.

He felt the catalyst's role should be clearly defined to be the creation of programs that would continue after demonstration funding ended.

REGION 9 CASE STUDY

I. DESCRIPTION OF REGION

Region 9 is located in south central Minnesota in a productive agricultural area; 85% of the land in the region is under cultivation. The region is the fourth most populous in the state: small towns are scattered throughout. Mankato is the urban center, having about 40,000 population.

Both unemployment and the percentage of low income people are lower in Region 9 than in many other areas of the state, but 10.4% of their families are still below the poverty level.

The MHFA grant program in its first year was delivered separately in most of the nine counties. Minnesota Valley Action Council (MVAC), county HRAs, and county auditors provided the service. The MHFA administrative dollars allotted to each county to deliver the grants were not sufficient to hire new personnel so the delivery of grants was added on to existing staff duties; quality of service differed widely.

This situation led MVAC to recommend consolidating delivery of MHFA grants in their agency. They already provided CSA weatherization and most of their other programs regionwide, and believed they could improve rehabilitation delivery through consolidating administration into one agency. The Region 9 RDC (RNDC) agreed.

II. THE RURAL INNOVATIVE GRANT IN REGION 9

A. Member Agencies in Consortium

Region Nine Development Commission (RNDC)--lead agency. Located in Mankato, this agency has 21 employees and prior to this grant included housing as one of the responsibilities of the Physical Planning Coordinator. When the RDC was formed in 1972, housing was not considered a significant issue. Interest in housing picked up in 1975 and since this grant, housing has become a high priority program within the RDC.

Minnesota Valley Action Council (MVAC)--is a multi-service agency providing programs in nine counties. Prior to the grant, MVAC's staff included one housing specialist and three energy specialists who delivered MHFA grants in two counties and weatherization in all nine counties. MVAC's performance in delivering MHFA grants had been weak administratively, since one person was handling administration as well as all inspections, etc. Their Innovative grant effort included improving and expanding housing rehabilitation delivery. With a staff of about 100, MVAC is also located in Mankato.

B. Allocation of Funds

The \$30,000 allocation was split with 2/3 going to RNDC for salary,

travel and related expenses, and 1/3 going to MVAC. MVAC was the only agency in the Rural Innovative grant that used its allocation to hire a consultant rather than regular staff.

C. Staffing Pattern

New staff people were hired by both grantees in Region 9: a full time planner at RNDC and a housing coordinator at MVAC. Only the RNDC planner's salary was paid from Innovative grant funds. In addition to hiring the coordinator, MVAC reorganized its housing and energy departments, adding two additional housing packagers and one additional energy specialist.

D. Work Plan

It was envisioned that major planning activities would be accomplished by RNDC, delivery activities by MVAC, and technical assistance activities would be done together. The joint activities fell into four categories.

1. Consortium workshops--Monthly meetings to include all public and private non-profit housing deliverers in Region 9. Purpose: to develop working relationships and agreements that will result in more comprehensive delivery of housing programs.
2. Technical assistance--To agencies and organizations, in particular Section 8 New and Existing packaging, and development of HRAs to manage those programs; to eligible households through publicity about programs and through more comprehensive outreach.
3. Training sessions--To assist agency personnel in program delivery; to develop interest in maintenance among needy households through vo-tech courses.
4. Evaluation of grant activities.

III. GRANT ACTIVITIES AND RESULTS

A. Regional Activities

Individual Agency Activities (see chart)

Individual Agency Activities

Activity Agency (counties served)	Improving Delivery of Rehab Programs	Acquiring New Funds For Rehab Delivery	Technical Assistance to Agencies & Clients
RNDC (Gary Yuva) (all counties)	1) RNDC produced a comprehensive 701 plan as a result of Innovative grant dollars providing new planner. As part of that plan, RNDC revised the allocation of MHFA home improvement grants. 2) RNDC organized several workshops for deliverers to increase their knowledge of packaging rehab programs. Subjects included: insulation, inspection, MHFA rules and regs, & others. Also developed workshop for bankers to introduce them to MHFA Affordable Home program.	Assisted MVAC consultant with data on regional needs for CDBG pre-application.	1) Provided TA to MVAC and other housing deliverers on CDBG, regional needs, loan program, etc. 2) Provided outreach to public on all assistance programs. Reached public through newspapers, radio & TV.
MVAC (Gary Hedstrom) (Faribault, Sibley, Nicollet, Waseca, and Watonwan counties)	1) Consultant provided MVAC with a housing rehab delivery service plan that identified sources of housing assistance, needs, service gaps, realigned housing staff, & developed a strategy for more effective delivery of rehab and weatherization grants. 2) MVAC hired 1 coordinator and 2 housing packagers in response to delivery plan. 3) Increased MHFA grant service area from 2 to 5 counties. 4) Improved processing of MHFA grants and paid contractors in a more timely fashion. 5) Developed and applied ranking system for selection of homes to rehab. 6) Increased referrals to other delivery agencies in an effort to combine programs more. 7) Co-sponsored workshops for deliverers with RNDC.	Consultant wrote successful CDBG pre-application as part of his contract with MVAC. CDBG provides \$750,000 in rehab grants to be leveraged with loans for people in \$5,000 to \$9,500 income level within 31 communities in 6 counties of Region 9. MVAC to administer. Gary Hedstrom, MVAC, assisted with CDBG application process by organizing community meetings and moderating some countywide meetings.	1) Increased outreach to potential clients through radio and newspaper advertising and additional outreach work. 2) Provided training for own staff and other deliverers in region. Discussed MVAC delivery plan, cooperation among agencies.

MVAC handled its Innovative grant money differently from any other grantee. They spent their \$10,000 for a consultant who was familiar with housing programs and delivery to develop a housing rehab delivery service plan for them. "This plan included identification of housing resources, a delivery plan, and the methodology for expanding and rearranging the rehab and energy staffs." Gary Hedstrom was hired as housing coordinator to implement the delivery plan. In addition to the plan, the consultant provided training for the MVAC housing staff and the RNDC housing planner as well. Later the consultant also developed the concept for and wrote a multi-jurisdictional CDBG pre-application.

The outreach efforts of the RNDC were expanded by its new Rural Innovative staff person, Gary Yuva. As he gathered information on various programs while developing a regional housing plan, he realized that there was no central location in Region 9 from which to disperse this information. He decided to complement MVAC's outreach efforts for rehab grants by providing increased information on MHFA loans, Section 8, CDBG, and other programs through the RNDC.

Joint Activities-What does not show up in the activities chart is the unique effort the RNDC and MVAC put into combining planning and delivery activities in Region 9. Perhaps because both the RNDC housing planner and the MVAC housing coordinator were new and hired, either directly or indirectly, as a result of the Innovative Grant, the development of the regional plan and the implementation of the housing delivery plan occurred simultaneously and with a good deal of cross-fertilization. Gary Yuva, RNDC housing planner, gained knowledge from the consultant's study that helped him produce a more comprehensive 701 plan for Region 9. In turn, Gary shared the data he gathered with MVAC and their consultant to provide them with needs assessment data for their CDBG pre-application. The communication between agencies resulted in delivery being consciously consistent with the regional housing plan, a fairly unusual situation. Other activities, such as developing and holding workshops, were generally planned by one agency but carried out by both. There was no housing activity in Region 9 that did not provoke at least mutual discussion.

Innovative Activities or Methods-Perhaps the most innovative concept in Region 9 was the idea of going outside one's agency to hire housing expertise. By hiring a consultant familiar with housing programs, MVAC very quickly acquired a base of program knowledge and a framework from which to expand their housing activities. MVAC had the consultant train their new, inexperienced housing staff and write the CDBG proposal which will provide MVAC the administrative dollars to keep and further utilize their expanded staff. In essence, the consultant helped them proceed from shaky delivery of MHFA grants in two counties to being a

strong delivery mechanism capable of providing a range of rehab services in five counties.

A multi-county CDBG application was innovative in Minnesota. Several municipalities in one county had been funded previously but not a group of 31 small communities in 6 counties. These communities, all under 2,500 population, would not have applied on their own. The application was also unusual because of its attempt to fill a "gap in service" between existing grant and loan programs rather than simply duplicating the grant program. MVAC staff realized that the people not being served by rehab programs had adjusted gross incomes over \$5,000 so they were ineligible for grants but under \$9,500 so that they were considered too risky for loans. The CDBG grant will provide, on a sliding scale, a combined grant/loan program to meet those people's needs.

Finally, the fact that it was a CAA that took the initiative for developing the CDBG proposal was innovative, as is the fact that the CAA will administer the funds under contract from the lead county.

B. Results of Individual and Joint Activities

Compared to Work Plan-MVAC and RNDC sponsored workshops for deliverers on a variety of subjects; however, they did not meet as frequently as planned nor did they reach any formal agreements on regionwide delivery.

Considerable TA was offered to the general public, and local units of government received CDBG pre-application assistance. There was not the emphasis on Section 8 packaging that was specified in the work plan, but the RDC has just finished developing a Section 8 allocation plan as part of a HOP, a first step in promoting that program. The HOP will be distributed to local units of government and developers to encourage placement of subsidized units in areas of greatest need. The RDC has also explored the question of increasing HRAs in Region 9 to deliver the Section 8 Existing Program. At present, some county boards do not seem interested in starting HRAs so the RDC is considering promoting joint agreements among jurisdictions so as to increase the areas eligible for the Section 8 Existing Program. Little actual activity has taken place on HRAs. The consortium provided information on rehab loans and grants to vo-tech home repair classes; they have not been invited to speak before those classes.

The evaluation is rather informal but data has been gathered by the RDC regarding the number of responses to their outreach efforts for programs such as MHFA loans.

Compared to Mission Statement Criteria (see chart)

Compared to Mission Statement Criteria

Criteria	Activities	Improving Delivery of Rehab Programs	Acquiring New Funds For Rehab Delivery	Technical Assistance to Agencies and Clients
1) Available Resources Used More Effectively				
- Activity met objectives of regional housing plan.	Rehab a priority in Region 9 plan. MVAC delivery plan based on expanding service to unserved counties.		CDBG application met objectives of regional plan, particularly by focusing delivery in counties previously underserved in rehab programs.	
- All available program dollars used.	MHFA loan commitments now being more completely used.			Outreach accelerated already excessive demand for MHFA Affordable Home program.
- More people were served.	MVAC went from providing 24 grants in 2 counties to providing 92 grants in 5 counties. However MHFA allocations increased in year 2 & those counties had been served previously by other deliverers.		Under CDBG, will serve approximately 300 families in income group (\$5000 to \$9500) previously unserved by grants and loans. The leveraging with loans required in the proposal will stretch CDBG rehab dollars to more households.	
- Individuals were served more intensively.	1) More referrals to other programs occurring to facilitate piggybacking of grants and loans. 2) Housing specialists can devote more time to clients and are more familiar with range of available programs than prior outreach workers.		CDBG grant dollars to be leveraged with variety of loans; will increase dollars that can be spent per dwelling.	Little housing outreach attempted prior to grant by MVAC and none by RNDC
- More people aware of housing needs or programs.	Lenders, realtors, and builders learned of Affordable Home program through workshops.		Local officials and public at large in 31 communities in 6 counties through CDBG process.	1) MVAC, RNDC, and several HRA staffs through staff training regarding rehab programs and MVAC delivery plan. 2) Public through increased publicity from MVAC and RNDC on various grants and loans. 3) Local jurisdictions and developers; RNDC distributing allocation plan to encourage use of funds in high priority areas. 4) When RNDC advertised availability of MHFA loans in 1st calendar quarter of 1978, received 64 inquiries. When they did not in the 2nd quarter, received 10 inquiries. To repeat ads again. 5) Legislators approached on increasing MHFA bonding limits to sustain viability of affordable home program.
- More people working to solve housing problems.	MVAC - From one housing specialist to 1 coordinator and 3 housing packagers. From 3 to 4 CSA employees.		MVAC staff will increase by at least 2 to deliver \$750,000 in CDBG funds. City and county officials assisted in CDBG process.	1) RNDC - From part time to full time housing planner. 2) Local press people doing articles on housing.

Compared to Mission Statement Criteria (Cont.)

Criteria	Activities	Improving Delivery of Rehab Programs	Acquiring New Funds For Rehab Delivery	Technical Assistance to Agencies and Clients
- Level of housing expertise increased. - Objectives of individual programs were more fully met. - Ongoing programs were administered more effectively.		1) MVAC & RNDG staffs through workshops on rehab programs & delivery techniques and experience gained in delivery and planning. 2) MVAC housing board members and county commissioners instructed on rehab and asked to make referrals to MVAC. 1) Development of grant selection process meant dollars went to houses with most significant rehab problems and households with lesser assets to rehab selves. 2) Through coordination of planning and delivery, allocation system was tailored to region and met through delivery. 1) MHFA forms filled out more completely by MVAC and contractors paid in a more timely manner-response to prior criticism from MHFA. 2) Replaced 1st comest served system with selection process. 3) Extensive training of staff by consultant led to better delivery.	1) RNDG planner and MVAC coordinator learned how to go through CDBG process, primarily from MVAC consultant. 2) Local officials - CDBG. 1) CDBG will fill gap in service between eligible MHFA grant and loan recipients-the \$5000 to \$9500 income level. 2) Multi-county CDBG application serves small jurisdictions that would not have been served otherwise.	1) MVAC, RNDG, local HRA staffs through training. 2) Local jurisdictions & developers through regional housing plan.
	- Volume of dollars was increased via existing & new programs. - New housing units were influenced. - New delivery mechanisms were created.	MVAC: Service delivery plan expanded staff and added coordinator to oversee housing activities. MVAC filled all suggested positions and demonstrated ability by effectively expanding delivery of MHFA grants from 2 to 5 counties. Cooperation between agencies produced a housing plan & delivery mechanism that provide a solid foundation for future work: also a framework for local officials and RNDG to evaluate & revise goals when necessary.	\$750,000 CDBG grant for rehab in 31 communities in 6 counties. MVAC staff in place to deliver CDBG, however they will require at least 2 additional staff to deliver the program. MHFA plus CDBG resources for rehab will show a significant impact on housing condition in the region.	Expanded outreach efforts have facilitated more effective matching of eligible households with suitable housing assistance programs.
	- Lasting benefits.			

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 9

A. Consortium

1. Description

Membership/Funding

RNDC.....\$20,000

MVAC.....\$10,000

Formation

The Physical Development Subcommittee of the RDC wanted the RDC to become more involved in housing. They saw the Innovative grant as an opportunity to expand their housing activity without taking dollars away from other programs. The RDC director approached the MVAC director about a joint application that would address regional delivery problems.

Because they took the initiative and had a need for housing staff support funds in their agency, RNDC became the lead agency. RNDC's role in the work plan was developed by its Physical Planning Director; the MVAC coordinator did not know who developed their role but he assumed the plan was arrived at jointly. Neither of the new staff people had been employed when the work plan was written.

Method of Operation

Since the "consortium" was so small, the two representatives met informally but frequently. The RDC saw its role as identifying needs and developing a fair regional allocation system-essentially doing a good regional housing plan. The RDC also saw its role as providing assistance to MVAC, the deliverer, to implement that plan.

Both agencies encouraged a close, cooperative relationship between the RDC housing planner and the MVAC coordinator: they both agree that planning and delivery are interdependent. Each enjoys having the added dimension of understanding the other's role, and both said they receive support and advice from the other.

They made referrals to each other in order to connect clients with the most appropriate programs. They continually shared information and jointly planned the CDBG pre-application, workshops, technical assistance and outreach. They also discussed housing programs in general in the region, and the development of regional housing policy.

2. Effectiveness (as seen by members)

a. Ratings: very effective.....2
somewhat effective.....0
not too effective.....0
not at all effective....0

- b. Reasons given for ratings: Gary Yuva, the planner, saw great benefit for the region in the fact that the activities undertaken were not "piece-meal" but fit together. He feels a more efficient use of programs results from coordination of efforts, and he was sure the rapport between the agencies would continue beyond the Innovative grant. Gary Hedstrom, the deliverer, also focused on cooperation among agencies and particularly mentioned the support and knowledge of housing needs he gained through the consortium approach.

B. Catalyst

1. Description

The grantees disagreed as to the presence of a catalyst in Region 9. Gary Hedstrom, MVAC, thought the consultant was a catalyst, providing housing expertise, the ability to develop strategy, and a practical knowledge of how to get things done. The consultant's duties were prescribed, i.e., to develop an expanded delivery capability for MVAC, but even though he may not have been free to choose what to do, he was essentially "unencumbered" as he had no staff duties for the agency.

The RNDC housing planner did not view the consultant as a catalyst.

In some respects, however, he was the ideal catalyst: one who steps into a situation, changes it, and leaves again. But because he was working only for MVAC, all his suggestions for coordination of programs were to consolidate them under MVAC. No consideration was given to other regional approaches such as a multi-county HRA. A catalyst hired by the consortium might have developed quite a different plan with more players.

2. Effectiveness (as seen by members)

- a. Ratings: very effective.....1
no answer.....1

- b. Reasons given for ratings: Gary Yuva, RNDC, felt that the relationship which grew between the two agencies over the 18 month period was of much more lasting significance for the region than was the expertise of the consultant.

Gary Hedstrom would disagree in that he felt the expertise was essential for MVAC to move so quickly to an expanded, more effectively run program. If the consultant had not been so experienced, so capable of perceiving deficiencies in the delivery system and committed to improving it, Gary Hedstrom feels MVAC would not have been able to carry out its part of the consortium activities so well.

C. Choices for Future Policy

1. Which had more impact?

consortium.....1

catalyst.....1

2. Model for future funding:

consortium alone.....1

catalyst alone.....0

combination.....1

The housing planner would stay with the consortium model but felt other MHFA grant deliverers should be included in the consortium. He would keep the group flexible and informal.

The housing coordinator liked the current arrangement of two agencies and felt that if the consortium expanded it would be more difficult to reach consensus. Thus he envisioned a consortium plus an unencumbered catalyst who would be free to set policy after consulting with the group.

REGION 11 (METRO REGION) CASE STUDY

I. DESCRIPTION OF REGION

Region 11 is the Twin Cities metropolitan area. While only 6.6% of the metro population is classified as rural, cultivation is still the primary land use. Thus, there are rural areas in the region whose housing problems are similar to those in outstate Minnesota. The main difference lies in the above-average growth rate in region 11's rural areas.

The rural areas served by consortium agencies are Anoka County, north of the center cities, and Scott and Carver counties to the southwest. These two outlying areas of the region are not contiguous; they are on opposite sides of the center cities.

The pattern of housing program delivery in region 11 is unique in some ways. The entire seven county region is served by a multi-county HRA that is part of the Metro Council (the region 11 "RDC"). Only a few years old, this metro HRA is just now undertaking actively to operate housing programs, having been largely a coordinating body until the present. In addition to the metro HRA, the region includes two active county HRAs, one of which is in Scott County. During the Rural Innovative grant period this HRA's capability to manage programs has greatly increased, although it was not a member of the consortium.

The MHFA grant program is administered locally in both Anoka and Scott-Carver. In Anoka it is operated by the Anoka CAA, one of the two Rural Innovative grantees, and in Scott-Carver by two local agencies: in Scott County by the HRA, and in Carver County by Scott-Carver Economic Council (SCEC), the other Rural Innovative grantee. These two CAAs now operate weatherization in their areas as well.

The pattern of program delivery has been a shifting one, especially in Scott-Carver. Programs changed hands as agencies decided they either could or could not handle them. This shifting will possibly continue while CAAs in the metro region figure out how to arrange their service areas to cover counties such as Washington and Dakota that are not currently being served by any CAAs at all.

II. THE RURAL INNOVATIVE GRANT IN REGION 11

A. Member Agencies in the Consortium

This region's consortium membership was unique among the ten funded regions because it did not include a planning body. Thus, no single agency covered both CAA service areas within its jurisdiction. This, plus the fact that the two CAA members serve separate areas on opposite sides of the center cities, limited the necessity as well as the opportunity for coordination in carrying out planned activities.

Anoka County CAA: Anoka County is a rapidly growing county whose closer-in area is largely urban/suburban, but whose boundaries also enclose a largely rural area in the northern half. The CAA has a staff of 32, and manages weatherization and the MHFA grant program for the county. Its office is in the city of Anoka.

Scott-Carver Economic Council (SCEC): Scott and Carver are the most rural counties in the metro region. SCEC serves these two counties, and also manages some programs in other metro counties that lack CAAs. Its weatherization program serves Scott, Carver, and also Dakota Counties: it runs the MHFA grant program in Carver County only. It has a staff of 40-45, and its main office is in the town of Carver.

B. Allocation of funds

The two CAAs split the \$30,000 received in the region, each using \$15,000.

C. Staffing pattern

Each agency hired a new person for the duration of the grant. In the Anoka CAA, Gary Ostberg was hired to work on various projects designed to increase Anoka CAA's capability to meet housing and energy needs.

SCEC hired Eric Fredricks for essentially the same purpose, but his position in his agency was different. Program delivery staff being almost totally lacking in his agency, Eric became the director of the Housing and Energy Department, and spent most of his time hiring, managing and developing staff.

D. Work plan

Identifying lack of coordination among metro, county and municipal rehab programs as the main problem to be addressed, the work plan laid out five objectives:

1. Resource identification to provide in-house expertise on all available resources.
2. Coordinated planning and delivery to provide maximum impact on rehab needs by a) use of complementary programs and b) regular contact with metro, county and municipal providers and banks.
3. Effective management of CAA programs through better outreach and follow-up.
4. Training on alternative energy sources for home heating.
5. Advocacy for a) better use of existing programs, e.g., with banks and FmHA and b) possible new programs; CDBG, local weatherization funds and Title I certification.

III. GRANT ACTIVITIES AND RESULTS

A. Regional activities

Individual agency activities (see chart)

Individual Agency Activities

Activity Agency	Building Agency Capability in Energy and Housing	Securing CETA Staff	Applying For CDBG	Coordination With Other Agencies	Energy Conservation Projects
Anoka County CAA --Gary Ostberg	Gary and CETA Title VI staff, all new employees, planned, organized and conducted ten neighborhood meetings. Purpose of this "group outreach" technique: build community awareness of the energy conservation potential available through CAA programs (CSA weatherization and MHFA rehab grants & loan processing). Explained programs, signed up clients at meetings. Resource file on housing and energy issues established. Agency is currently applying for Title I certification.	Gary helped interview applicants and train new Title VI CETA workers. Later he wrote a further application for 7 CETA housing slots, in order to maintain CAA's delivery capability. Application was funded.	The success of neighborhood meetings increased MHFA grant waiting list: Gary organized a county-wide CDBG application to provide more rehab funds. Convinced county board and 12 towns that would not have applied on their own to apply together and contract with CAA to administer the program. Not funded. County Board is now receiving quarterly reports on houses rehabed/weatherized.	Lenders: CAA supplied clients to banks that would otherwise have dropped MHFA loan program; also 80 clients to Columbia Hgts. HRA loan program. HRA: Contract with Columbia Hgts. HRA to supply CAA labor for energy items on MHFA rehab structures, in addition to regular CAA weatherization in Columbia Hgts. FmHA: CAA packaged & referred 8 applications to St. Francis office; is attempting through county board to convince FmHA to serve more of rural Anoka County.	Using a CSA grant, Gary installed a solar water heater on one of the CAA-weatherized homes. CAA will monitor this one and do some more. Gary & staff made several presentations to school children about energy conservation and solar energy; also the CAA funded high school energy projects and displayed them in the local shopping mall.
Scott-Carver Economic Council (CAA) --Eric Fredricks	When Eric began, neither weatherization nor MHFA grants were running well. Using primarily CETA funds, he created, organized and trained a Housing and Energy Dept. SCEC now operates weatherization with CETA labor rather than private contractors. Operation of MHFA grants is now on solid basis in both Carver (SCEC) and in Scott (Scott Co. HRA).	Eric convinced both Scott and Carver Co. Boards to apply for some CETA slots for SCEC. Having shown the CETA approach worked, Eric later reapplied and got 15 slots; now has assurance of 18 through 1979.	SCEC did not work on a CDBG application; however, it provided extensive outreach for Scott County HRA's MHFA grant program. The increased demand helped convince the Scott Co. Board to apply successfully for CDBG. SCEC is already working on CDBG pre-app. for next year, having gotten the idea from Anoka.	SCEC did Shakopee MHFA grant program; has now spun that off to Scott County HRA. Makes extensive referrals to Scott Co. HRA.	Received grant to do demonstration project for CSA and National Bureau of Standards. SCEC uses data, gathered during inspection for weatherization, to supply heat loss information to a central computer.

The main focus of each agency's activities was on increasing the effectiveness of the delivery of existing programs. In both cases the Rural Innovative staff used CETA manpower resources to expand outreach, planning, secretarial and work crew functions.

The Anoka CAA already had arranged for some CETA workers when Gary was hired. One of their activities is described here. In order to build a coordinated program of MHFA grants and weatherization, Gary and the CAA's CETA energy staff went to the community, using the need for energy conservation as their focus. Choosing target communities, they doorknocked, wrote letters, made phone calls and sent notices home from schools to advertise a series of community meetings. At the meetings they explained the energy benefits to be gained from weatherizing and rehabilitating homes, and introduced the CAA and its rehab and other programs.

By encouraging people to apply for programs right at the meetings, the CAA was able to do a good deal of counseling on a "group" basis. Eligibility was determined on the spot for all programs, and for weatherization clients at least, little more "intake" paperwork was necessary. People interested in and eligible for MHFA rehab loans were taken through family budgeting processes and given lists of banks to approach; MHFA grant applications were taken. The Columbia Heights HRA also took applications at the meeting held there for its MHFA grant and loan program (the HRA has Title I lending status).

The neighborhood meetings thus supplied the opportunity to replace ordinarily time-consuming case-by-case outreach and processing with a more efficient "group" approach. With the new CETA staff and the clients identified at the meetings, the CAA energy and housing department now had a solid foundation for carrying out existing programs and investigating new ones.

In Scott-Carver the emphasis was also placed on building agency capacity. When Eric was hired, SCEC had no energy coordinator. It subcontracted its weatherization work out to a private contractor; a procedure that limited work to attic insulation because of high labor costs. The MHFA grant program was in disarray. In Carver County SCEC was way behind schedule, and in Scott County the struggling county HRA was having trouble finding applicants. Municipal HRAs in Waconia and Shakopee wanted to stop delivering their grant programs. Eric attacked these problems by securing CETA funds for energy crews and staff, by working himself to get the MHFA program in Carver County delivered on time and helping Scott County HRA with outreach.

Gradually he built a Housing and Energy Department, reapplying for more CETA staff. Weatherization could now be run by the CAA instead of being subcontracted; MHFA grants were operated efficiently in year II for Carver and also for Waconia and Shakopee. Through the department's crisis intervention work many new clients both for weatherization and MHFA were signed up.

With the addition of Dakota County's weatherization program to the Scott and Carver programs, and some CSA/National Bureau of Standards demonstration grant funds for computing heat loss, plus the assurance of CETA funding through 1979, the Housing and Energy Department is now assured of three non-CETA and at least 18 CETA positions funded through 1979.

All of the accomplishments of this department can be attributed to the Rural Innovative grant, since Eric was the catalyst that established and fostered the department. In fact, he said the original CETA positions were secured by arguing that the HUD Rural Innovative dollars demonstrated a federal commitment, and at the same time supplied the supervisory staff to meet CETA requirements.

Attributing Anoka's housing and energy accomplishments to the Rural Innovative grant cannot be done so directly. Nevertheless, the director of the department feels that because of Gary's architectural training and because he worked in most of the department's functions, he was responsible either directly or indirectly for what they are able to do today.

Joint Activities: There were none.

Innovative Activities and Methods: Both agencies' principal task for their Rural Innovative staff was to develop better capacity to deliver programs: there is little 'innovative' about working to increase effective delivery. Using CETA labor was new to SCEC's weatherization effort, but not a unique approach. Using neighborhood meetings, however, was an innovative approach to outreach: explanations, counseling and some processing all took place in a group setting, saving all the time usually consumed in personal, one by one processing.

B. Results of Individual and Joint Activities

Compared to Work Plan: The work plan was written to guide both agencies' activities. It was probably inevitable, however, that the two agencies worked separately; they are geographically separate and each saw pressing individual agency needs. Taking their separate paths, they each carried out some work plan objectives.

1. Resource Identification:

Anoka, through materials organized for neighborhood meetings, and other purposes. Building a usable library.

2. Coordination:

a) of programs: both agencies

b) through regular multi-level contact: both did some with county and municipal HRAs.

3. Better management of programs:

Both agencies increased their delivery and outreach capabilities.

SCEC started behind, so had to go further: it also assisted other agencies to build their capabilities.

4. Alternative heating sources:

Anoka, through solar water heating demonstration, work with school children, information gathered.

5. Advocacy:

a) on existing programs: Anoka advocated with banks and with FmHA

b) on new programs: Anoka tried CDBG.

Compared to Mission Statement Criteria (see chart)

Compared to Mission Statement Criteria

Activity Criterion	Building Agency Capability in Energy and Housing	Securing CETA Staff	Applying for CDBG	Coordination With Other Agencies	Energy Conser- vation Projects
1) Available resources used more effect- ively					
- More people were served	Both CAAs provided more emergency energy funds be- cause had staff to deliver original allotment and then got more. Also, more handicapped served through accessibility grants.	Anoka CETA energy staff serves more people in Col- umbia Hgts. under agree- ment with HRA there.	More rehab dollars in Scott because of CDBG.	Approximately 100 clients counselled and referred from Anoka CAA to lenders, FmHA.	1 house got solar water heat- er; several more will be done.
- Individuals were served more in- tensively	Anoka: people at meetings found out about all CAA programs. Both: all MHFA grants combined with wea- therization.	SCEC's weatherization jobs are more complete because of CETA labor. (Before only attic insulation.)		Anoka: combining its labor with Columbia Hgts HFA's MHFA dollars for energy it- ems on clients' homes. More served in Columbia Hgts since MHFA dollars go further.	
- More people aw- are of housing needs or pro- grams	Anoka: 200 people who at- tended neighborhood meetings, SCEC increased number of MHFA applicants 4 times & number of weatherization applicants 10 times.	County boards who approved CETA applications.	County boards in Scott & Anoka; municipal officials in 12 Anoka towns.	Banks that stayed in loan program.	Anoka is planning activities with Voc. Ed. school. Local students learned about al- ternative energy.
- More people work- ing to solve housing problems	Advisory committees crea- ted in both CAAs. SCEC: three permanent non-CETA positions heading a housing and energy department that didn't exist before.	SCEC: 5 new staff people for 3 months, then 15 for 1 year; now 18 through 1979. Anoka: 31 housing & energy people funded through 1979.		2 new banks in Anoka.	
- Level of housing expertise was increased	Gary and Anoka housing and energy staff. Eric and SCEC housing and energy department.	Gary and Eric learned how to write grant proposals.			Gary (an arch- itect) learned about solar water heating, taught other staff.
- Objectives of in- dividual progr- ams were more fully met	Both: increase in eligible MHFA applicants insures most critical needs being met.	CSA's objective, to weath- erize a house completely, now being accomplished.		Anoka: referring clients to banks kept the banks from dropping out of MHFA prog- am. Also, 2 more banks in program now.	

Compared to Mission Statement Criteria (Cont.)

Activity Criterion	Building Agency Capability in Energy and Housing	Securing CETA Staff	Applying for CDBG	Coordination With Other Agencies	Energy Conser- vation Projects
- Ongoing programs administered more effectively	Anoka: neighborhood meetings allowed more efficient group outreach and processing. Scott-Carver: MHFA program delivery in each county run out of 1 office, rather than several.	Anoka: New CETA funds allowed same staff to stay: avoided diluting efficiency due to staff turnover.		Both agencies are combining programs, working to maximize effectiveness of their own and others programs.	Gathering data for heat loss study requires a more thorough investigation of energy defects on weatherization.
2) Resources were expanded					
- Volume of dollars was increased via existing or new programs	Both: increase in crisis intervention dollars of \$125,000 over allocation- also \$47,500 in extra accessibility grants.	Anoka: \$368,000 in CETA funds. SCEC: \$150,000 in CETA funds.	\$350,000 to Scott County for rehab administered by Scott County HRA. Only indirectly due to Rural Innovative dollars.	More rehab loan dollars through new banks.	Anoka: \$5,000 from CSA for solar water heater demonstration. SCEC: \$200,000 from CSA/Nat'l. Standards for Heat Loss Study.
- New housing units were influenced					
- New delivery mechanisms were created	Both: now have stable housing and energy departments: also, Scott County HRA is strengthened.			Anoka: working agreement to share resources with Columbia Hgts. HRA.	
3) Lasting Benefits	Both: now have stable housing and energy departments: also, Scott County HRA is strengthened.	Allowed agencies to build expertise and depth of staffing.	Promoted awareness of housing as a need.		CAAs developing capacity to affect development of alternative energy sources.

IV. THE CONSORTIUM AND CATALYST APPROACHES IN REGION 11

A. Consortium

1. Description

Membership/Funding:

Anoka County CAA: \$15,000
SCEC: \$15,000

Formation:

When the Rural Innovative grant's availability was first announced, the two rural CAAs in the metro region were not included in the request for proposals: the lack of identification of these agencies as rural deliverers is mentioned by both as a chronic problem, this initial Rural Innovative exclusion being just another example. Anoka CAA decided to speak up, and was successful in convincing the state agencies administering the grant that the two rural Region 11 CAAs, Anoka and SCEC, did in fact serve a rural clientele and should be funded.

The directors of the two CAAs agreed that, since Anoka had been the leader in securing funding for the region, it should be the lead agency. Also, Anoka CAA had more housing expertise on its staff at the time than did SCEC.

Anoka CAA's housing staff wrote the work plan and SCEC agreed to it. Both agencies saw the funds as a way to upgrade their internal capabilities to deliver housing and energy programs.

Method of Operation:

The two agencies operated independently. Neither saw any compelling need to communicate; indeed, until the two new Rural Innovative staff people attended an all-grantee conference together they were unaware anyone wanted them to do so. There really was not a consortium at all in Region 11--there were never any formal meetings, nor any mutual plans carried out jointly.

Some communication did take place, however. When Eric and Gary discovered a mutual interest in alternative energy, they began exchanging information and touching base more frequently--but on an informal, irregular basis. The Anoka energy staff also visited SCEC to learn what SCEC was doing with its energy program.

2. Effectiveness (as seen by members)

a. Ratings: very effective-----0
somewhat effective----2
not too effective-----0
not at all effective--0

- b. Reasons given for ratings: Gary and Eric saw some value in the exchange of information that occurred. They both felt coordination to be necessary, but that those agencies they really needed to work with were not consortium members (FmHA, HRAs, local officials, planners). Thus, the homogeneity and geographic separation of the two agencies was a weakness that made it a waste of time to try to make this particular "consortium" work.

B. Catalyst

1. Description: two "partly unencumbered catalysts"
Both Gary and Eric defined themselves as catalysts; neither felt totally unencumbered. However, the fact that their salaries came not from administrative allotments but from a special source earmarked for "innovative" activity meant they could justify stepping back and looking around for new funding sources and new interagency arrangements.

Gary spent 75% of his time on grant-related activity and the rest on administrative duties for his agency. Half of that time was devoted to initiating, planning and learning/teaching kinds of functions. He said the most important role he played under the grant was in finding out about programs, getting them going and then turning them over.

Eric said he spent 100% of his time managing staff in his agency's Housing and Energy Department. He maintained that all of this work was "catalyst" work: he brought staff and programs together and made things happen through his search for new administrative funds, training and staff development. He said his most important role was combining funding sources to provide for smooth delivery of services.

2. Effectiveness (as seen by members)

- a. Ratings: very effective -----2
somewhat effective ----0
not too effective ----0
not at all effective --0

- b. Reasons given for ratings: Eric and Gary defined both themselves and each other as catalysts. They singled out the presence of extra time and freedom to maneuver as the principal reasons and catalyst approach was so effective.

C. Choices for further policy

1. Which had more impact on rural housing delivery?

Consortium--0
Catalyst---2

2. Model for future funding:

Consortium alone--0
Catalyst alone----0
Combination-----1

Gary did not choose, saying that the real problem is the peculiar difficulties of serving a rural population inside a large metropolitan area with a relatively remote, urban-oriented planning body.

Eric found attractive elements in both consortium and catalyst approaches, however. He therefore favored a combination of the two as a future model, but specified that a consortium should cover all the rural areas in the region and include all deliverers.

APPENDIX B: METHODOLOGY

The evaluation is qualitative in nature. The process used has been called "utilization--focused evaluation," because it is a process which involves the participation of the potential users of the information in the choices of subject matter and kinds of questions addressed*.

Potential users, in this case, were 1) the Rural Innovative grantees themselves, 2) representatives of the two state agencies administering the grant, Department of Economic Opportunity/Division of Economic Security (DEO/DES) and the Office of Local and Urban Affairs (OLUA) in the State Planning Agency, and 3) representatives from the regional and area HUD offices.

The evaluation was organized and carried out by OLUA, using two consultants hired in December 1977 for the last 12 months of the 18 month grant period. These evaluators were also responsible for technical assistance to grantees during that year. Because of the dual responsibility, the evaluators were closely involved with grantees; they did not carry out any delivery activities, but since they were facilitators and advocates, their evaluation role was one of participant observer.

Purpose of the Evaluation

The purpose of the evaluation was to describe grant activities, showing what worked and why. In addition, the evaluation was to determine what

*For his invaluable assistance in developing this evaluation process, evaluators would like to thank Michael Quinn Patton, Director, Minnesota Center for Social Research and adjunct professor of the School of Public Affairs, University of Minnesota. Mr. Patton's book, Utilization-focused Evaluation, Sage Publications, Beverly Hills/London, 1978, was of considerable further help.

elements are necessary for successful delivery of housing programs in rural areas and what concepts are transferable (see Exhibit B-1 at end of this Appendix).

The Evaluation Focus

The grantees and agency representatives, having been identified as potential users of the evaluation, determined that the evaluation should focus on assessing the relative effectiveness of two delivery strategies, the consortium approach and the catalyst approach.

Chronology

The evaluation process began in January 1978, when a conference was held for lead agencies from each of the ten regional consortia. To this point each consortium had acted independently, unaware of what other consortia were doing. The first step, then, was to provide them with a description of all of the consortia. The matrix presented at that conference shows all planned activities of the ten consortia (see Exhibit B-2). In April 1978 a second conference was held. Several steps in the evaluation process were undertaken. First, grantees and agency representatives distilled their individual ideas of the grant's overall goals into a Mission Statement. Second, grantees identified the elements both in their agencies and in their communities that they thought are necessary for successful delivery of housing programs in rural areas. Third, they produced a set of questions they wanted the evaluation to address, and identified from that group of questions a central issue, or focus, for the evaluation (see "Report to Grantees: Evaluation, Focus," Exhibit B-3). In addition, conference participants selected from among themselves a smaller group, the Evaluation Committee, to continue to work with the evaluators.

In June 1978 the Evaluation Committee met to assist evaluators in making the Mission Statement a more useful measurement tool by adding specific components to the two basic statements. The committee also approved the general format for the final document, purposes and consequences of the evaluation, a proposed research design, and drafts of the principal research instrument, an in-depth interview to be administered to at least one staff person in each consortium member agency (see Exhibit B-4).

By July 1978, the individual interview form had been completed and tested, and a group interview for each consortium had also been designed (see Exhibit B-5). By October, 44 interviews had been conducted in all ten regions and with the grant administrator in DEO/DES and his field staff person. Individual interviews were done in conjunction with consortium meetings where the group interview took place (for list of respondents, see Appendix C).

In September and October interview notes and tapes were transcribed, and in November draft case studies were written and mailed to the pertinent regions for comments. The information from individual and group interviews provided the basic data base for the case studies. Some data were also gathered from the grantees' quarterly reports, required by HUD, but on the whole those reports were too general to be of much use.

In November the Evaluation Committee met to interpret data from the collected case studies concerning the results of all grant activities. The committee affirmed the general success of the grant and determined that success comparisons among individual grantees or even among individual regions would be difficult.

Also in November, a final conference for all grantees was held. Grantees were shown the compiled results of grant activities, were given an opportunity to describe their most successful activities to one another, and were invited to give their interpretation of the data. Of most significance was their discussion of which elements in the grant framework contributed to their success. Grantees left the conference encouraged by the evaluation results and eager to continue the consortium model.

During December the body of the report was written and commented on by several OLUA and DEO/DES staff people, some of whom were familiar with the grant and some who were not.

Comments on the Methodology

As the evaluation progressed it was found to be a disadvantage that the evaluation did not begin when the grant did. Starting together would have allowed evaluators to do a base-line assessment of delivery capability in each consortium that could be used for comparison with post-grant capability. There could also have been earlier clarification of individual consortium objectives, which were often too vague to be useful as criteria. The result is that regions with different consortium models cannot be ranked according to success with any validity, and therefore judgments as to which models were more effective cannot be made.

Requiring the evaluation to be submitted directly after the end of the grant was both an advantage and a disadvantage. It meant that grantees were involved actively in the evaluation process during the course of their work. This served to increase their perception of the importance of what they were doing, and stimulated them to devote more careful thought to the implications of their activities and strategies.

The disadvantage is that because the evaluators were contracted to finish the evaluation at the same time as the grant ended, they were under unrealistic pressure to complete the assignment while data was still coming in. Future demonstration grantees should anticipate the need to provide funding for evaluators for up to a month beyond the grant termination date.

6/14/78

PURPOSES OF EVALUATION

To provide for HUD and interested others:

- I. A description of activities undertaken because of the grant.
- II. Based on these descriptions;
 - A. A determination of what activities or elements are necessary for success and are transfable to other rural areas.
 - B. A definition of the obstacles to successful delivery.
 - C. An assessment of the effect on successful delivery of two specific factors: a consortium and the presence of a catalyst.

CONSEQUENCES OF THE EVALUATION

- I. A base of information that can be used to increase the effectiveness of rural housing delivery.

Useful to:

- A. Ourselves and other rural deliverers.
- B. Housing policy makers:
 - local (example - county boards)
 - state (example - legislature, MHFA, OLUA)
 - federal (example - congress, FmHA, HUD)
- C. Housing program administrators:
 - local (example - FmHA county supervisors)
 - state and federal (example - MHFA, FmHA and HUD staff responsible for writing and interpreting regulations)
- D. HUD: in determining if they wish to pursue further rural delivery research projects.

Office of Local and Urban Affairs
Prepared by: Mary Rollwagen
Sue Taylor
January 18, 1978

HUD RURAL INNOVATIVE HOUSING PROJECT
PROPOSALS OF MINNESOTA GRANTEEES

(1)

ADMINISTRATION				PLANNING			COORDINATION	HOUSING PROGRAMS		DELIVERY SYSTEMS					COMMENTS					
Region	CONSORTIUM MEMBERS * lead agency	Housing SPECIALIST date hired	name agency	new salary	Significant Budget items	Needs Assessments	Regional Housing Planning (ToI, HAP)	Evaluation of own process	Among Agencies	In use currently	To be explored or begun	HRA's estab- lish		manpower	Private Sector Involvement	Title I Certifi- cation	Technical Assistance	Info + Referral	Educational Outreach	Innovative Activity Problems Needs
1	Northwest RDC *Northwest CAA (2) Inter-county CAA (2) Tri-Valley CAA NW Minn. Multi-county HRA	8/77	John Wynne NW CAA 218/528-3258 (Housing Coordinator)	Yes	\$30,000. \$3,000 to RDC bal- ance to lead agency for sala- ry of Hsing Coordina- tor, travel and sup- plies, etc.	Survey (CAA) processed by RDC to analyze need		Design presented	Quarterly meetings of consortium	(Housing Coordina- tor to assemble re- sources of MHFA, Winterization MHFA grants HUD Sec. 8 Existing and New	or to assemble re- sources of MHFA, CSA, FmHA) MHFA Home Improve- ment, Mortgage loans CSA Manpower, Out- reach FmHA 502, 504 Interest private owners in repair and rental through Sec. 8				1. Increase lender partici- pation in MHFA loans. 2. Work with con- tractors, developers, landowners		By Coordina- tor to HRA, CAAs, GACs. Intensive assistance to clients with special needs			
2	*Headwaters RDC Bi-county CAA (5) Northwest CAA (1) Inter-county CAA (1) Mahube Comm Council (4)		Denise Vik RDC 218/751-3108 (Housing Planner)	No	\$30,000. \$15,000 to RDC \$15,000 to all CAAs but Bi-county which received some funds from Region 5 consortium	RDC func- tion. Determine needs by geographi- cal area income, type of help needed.	RDC: assess how current programs meet needs; recom- mend changes. Make sure re- gion receives its fair share of funds. Prepare adden- dum to allo- cation plan.	Consortium meetings in last 6 months de- voted to evaluation	Quarterly meetings. Working agreements among agencies.	MHFA grants, loans, mtge purchase, Sec. 8 CSA Weatheriza- tion FmHA Older Americans Act. Title III			Presently good coordi- nation of man- power pro- grams with home im- provement work.	To be en- couraged through meetings and techni- cal as- sistance		To HRAs, pri- vate sector	Designate advertise a center. Develop booklet on available programs. Train other social service agencies in avail- able hous- ing pro- grams.	CAA function: through county exten- sion, schools, training in home repair. Incentives for self-work		
3	Arrowhead RDC *Arrowhead Econ Opp Agency Lakes and Pines CAA (7E) Koochiching- Itasca C.A. Council	8/77	Pat Dewitt Arrowhead Econ Opp Agency 218/749-2912	Yes	\$30,000. \$5,000 to RDC, bal- ance to lead agency for salary and coordi- nator travel and supplies, etc.	RDC func- tion: low in- come needs assess- ment	Revise and up- date regional allocation plan, techni- cal assistance to local govern- ments on HAPs	Design presented	Monthly re- ports. Regu- lar meetings of committee of RDC, CAAs and private sector. Ex- plore con- tracts, joint powers agree- ments.	MHFA grants, loans HUD Sec. 8 CDBG CSA Winterization Older Americans Act. Title III	FmHA programs: 504 515 and self-help.	Multi- county HRA for St. Louis, Lake and Cook Counties		Use CETA. Employ low income people in winteriza- tion pro- gram.	Include in consortium committee	To be explored and im- plement- ed if possible	Training for housing deli- verers. Help local governments with HAPs.	Employ out- reach cap- abilities of other social ser- vice agen- cies.		
4	West Central RDC *Clay-Wilkin Opp Council Mahube Comm Council (2) Ottertail- Wadena Comm Council (5) West Central Comm Action Inc.		Dennis Heitkamp Clay-Wilkin Opp Council 218/233-7514	No	Received \$20,000. Apportion- ed among consortium members according to their counties' respective percent- ages of region's low income population	Specific needs on county-by- county basis	Localized plan- ning. Each member of consortium did own work plan	Plan presented	Within indi- vidual coun- ties. RDC function: convene ad hoc committee of deliverers	MHFA grants CSA Weatherization HUD Sec. 8 new	HUD Sec. 8, new catalog resources	RDC function: tech. assistance on creation or reactivation of county HRAs Stevens County HRA Otter- tail County HRA Pope County HRA		Mentioned in several work plans, encourage bankers, developers, contractors to partici- pate in available programs.		Especially to HRAs and local govern- ments, RDC to developers. 1. Catalog resources 2. Establish citizen com- mittees 3. Develop HAR system in some counties 4. Follow-up procedures.	Several separate efforts planned. 1. Catalog resources 2. Establish citizen com- mittees 3. Develop HAR system in some counties 4. Follow-up procedures.			

Exhibit B-2

-7-

ADMINISTRATION				PLANNING			COORDINATION	HOUSING PROGRAMS			DELIVERY SYSTEMS					COMMENTS				
Region	CONSORTIUM MEMBERS * lead agency	HOUSING SPECIALIST			Significant Budget Items	Needs Assessments	Regional Housing Planning (Tri, HAD)	Evaluation of own process	Among Agencies	In use currently	To be explored or begun	HRA's		manpower	Private Sector Involvement	Title I Certification	Technical Assistance	Info + Referral	Educational Outreach	Innovative Activity Problems Needs
		date hired	name agency	new position								establish	renew							
5	*Region 5 RDC Tri-county CAA Bi-county CAA (2) Ottertail-Wadena CAA (4)	9/77	Kathryn Johnson Region 5 RDC 218/894-3233 CAA: 1/2 time community organizer	Yes	RDC \$20,000 CAAs: Tri-county-\$6,000 Bi-county-\$2,000 Ot-Wad-\$2,000 Total-\$10,000	RDC: establish Data Bank CAA: update data Create Housing Task Forces to advise on low-income needs	RDC: Complete Regional Housing plan.	Quarterly evaluation through reporting process.	RDC: Establish and maintain contact with public and private sector in developing and evaluating regional housing plan. CAAs to be represented on RDC Housing Advisory Comm.	CSA Winterization MHFA grants, rehab loans HUD Sec. 8 Existing FmHA "relatively inactive"	Sr. Citizen Maintenance/Prevention program through Area Agency on Aging and Local Funds Form local and multi-local dev't and rehab proposals through: HUD Sec. 8 FmHA Self-help, multi-family MHFA and perhaps locally financed loan fund. Comm. Dev't Corp. to be region-wide delivery agent.	Cass County Crow-Wing County HRA's	Todd, Morrison, Wadena County HRA's	Explore rural MN CEP. Study group recommend ways to use low-income workers on housing work	Serious deficiency now. Encourage participation. Perhaps process applications for banks. CAAs: provide community organization and advocacy for poor people through study groups.	Explore certification for a Community Dev't Corp.	To other deliverers. Help process applications for FmHA, 502 and 504; MHFA Mtoe and Home Imp. Loans. Encourage local gov'ts to place higher priority on housing assistance, using data from grant and winterization programs.			
6E	Region 6E RDC *Region 6E CAA	5/77	Paul Borene CAA 612/235-0805 Housing Project Director	Yes	\$30,000 to CAA for Project Director salary, travel, support and secretarial services		To assist with HAPs for local communities	Steering committee (4 members from each agency) to be involved in evaluation process	Housing Project Director's time split 80% CAA, 20% RDC. Steering committee meetings	Winterization MHFA Rehab grants and loans	HUD Sec. 8 existing For Kandiyohi County MHFA Loans, CAA to process applications in areas not covered by banks--Kandiyohi bank to do credit check Housing Development Corp. CDBG For rehab in Danube and Fairfax--CAA to administer funds	McLeod	Kandiyohi Meeker Renville	Funded 4 man winterization crew thru CETA Title VI Special Projects for 1 year VISTA volunteer for CAA alternative energy project.	Some MHFA loan deliverers. CAA completes coverage by taking applications in areas not covered by banks	CAA considering certification	To local governments seeking CDBG. To HRA's applying for Sec. 8, existing. To agencies on MHFA grants.		Workshops for providers on using available resources	
6W	*Upper MN Valley RDC Prairie 5 CAC 4 HRA's -Big Stone -Chippewa -Swift -Yellow Medicine	11/77	Robert Overby RDC 612/289-1981 RDC Planner	Yes	Received \$20,000 7% to RDC for administration. Rest divided equally among CAC and HRA's, used for supplies and outreach	Expand data	Overby also working on 701 plan	Consortium council (1 member from each agency) meets quarterly plus final review to establish ongoing needs. Coordinate programming among deliverers	Consortium council meets quarterly to review and share ideas. Consortium members also sit on RDC Advisory Committee which meets monthly. Coordinated outreach activities of CAC and HRA's.	MHFA Grants and Loans HUD Sec. 8 Existing CDBG	HUD More Sec. 8 Existing plus Sec. 8 New construction MHFA Loans FmHA Sec. 515, and Self-help	Have active HRA's	CETA and Work Equity VISTA workers, use student interns, self-help.	Work with lenders on MHFA loans, affordable homes. Work with contractors on MHFA requirements		Coordinate winterization and MHFA programs. Coordinate efforts of county and city HRA's. From CAA to social service agencies. To local communities on clarifying needs and establishing programs.	To public and private groups using: newspaper ads, radio spots, brochures, letters and slide shows			

ADMINISTRATION					PLANNING			COORDINATION	HOUSING PROGRAMS		DELIVERY SYSTEMS					COMMENTS				
Region	CONSORTIUM MEMBERS # lead agency	HOUSING SPECIALIST			Significant Budget items	Needs Assessments	Regional Housing Planning (ToI, HAP)	Evaluation of own process	Among Agencies	In use currently	To be explored or begun	HRA'S		manpower	Private Sector Involvement	Title I Certification	Technical Assistance	Info + Referral	Educational Outreach	Innovative Activity Problems Needs
		date hired	name agency	new/until								establish	renew							
7E	*East Central RDC Lakes and Pines CAC (3)	6/77	Tom Foley RDC 612/679-4065 Housing Planner	Yes	\$20,000 2/3 planning, 1/3 service delivery	For housing allocation plan	Developed material for 701 plan and a housing service delivery directory to be used by deliverers	RDC Community Development Committee responsible for program	Two members of Lakes and Pines CAC sit on RDC Housing Committee. RDC offers TA to CAC to jointly set priorities for where rehab money will go.	MHFA Grant Winterization	MHFA Loans HUD Sec. 8 CDBG FmHA Sec. 515, 502	Perhaps		CETA funds to train workers to assist HRA and other providers			To private sector, CAC, and HRAs			
9	*Region 9 Development Commission (RND) MN Valley Action Council (MVAC)	9/77	Gary Yuva RND 507/387-5643 Housing Planner	Yes	\$30,000 2/3 RND 1/3 MVAC		RND working on housing allocation plan. MVAC produced a housing rehab service plan, done by consultant. Resulted in MVAC hiring Hedstrom and 3 housing packagers.	To analyze regional participation in federal, state and local programs--prior to grant and post.	Frequent conversations and mutual planning among staffs. Run workshops together.	MHFA Grants and Loans Winterization HUD CDBG, Sec. 312 FmHA 504	More HUD Sec. 312, and Sec. 8. Possible multi-county CDBG application--MVAC to administer	Yes	Yes		Offer TA to contractors	MVAC may seek	Training and information to other public and private agencies through monthly workshops. Packaging assistance to investors, developers, contractors. Information on HUD, Sec. 8, New and Existing to HRAs	By CAP to households through publicity, workshops, processing and referrals	RND and MVAC use adult education and vo. tech. home repair classes to reach needy households.	
11	*Anoka County CAA Scott-Carver Economic Council (no RDC)	7/77	Gary Ostberg Anoka County CAA 612/421-4760 Ext. 1389 Eric Fredricks Scott-Carver Economic Council 612/448-2302 Housing and Energy Director	Yes	\$30,000 money split 1/2 and 1/2	Carver-Scott doing house-to-house documentation of household needs	To develop resource file of programs, processing and contacts.	Evaluation committee a mix of providers, agency staff, low income people, seniors, and contractors.	No formal mechanism for contact between CAPs. CAPs to inform HRAs and cities of CAP winterization and rehab work in their jurisdictions. Monthly contacts between CAPs and FmHA.	MHFA Grants, Rehab Loans, Mortgage loans HUD Sec. 8, Sec. 235 FmHA 504, 502 CSA Winterization	HUD CDBG Demonstration solar project	Carver County		CETA funds used for a building trades work experience project. CETA workers receiving extensive training for weatherization work in Carver County	Want to increase lender participation in MHFA loan program.	Perhaps	To bankers. To communities on potential for rehab under CDBG.	Screen clients in their homes for winterization and rehab. Follow up referrals to make sure clients receive assistance.	Holding neighborhood meetings to discuss energy and rehab--home-owners may apply at these sessions. Used notices, radio spots, and press releases to advertise.	
Numbers in () indicate that agency is involved in a second regional proposal.																				

Numbers in () indicate that agency is involved in a second regional proposal.

May 5, 1978

REPORT TO GRANTEES: EVALUATION FOCUS
(From St. Cloud Conference, April 18-19, 1978)

I. COMMON ELEMENTS frequently mentioned in successful case studies on Tuesday afternoon:

A. In the "administrative" or "staff" category

1. At least one person who acts as a catalyst (hustler/advocate/facilitator) and who is "unencumbered" (attached to an agency, but unattached to particular program responsibilities; funded to initiate or facilitate programs and/or mechanisms).
2. Start-up and on-going technical assistance funding.
3. Characteristics: patience and tenacity - the recognition that establishing new programs takes time.
4. Expertise of several kinds
 - a. within an agency: solid program information, technical assistance capability, initiative;
 - b. outside an agency but somewhere in the state.
5. An identifiable facility for clients to come to for program information.

B. In the "activities" category

1. Agency coordination through consortium activities.
2. Education
 - a. of whole community - housing needs of low/moderate income people must be perceived before any action will take place;
 - b. of community leadership (county boards, for example) - to gain and use expertise to solve housing problems;
 - c. of "service population": i.e., aggressive outreach on a personal basis.
3. Support and help for private financial community - bankers and developers.

* II. COMMON PROBLEMS AND NEEDS identified in discussion of basic requirements on Tuesday evening:

A. Problems

1. Limited resources
2. Staff turnover

3. Lack of local political commitment to housing, especially on the part of county boards, who see physical community development as a municipal function.
 4. Distance.
 5. Competition among agencies.
- B. Needs.
1. Front-end money for planning and initiation of programs.
 2. On-going expertise and time to carry an activity to completion.
 3. Private non-profit rural housing coalitions for initiating, packaging, giving technical assistance, exerting political pressure (examples mentioned by Kate Crawford in Massachusetts and Colorado).
 4. Travel money.
 5. Consortium of all providers: for
 - a. support and encouragement;
 - b. sharing of expertise;
 - c. good referral among agencies, during pre-application process, that will expand utilization of all rehab program dollars.
 6. Advocacy on behalf of low/moderate income people.
 7. Program information: program expert to offer technical assistance.
 8. "Unencumbered catalyst".
 9. New units: no matter how much rehab, we must expand supply.
 10. Statewide allocation plan agreed on and followed by MHFA, HUD, and FmHA.

Here we can pause, and point out that the above "common elements" and "common problems and needs" that we identified and listed on Tuesday afternoon and evening could be seen as goals. You will note that both internal (organizational) and external (community) requirements are present in these lists. We realized that there is a connection between the atmosphere in a community and what can be accomplished.

Taken as a whole, the lists represent a pretty good statement of what we see to be the obstacles to and the requirements for a good delivery process.

In fact, defining basic requirements became our answer to the question "what is a model system?". Our evening session demonstrated that you are not willing to go any further towards postulating a model system. On Wednesday, we heard

you saying that there really isn't any one "ideal system" that is sensible, applicable or transferrable to all situations, because situations and personnel differ from one locality to another.

We defined a good delivery process in terms of what elements are required to be present. Our list of those basic requirements will in effect become our standard, or checklist, for measuring the success of particular activities and figuring out why they worked.

Two of those basic requirements, in fact, became the subject that we will focus on in the evaluation. Over and over on Wednesday morning you mentioned the necessity for the presence, under any conditions and in any system, of available expertise. You identified both the consortium approach and the presence of the catalyst as providing that available expertise.

A consensus developed: the grant proposal specified a consortium, so the impact of that approach pretty clearly must be evaluated. But along the way we are noticing that the availability of an "unencumbered catalyst" may have had significant impact as well.

To assess impact, however, you have to know what your goals are: to define "success". During the course of the conference we worked on a statement of our overall goals. How close we get to that goal will be our measurement of the impact of consortium and catalyst approaches.

Here, then, is our overall goal, or "mission" statement, and finally, the statement of focus.

III. MISSION

TO IMPROVE HOUSING DELIVERY TO RURAL LOW--AND MODERATE--INCOME PEOPLE IN MINNESOTA BY USING THE CONSORTIUM MECHANISM TO 1) UTILIZE LIMITED RESOURCES INNOVATIVELY AND MORE EFFECTIVELY, AND 2) SECURE EXPANSION OF THOSE RESOURCES.

IV. FOCUS

The focus of the evaluation will be on answering these two questions:

1. Did the presence of increased coordination represented by the consortium within each region bring us closer to accomplishing our mission?
2. Did the presence of a local, unencumbered catalyst bring us closer to accomplishing our mission?

V. The next step: DESIGN

The evaluation should provide an overview of activities generated under this grant; however, it cannot concentrate in depth on every activity. (Hence the need for a focus.) The evaluation committee formed on Wednesday will now help Mary and Sue with the next step, which is to design the study itself. Because we intend this evaluation to be useful to state and federal agencies as well as grantees, we will include some of their particular questions in the design. Generally those questions are:

- "What did you do? How?"
- "What worked or didn't work?"
- "Should the activity be continued?"

In the next few months Mary/Sue and the evaluation committee will complete the evaluation design and develop the actual evaluative measurements. Then we will get back to all of you with questionnaires, interviews, or whatever mechanisms seem best for answering the questions you have raised.

7/6/78

Exhibit B-4

HUD RURAL INNOVATIVE
HOUSING GRANT

INTERVIEW OUTLINE

- I. We will be asking you about the housing activities you have personally undertaken as a part of this grant. Please be prepared to answer the following questions.
 - A. WHAT DID YOU DO?

Describe each activity you were personally involved with, including how it began, how it was conducted and who was involved in the process.
 - B. DID IT WORK?

Give your opinion of the effectiveness of each activity. Using the expanded mission statement as your guide, give us some evidence that the activity was successful. This "evidence" could include such things as an increase in the number of people contacting your agency and/or being served or an increase in dollars available for rehab due to having a CDBG application accepted.
 - C. WHY?

What key factors were necessary in your activity's success? What needed to exist in your agency? In the community? If you encountered problems, what were they? What recommendations would you make to increase the effectiveness of delivery of that particular program? You can include changes in the program itself.
- II. In looking at the whole range of activities undertaken by all consortium members in your area, please help us draw some comparisons.
 - A. Tell us how effective you think the activities were and why.
 - B. Which activities should be continued? How?
 - C. Of all the delivery mechanisms you have tried, which could be used in another rural area?
- III. We will also explore the consortium approach and the role of the catalyst as it worked in your region.
 - A. Describe your consortium including how it began and how it now functions.
 - B. Describe the role of the consortium staff person in your region and his/her working relationship to the consortium.

- C. Compare the relative effectiveness of using a consortium approach or the more individual approach of a catalyst in improving housing delivery. Consider the strengths and weaknesses of each approach.
- D. If you were asked to recommend the funding of a consortium mechanism, an individual staff person in an agency, or a combination of both, which would you choose?

NOTE: Copies of entire interview are available upon request.

QUESTIONS FOR
CONSORTIUM EVALUATION MEETINGS

Introduction

Thank you for coming today.

Our goal for this meeting is to gather information to supplement what we get from our individual interviews with you. We think there are some questions that can be dealt with better in a group, and so we've left them out of the interview.

We'd like to hear briefly what you think are the needs of rural housing delivery, and we'd also like to solicit your opinions on what changes should be recommended in individual programs and the various ways in which they are delivered.

In this discussion, we'll be drawing on your experience so that we can make practical suggestions to MHFA, HUD, AND FmHA based on what has been learned about delivering housing in rural areas.

I. Discuss needs of rural housing delivery

Probes: On-going administrative dollars
Front end money for planning and initiation of programs
On-going expertise; time to carry activities to completion
Travel money
Advocacy for low/moderate income people
Program information
New units
Statewide allocation plan
Local political commitment to housing
Less competition and more cooperation among agencies

II. Now let's go a step further and talk about recommendations you'd make to meet the needs you've identified.

Let's separate our discussion into recommendations concerning program content and recommendations concerning delivery, or process.

A. Programmatic recommendations

1. What specific programmatic problems persist?

Probes: Rules and regs on eligibility criteria

Grant or loan ceilings

Complicated processing requirements

Other complexities

2. What changes in specific programs would you recommend?

HUD programs:

FmHA programs:

MHFA programs:

B. Delivery process recommendations

1. What problems persist in the way individual programs are delivered?

Probes: Banks delivering MHFA loans

CDBG requiring the presence of HRA for county application

FmHA being chronically understaffed

2. What changes in specific delivery processes would you recommend?

To HUD:

2. (What changes in specific delivery processes, cont.)

To FmHA:

To MHFA:

3. What changes would you recommend in your local delivery system?

How would the consortium fit in to your recommendations?

4. What issues require further study?

III. Let's finish by discussing the general effect of this grant.

A. What permanent changes have occurred in your regional delivery system because of this grant?

B. Do you think an 18-month grant is worth doing? Should it be longer?

Appendix C: Interviews

<u>Region</u>	<u>Respondent</u>	<u>Agency</u>	<u>Date ('78)</u>
1	Yvonne Beauchamp, John Wynne (Housing Coordinators)	Northwest Community Action Council*	8/9
1	Eric Allen	Housing Technician	8/9
1	Robert Bussard (Regional Planner)	Northwest RDC	8/10
1	Bill Seeger (Executive Director)	Northwest Minnesota Multi-County HRA	8/10
1	Scott Huston, Judi Williamson	Housing Technicians	8/10
1	Bob Melby (Weatherization Dir.)	Inter-County Community Council	8/10
2	Cliff Tweedale (Director, Physical Planning)	Headwaters RDC*	8/11
2	Roger Swenson (Housing Director)	Bi-County Community Action Council	7/31
2	Bob Melby (Weatherization Dir.)	Inter-County Community Council	8/10
2	John Wynne (Housing Coordinator)	Northwest Community Action Council	8/9
2	Neil Toso	Mahube Community Council	9/22
3	Pat Dewitt (HUD Rural Innov. Housing Program Director)	Arrowhead Economic Opportunity Agency*	7/27
3	Mike Majetich (Housing Director-Retired)	Arrowhead Economic Opportunity Agency	7/27
3	Bruce Leino (Director)	Koochiching-Itasca CAA	7/28
3	Bob Felland (Energy/Housing Program Coordinator)	Lakes and Pines CAA	8/14

<u>Region</u>	<u>Respondent</u>	<u>Agency</u>	<u>Date ('78)</u>
4	Dennis Heitkamp (Ex. Director)	Clay-Wilkin Opportunity Council, Inc.*	9/22
4	Steve Nagle (Deputy Director)	Otter Tail-Wadena Community Council	9/22
4	Mark Beardsley (Director)	Clay County HRA	9/22
4	Laurie Sarkipato (Planning Director)	West Central RDC	9/21
4	Jim Staudish (Ex. Director)	Grant County HRA	9/21
4	Joyce Pesch (Director), Jeff Schiffman	West Central Community Action, Inc.	9/21
4	Karen Peterson (Director)	Otter Tail County HRA	9/21
4	Neil Toso	Mahube Community Council	9/22
5	Kathy Johnson (Housing Consultant)	Region Five RDC*	7/31
5	Ruth Howard, Bob Stewart	Tri-County CAA	7/31
5	Roger Swenson (Housing Director)	Bi-County Community Action Council	7/31
5	Steve Nagle (Deputy Director)	Otter Tail-Wadena Community Council	9/22
5	Dave Loch (Assistant Director)	Region Five RDC	7/31
6E	Paul Borene (Housing Projects Dir.)	Region 6E CAA*	8/17
6E	Eugene Hippe (Executive Director)	Region 6E RDC	8/17

<u>Region</u>	<u>Respondent</u>	<u>Agency</u>	<u>Date ('78)</u>
6W	Bob Overby (Housing Planner)	Upper Minnesota Valley RDC*	7/19
6W	Dave Hendrickson (Ex. Director)	Chippewa County HRA	7/19
6W	George Christians (Ex. Director)	Yellow Medicine County HRA	7/19
6W	Doug Spiotta (Ex. Director)	Big Stone County HRA	7/19
6W	John Schulz, Roman Fidler (Previous and New Ex. Directors)	Swift County HRA	7/19
6W	David Bovee, John Croom (Previous and New Dir. of Community Organization)	Prairie Five CAA	7/19
7E	Tom Foley (Housing Planner)	East Central RDC*	8/14
7E	Bob Fellaud (Energy/Housing Program Coordinator)	Lakes and Pines	8/14
7E	Morris Eastlund (Member, Consortium Committee)	Private Developer	8/14
9	Gary Yuva (Housing and Community Development Planner)	Region Nine RDC*	7/18
9	Gary Hedstrom (Housing Rehab. Co- ordinator)	Minnesota Valley Action Council	7/18
11	Gary Ostberg (Energy and Housing Specialist)	Anoka County CAA*	10/4
11	Eric Fredricks (Housing and Energy Director)	Scott-Carver Economic Council	10/12

<u>Region</u>	<u>Respondent</u>	<u>Agency</u>	<u>Date ('78)</u>
	Alan Chapman (Grant Administrator)	Division of Economic Opportunity, Dept. of Economic Security, State of Minnesota	10/12
	John Filipovitch (Field Representative)	Same as Above	10/12

* Lead Agency.

APPENDIX D: STATE REHABILITATION PROGRAMS

Program Name:	<u>Home Improvement Loan Program</u>
Administering Agency:	Minnesota Housing Finance Agency
Type of Assistance:	Home improvement loans to low and moderate income families at below market interest rates.
Brief Description:	FHA Title I Home Improvement Loans at below market interest rates are made available to qualifying owner. Interest rates are based on the recipient's income. Loans are generally administered through private lending institutions.
Funding Source:	Proceeds of bond sales leveraged with legislative appropriation. Appropriation funds are used to adjust interest rate according to income level of loan recipient.
Allocation of Funds:	Distribution targets are set in the Home Improvement Loan Distribution Plan.
Eligible Uses:	1. Properties must be at least fifteen years of age or in need of repair to correct damage resulting from a natural disaster or to correct items that are hazardous to health or safety or to directly improve energy efficiency. Properties may contain no more than six units. Mobile homes and trailers are not eligible. 2. Residential properties may be improved in order to comply with state, county, or municipal health, housing, building, fire prevention, and housing maintenance codes or other public standards applicable to housing. Improvements may also be made for the purpose of making housing more desirable to live in, to increase the market value of the housing, or to make the home more habitable. These loans will be used for basic and necessary items and not for luxury items, the definition of permanent general improvements is as follows: Permanent general improvements shall include additions, alterations, renovations, or repairs upon real property or in connection with existing structures that substantially protect or improve the basic livability or utility of the property. Improvements shall not include materials, fixtures, or landscapes of a type or quality that exceeds that customarily used in the locality for properties of the same general type as the property to be improved. 3. All work or construction completed with Home Improvement Program funds must be in compliance with all applicable building and housing codes and standards: however, no application for improvements to owner-occupied housing shall be denied solely because the improvements will not place such housing in full compliance with all such codes and standards.

4. Improvements such as insulation and storm windows, which will conserve usage of fuel and energy, are strongly encouraged.

- Eligibility Requirements:
1. Applicants must be individual fee owners or contract-for-deed purchasers of the property that will be improved. Occupancy by the applicant is not required.
 2. Applicants for Home Improvement Loan Program Loans must be persons or families (including non-related individual adults) who are residents of Minnesota and have an annual "adjusted gross income" of not over \$16,000.
 3. Applicant must be a reasonable credit risk, with reasonable ability to pay the loan obligation, as determined by the local lending institution. Lenders are to utilize normal and prudent underwriting standards.
 4. Local public and not-for-profit entities are encouraged to develop property improvement plans for their area and to participate actively in the MHFA program through local lending institutions.

Terms:

1. The maximum principal loan amounts exclusive of financing charges are (as of 1/1/78):
 - a. \$15,000 for properties with one dwelling unit.
 - b. \$5,000 per dwelling unit for properties with two to six individual dwelling units.
2. Maximum loan term is fifteen years (as of 1/1/78).
3. The simple annual rate of interest to be charged on each loan shall be equal to the applicant's "adjusted gross income" multiplied by .0005 and rounded to the nearest whole percent. For example, income of \$12,400 yields an interest rate of 6%.

Process Descriptions: Applicant applies for loan at participating lending institution. Lending institution issues loan to applicant (if applicant meets income and credit requirements and improvements are eligible). MHFA purchases loan from lending institution, pays lender origination/processing fee.

Program Accomplishments: In Phase 1 of the Home Improvement Loan Program, 1,895 loans totaling \$8,050,000 were issued.

Program Name: Home Improvement Grant Program

Administering Agency: Minnesota Housing Finance Agency

Type of Assistance: Housing rehabilitation grants to low income households.

Brief Description: Home improvement grants are made available to qualifying owner-occupants. Funds are administered through participating local government bodies or non-profit organizations.

Funding Source: Legislative appropriation.

Allocation of Funds: Allocations are made to each region in accordance with the Home Improvement Grant Distribution Plan. Each region has prepared plans to sub-allocate within its boundaries.

Eligible Uses:

1. Grant funds must be used to correct defects or deficiencies affecting directly the habitability, safety, or energy usage of the residential property.
2. Grant funds shall not be used for the financing or payment of assessments for public improvements.
3. Although all work or construction completed with MHFA grant funds must be in compliance with all applicable building and housing codes and standards, no application for improvement to owner-occupied housing will be denied solely because the improvements will not place such housing in full compliance with all such codes and standards.
4. Funds shall be used to improve properties that are in need of repair to correct damage resulting from a natural disaster or to correct items that are hazardous to health or safety.
5. No funds shall be used in whole or in part for the purpose of refinancing or paying off any existing indebtedness. All funds must be used for new improvements to the property.
6. All homes being improved with MHFA grant funds must have adequate insulation and other energy-saving items in order to make the dwelling reasonably energy-efficient; where such inadequacies and deficiencies exist, grant funds shall be used to upgrade such items.

Eligibility Requirements:

Recipient: Adjusted gross income must not exceed \$5,000.

The gross assets of the recipient, excluding the property to be improved with the proceeds of the grant, may not exceed \$25,000.

The recipient of grant funds must have at least one-third interest in one of the following types of ownership in the property to be improved:

- a. A fee title; or
- b. A life estate; or
- c. A fee title or life estate subject to a mortgage, or other lien securing a debt; or
- d. A mutually binding contract for the purchase of the property where the borrower is rightfully in possession and the purchase price is payable in installments.

Administering Entity:

Applications for grant funding will be prepared and submitted by non-profit organizations, or by municipal, county, or multi-county public bodies. A plan or program must be prepared, and local administration must be the responsibility of persons or organizations who can demonstrate the capacity to efficiently and effectively administer this housing program. For example, program administration could possibly involve a housing and redevelopment authority, or a building inspector, or a community action agency, or a private lending institution, or a combination of organizations.

Terms:

The maximum grant amount to a recipient or property is \$5,000.

If the property is sold or transferred within six years from the date of grant, all or part of the funds must be repaid to MHFA in accordance with the following schedule:

<u>Year No.</u>	<u>Percent Repayment</u>
1	100%
2	100%
3	100%
4	75%
5	50%
6	25%
7 and over	No repayment

Process Description:

1. MHFA will accept applications for funds from local public agencies or non-profit organizations who desire to administer this program. Applications for the first year will be accepted during a three month period. The program will be operated over a two-year period with a separate application required before the start of the second year's funding. In order to be considered by MHFA, applications must have been approved by the appropriate city council or county board(s), and submitted to the local RDC (or Metropolitan Council) for review with respect to regionwide housing needs and plans. MHFA will make final decisions on all applications.
2. MHFA and regional development commissions may provide limited technical assistance in planning a local grant program. The administrative expense of implementing the program will primarily be the responsibility of the local entity; however, up to a 5% portion of the total funding requested for city-wide entities and 7% for county-wide entities may be allocated to help cover such costs

if other sources (including in-kind) are not sufficiently available.

3. Upon approval of an Application for Grant Funding, MHFA and the applying entity will enter into a Grant Funding Agreement, authorizing commencement of the program. Upon acceptance and approval of an individual application, the local administering entity shall forward the complete grant file to MHFA for review and approval to begin work. Upon completion of work, a Completion Certificate must be signed by the homeowner, contractor(s), and administering entity. Upon receipt of this certificate, MHFA will disburse the funds required to the administering entity.

APPENDIX E: Glossary of Terms and Abbreviations

- CAA--Community Action Agency. Private corporation with Board of Directors drawn from the community. Established in 1965-66 as a result of the Economic Opportunity Act of 1964, CAAs identify and serve the needs of low income people with a wide range of programs, including housing and energy programs.
- catalyst (unencumbered)--an individual staff person, attached to an agency but unattached to specific program responsibilities; funded to initiate or facilitate programs and/or mechanisms.
- consortium--a group of agencies within a sub-state region who either plan for or deliver housing programs (plural = consortia).
- consortium staff person--the lead agency contact person who was responsible for consortium business and for communication between the consortium and the state agencies concerning the Rural Innovative Grant.
- delivery--the direct provision of housing services to clients by public or private agencies/institutions.
- DES--Department of Economic Security: the state agency that applied for and administered the Rural Innovative grant.
- FmHA--Farmers' Home Administration.
- HAP--Housing Assistance Plan.
- HRA--Housing and Redevelopment Authority.
- HUD--Department of Housing and Urban Development.
- innovative--either unique, or previously untried in a particular region.
- low and moderate income--defined differently by different housing programs. For eligibility requirements of state rehabilitation programs, see Appendix D.
- MHFA--Minnesota Housing Finance Agency. The rehab programs of this agency are described in Appendix D.
- OLUA--Office of Local and Urban Affairs, located in the Minnesota State Planning Agency. Responsible for technical assistance and evaluation to Rural Innovative grantees.
- RDC--Regional Development Commission. Created in 1969 to serve as the immediate link between state and local government. Among other duties they are responsible for comprehensive regional planning, including housing.

rehab--rehabilitation. State Home Improvement programs are referred to as "rehab programs."

rural--this evaluation defines "rural" to mean all areas outside of the Twin Cities and their suburbs and Duluth.