

HOUSING

CONTINUED FROM PAGE 1

port for nonprofit housing developers. \$12.8 billion is what the state says will be needed to address housing needs in North Carolina.

The Coalition plans to meet the \$12.8 billion goal by first lobbying the state to put more public money into housing programs, raising awareness among the general public, and then prompting private funders to open their doors and their wallets to low-income housing needs.

Home ownership is what federal, state and local governments are stressing now, housing experts say, because ownership gives neighborhoods a stronger sense of community.

That idea is the basis for much of what the Center for Community Self-Help in Durham does for its low-income clients. Self-Help has been nationally recognized for its loan program for low-income home buyers.

"Home ownership gives families a stake in a neighborhood, a reason to build it and take care of it," says Martin Eakes, Self-Help's executive director.

Mobilizing private financiers to help low-income citizens secure housing is becoming an option where it wasn't before, housing leaders say. Previously, government funding covered many of the costs of creating

affordable housing and private financiers rarely looked at the issue.

During a September visit to Self-Help, Nicolas Retsinas, commissioner of the Federal Housing Administration, emphasized the necessity of private sector involvement in creating affordable housing.

Retsinas says it is imperative to strengthen partnerships between the government and nonprofits - like the one he helped create between the FHA and Self-Help. He visited the organization to officially recognize Self-Help as an approved lender of FHA loans. That means Self-Help will be able to approve federal loans.

Private investors and corporations are slowly warming up to the advantages of putting money into low-income housing.

Greg Barmore, chairman of Raleigh-based GE Capital Mortgage Corp., told an audience at the North Carolina Housing Summit in September that investing in low-income housing is simply good business for private investors.

Barmore's company has been involved in handing out housing loans designed for low-income home buyers. The program has worked surprisingly well, he said, adding that the most troublesome loans have been those made to the wealthy.

"History's on our side," Barmore told participants at the summit. "High-income people give us our

houses back, and it [often] turns out to be a lousy investment. Lower-income people don't do that."

Accepting that low-income investments may bring greater returns is a stretch for some lenders. But there is more to housing than profit, housing advocates maintain. Whenever the investment is made for clean, safe, affordable housing, they say, there are returns in terms of greater opportunity and lower crime rates.

Nevertheless, when legislators look for an easy place to cut funding, housing takes the hit, Shaw says.

Government subsidies for housing have been chopped more each year. Since 1979, federal funding for the U.S. Department of Housing and Urban Development has declined, although not in a steady sweep.

A spike in 1985 put more than \$30 billion into the department but, in 1986, that amount was cut to a little more than \$15 billion.

In 1991, after a slow increase, came another spike - to less than \$30 billion. Since then, federal funding for housing has either stayed flat or decreased sharply. From 1994 to 1995 funding dropped to about \$19 million from about \$26 billion.

Housing in the state recently saw defeats in the General Assembly. Sharp media criticism erupted in November 1995, when legislators eliminated funding for the N.C. Housing Trust Fund - a program that

Shaw's coalition hoped to see receive \$7.5 million to help the poor buy and maintain homes. The legislature has since returned \$3 million to the fund.

Whether the funding comes from the government or the private sector, nonprofits will be taking on more responsibility for service delivery.

"There's a recognition at top levels of government that nonprofit financial institutions have a very important role in hooking up people who the traditional financial institutions haven't served to home ownership," says Eric Stein, an executive staff member of Self-Help.

RED CROSS

CONTINUED FROM PAGE 1

common purpose. The third phase is the disillusionment phase when people say, 'I thought you guys were going to take care of all families but I'm finding out you only do this and that.' And the fourth is basically a rebuilding phase."

As the nation's largest and most well-known disaster relief agency, Montague says, the Red Cross is a target for frustrations experienced by local agencies during a crisis.

"If I were in their position, it would be difficult to deal with an organization as large as the Red Cross," he says. "We like to think that both the Red Cross and the local agencies benefit from the mutual arrangements."

That's not the impression that Marie Spaulding, Wake County's director of human services, got from her contact with the Red Cross during Fran.

"I have to tell you that things did not operate as smoothly as I had imagined," she says. "There was an inability to give a timely response. For example, if you're going to set up a food site, you don't keep people standing out there with no food showing up."

"With the Red Cross, I didn't know whether the controls were being pulled by the local or the state organization," she adds. "I'm told by the [county] emergency people that these problems have been going on for a while. I'm just hoping that we can sit down and have a discussion with the Red Cross about our working relationship and our roles."

Montague says the Red Cross ranks every disaster on a scale of 1 to 5 based on the degree of destruction and the level of expertise of available volunteers.

Local chapters are expected to handle services for level 1 and 2 disasters; state chapters handle those at level 3; and the national Red Cross organization usually steps in for a level 5 disaster.

Fran was ranked at level 5 because monetary damages were placed at more than \$1.5 billion. The state estimates the storm caused \$4 billion in property losses.

One specific problem cited by leaders of Tar Heel food banks was that a load of food donated in the wake of Fran by Food Lion Inc. in Salisbury was shipped directly to the Red Cross instead of going through the Second Harvest food bank network.

"That was an exception to the

ground rules," says Greg Kirkpatrick, director of the Food Bank of North Carolina in Raleigh - which was the state's designated food collection and distribution site during Fran. "This is product that conceivably would have gone into affected areas and, instead, was routed to a warehouse that was basically a dead-end warehouse."

Montague says the decision to send the food directly to the Red Cross was made by Food Lion, not the relief agency. And while the nine truckloads of food from Food Lion did not go through the food bank network, the supplies were distributed to needy residents in New Hanover, Onslow, Lenoir, Robeson and Wake counties.

[Salisbury is the hometown not only of Food Lion, but of Elizabeth Dole, who is on leave from her job as president of the American Red Cross to campaign for her husband, Bob Dole, the Republican candidate for president.]

The issue most often raised by nonprofit leaders in relation to the Red Cross' role during Fran is that of publicity.

Leaders of several crisis assistance organizations say Red Cross officials spent an inordinate amount of time issuing news releases and attracting media interviews and often failed to give other agencies credit for providing services.

Others charge that the Red Cross attracted the bulk of hurricane relief donations from individuals and corporations but did not detail how the money was spent to help local residents.

Mary Gorsline, state fundraiser for the Red Cross, says the agency spent roughly \$7 million on relief operations in North Carolina, South Carolina and Virginia for both hurricanes Fran and Hortense - which struck Puerto Rico.

That includes the cost of providing shelter for 38,228 people, serving 704,817 meals and offering other assistance to 50,125 affected families.

In North Carolina, the state's 64 Red Cross chapters served up 604,558 meals and provided financial assistance to 4,877 families in the wake of Fran.

So far, just over \$3 million has been raised to make up that total, Gorsline says.

"When you give to American Red Cross disaster relief, you are giving to the overall relief fund," she says. "That's money that's available to us today if we have a disaster, say, in Charlotte. The national provides us with that backing."

Montague draws a direct link between Red Cross fundraising and

what some may view as its overemphasis on publicity.

"We know people donate through the United Way and privately and corporately to the Red Cross on the premise that it is a disaster relief agency," he says. "We need to let people who support the Red Cross know that it is out there and active."

In addition, there are many disasters that attract little public attention but still require resources from the Red Cross, Montague says.

"We may be hungry with regard to publicity, if that's the right word, because we know that this is a fat time for talking to people about disaster contributions. But there are a lot of lean times when the disaster receives no publicity" and little monetary support.

Dave Krepech is familiar with the types of complaints some North Carolina nonprofits have voiced about the Red Cross.

As head of the Daily Bread Food Bank in Miami, he heard similar charges in the wake of Hurricane Andrew, which struck south Florida in 1992.

Before Hurricane Andrew, food banks and other nonprofits in south Florida had no working relationship with the Red Cross, Krepech says. Now, they meet on a monthly basis and have formed a chapter of Voluntary Organizations Active in A Disaster - a national network of relief organizations.

North Carolina nonprofit leaders are hoping for similar improvements in relations between the Red Cross and other organizations that provide disaster services.

Anne Register, head of Metrolina Food Bank in Charlotte, was involved in discussions between the Red Cross and the national Second Harvest Food Bank network that resulted in a "memorandum of understanding" in the wake of Hurricane Hugo in 1989. The memorandum outlines the roles and responsibilities each agency will take on in providing disaster relief.

Register, who is on the board of Second Harvest, says tensions between the Red Cross and the food bank network are typical of those experienced by others in the nonprofit sector.

"It all boils down to personalities," she says. "Some are totally cooperative and others are very much into turfism...We just had a major disaster here in North Carolina and I understand there were some varying opinions about how food [and other relief services were] shared. The incidents that happen give us a new opportunity for discussion. I don't think it's anything that can't be resolved."

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