

**The Project to Examine More Ways to Promote Greater Participation of
Communities of Color in Affordable Housing Processes and Decisions**

Goal, Objectives, and Strategies

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Executive Summary

For the past six months the Family Housing Fund and the Local Initiatives Support Corporation (LISC) have been working on phase I of a long-term process that is designed to examine the limited participation of communities of color in affordable housing processes and decisions in Minnesota. The goal of the project is to consider the fund's role (within the context of its mission) and *the larger system's role* in promoting broader community participation. The fund and LISC are interested in greater involvement in all aspects of affordable housing; especially decisions and processes at high employment, leadership and governance levels of affordable housing organizations and in public policy.

Staff from both organizations have engaged in extended discussions about the impact of limited participation of local communities of color and examined national research on the issue from the community development field. In March, the fund contracted with GrayHall LLP, a local consulting firm, to conduct interviews with nineteen affordable housing leaders. The goal was to gather their thoughts on how the limited participation of communities of color impacted Minnesota's affordable housing system and determine what could be done about it.

Local leaders were also asked to share information about ongoing activities that their organizations were engaged in to address the limited participation of communities of color. *The Project to Examine More Ways to Promote Greater Participation of Communities of Color in Affordable Housing Processes and Decisions: Goal, Objectives, and Strategies* is their response to the interviews. It contains background about the process, guiding assumptions, information about interviews and questions, a summary of findings, and the objectives and strategies that the leaders recommended. The objectives and strategies cover six areas:

1. Leadership and collaboration
2. Capacity building
3. Personnel practices
4. Support to make changes and improvements
5. Marketing, communication, public education
6. System-wide accountability

The strategies offered by local leaders parallel national trends and research.

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Background

In January the Family Housing Fund and the Local Initiatives Support Corporation (LISC) began the first phase of a long-term process that is designed to examine the limited participation of communities of color in affordable housing processes and decisions. The project's overall goal is to consider the fund's role (within the context of its mission) and *the larger system's role* in promoting broader community participation in affordable housing processes and decisions.

To begin, staff from the fund and LISC discussed local challenges that their agencies faced, reviewed research to see how Minnesota compared nationally, and identified local organizations that could provide information and resources to assist the process. The staffs were grounded in national data that LISC collected when the local Human Capital Development Initiative (HCIDI)¹ was developed in 1997, but they were unsure what local affordable housing leaders thought about the limited participation of communities of color.

In March, the fund contracted with GrayHall LLP, a local consulting firm, to conduct interviews with local affordable housing leaders and consider the relationship of national research to data collected locally. GrayHall was expected to prepare a report reflecting national and local thinking that would aid staff in the next phase of the project. In preparing for local interviews, staff drew heavily on data from the National Congress for Community Economic Development (NCCED) and the Fannie Mae Foundation that indicated how much work was needed to improve the participation of communities of color in the work of Community-Based Development Organizations (CBDOs):

Talented men and women of color are especially difficult to attract and keep in critical jobs in the numbers demanded of organizations serving minority communities. There is widespread concern that the CBDO workforce in general, and the top positions in particular, are not reflective of the minority communities where these groups operate. Too little direct attention is being given to the training, retention, and promotion of talented men and women of color in the CBDO workforce or to the recruitment of minorities to the field.”²

The work of Fannie Mae and NCCED shows that a large number of interrelated challenges such as capacity building, organizational development, and human resource improvements must be addressed to ensure that system barriers do not prevent the active participation of communities of color in community development.³ Research also points out that there are insufficient data on boards and staffs, making it difficult to measure

¹ HCIDI cultivates committed and skilled leadership for the community development field and is a part of a national effort involving eight other communities in Atlanta, Georgia (Atlanta Neighborhood Development Partnership); Boston, Massachusetts (Neighborhood Development Support Collaborative); Los Angeles, San Diego, and San Francisco, California (The California Collaborative); Chicago, Illinois (The Chicago Collaborative); Cleveland, Ohio (Neighborhood Progress, Inc.), Raleigh, North Carolina (North Carolina Community Development); Philadelphia, Pennsylvania (Philadelphia Neighborhood Development Collaborative); Portland, Oregon and Seattle, Washington (The Pacific Northwest Collaboration) and; St. Paul, Minnesota ((St. Paul Fund for Neighborhood Development).

² Fannie Mae Foundation, “Building for the Future: A Discussion Paper on Strengthening Staff Leadership in Community-Based Development Organizations.”

³ See similar findings in the Fannie Mae Foundation, “Building for the Future.”

progress in the field, although some organizations around the country have been strategically addressing the issue for many years.

Assumptions

In considering findings from national research and discussing challenges that LISC and the fund have faced over the years, staff developed six assumptions, guided the selection of leaders for interviews, and defined the questions that were asked during interviews. Here are their assumptions:

- *There is limited diversity in the affordable housing workforce. It is especially apparent in decision- and policy-making positions. Current staffs and boards do not adequately reflect the communities being served.*
- *Persons of color must be involved in producing services for communities of color and in all aspects of the community development system.*
- *The supply of new talent entering the affordable housing field needs to be expanded at all levels. Specific attention needs to be given to increasing diversity in mid- to high-level positions.*
- *Some of the barriers to achieving greater diversity in the field are institutional racism,⁴ a lack of strategic recruitment and retention, limited training and development opportunities, and the need to overcome interview barriers (Examples: rigid views of applicants' qualifications; limited abilities to recognize transferable skills; other interviewing assumptions and biases).*
- *There is limited public information about available positions and career paths in the fields of community development and affordable housing.*
- *Affordable housing leaders are concerned about the limited diversity in the field and want positive change, but they are not sure how to create change.*

Interviews and Questions

Fund and LISC staff identified fifty people (representing a cross section of the affordable housing field) whom they believed were especially committed to enhancing the system. Because of time restraints, the initial list for interviewees was narrowed to sixteen (see attached list of key informants). Three additional people participated in one interview and two others participated in another, bringing the total number of people interviewed to nineteen.

From the start, staff hoped that the project would develop into a collaborative effort, involving the fund's institutional partners and others. Interviews were expected to help identify opportunities for collaboration

⁴ Institutional racism or discrimination is generally defined as any arrangement or practice within a social institution or its related organizations that tends to favor one race, ethnic group, gender, and so forth, over another. It may be conscious and deliberate (e.g.,

and test staff assumptions about the affordable housing field in Minnesota. The questions emphasized three issues: (1) *whether there is limited participation of communities of color in affordable housing processes and decisions*; (2) *the existence of ongoing activities that are designed to address the participation of communities of color in affordable housing processes and decisions*; and (3) *system barriers that may impact the participation of these communities*. Interviews were also used to gather ideas about desired outcomes, strategies for change, and individual and organizational commitments to working on issues.

Two additional questions exploring staff composition and the makeup of boards and councils were asked of the Family Housing Fund's Institutional Partners (the Cities of Minneapolis and St. Paul, the Minnesota Housing Finance Agency (MHFA), and the Metropolitan Council). In all, informants responded to fifteen questions.

Summary of Findings

The interview data suggest that the local affordable housing system has made strides in its work to include more people from communities of color in its processes and decisions. Many boards and councils have diverse members; staffs are diverse; and a number of programs and services consider diversity in their design and implementation. Through the local HCDCI, more people from communities of color are prepared to enter the field, and affordable housing organizations continuously search for ways to address the new housing concerns that are emerging from our increasingly diverse community. Although much has been accomplished, most informants said that further steps are needed to demonstrate the kind of diversity they ultimately want to achieve.

Eighteen of the nineteen people interviewed said that the limited participation of communities of color in affordable housing processes and decisions was an issue for them, their organizations, and the system. They acknowledged the limited participation of communities of color as a community-wide issue and suggested that organizations collaborate to help the system come up with more ideas to tackle it. They seemed to believe that more community participation would be valuable to the system.

One informant questioned the need to focus on community-of-color participation as long as the system was providing adequate affordable housing for those that needed it. According to that interviewee, it should not matter what color a person is as long as quality work is being done. This single comment is very significant. It reflects an underlying tension that must be addressed for this initiative to be successful.

Agreeing with data collected nationally, most informants said that the visible involvement and active participation of communities of color are important elements in creating healthy communities and building the civic leadership of the community. The interviews identified ten sets of barriers (listed below) that form the basis for the strategies offered in the next section of this report.

- *Employment recruitment barriers (e.g., the perception that the affordable housing field is an unattractive career choice in terms of salary, benefits, and geographical location)*
- *Barriers to resources and higher-level employment for people of color in the field*
- *Limited access to employment opportunities and biases in hiring for new employees and those already working in the field*
- *Not enough education, training, and development to build the capacity of people in the field and attract potential employees*
- *Very little public education about employment and leadership opportunities in the field*
- **Limited understanding of people of color (i.e., cultural differences)**
- *Difficulty developing and maintaining connections to community-specific organizations*

- *The challenge of maintaining diverse staffs and boards*
- **No strategic direction and limited commitment on the part of the system**
- **Racism (personal and institutional)**

Interviewees thought of at least one person that the fund and LISC should collect information from about these issues. Names are attached (Additional People Recommended For Interviews).

Objectives and Strategies

The objectives and strategies listed below were developed from responses to interview questions about desired outcomes and opportunities for change. The objectives and strategies that local leaders suggested mirror the vision of NCCED for the community development field nationally. NCCED’s focus is on the professional development of people in the workforce and the creation of prosperity through partnerships.⁵ Objectives and strategies also parallel national research conducted by Fannie Mae, which calls for “comprehensive action on a number of fronts simultaneously” to address decades-old issues in the community development field.⁶

A key concern that came out of the interview process was the importance of organizations in the system working together to develop tools and techniques that are flexible enough to meet the differing needs of neighborhood groups and cities. Local leaders recommended the initiation of a coordinated program of leadership, data collection, education, and training that is designed to build the capability of the Minnesota affordable housing system. They strongly recommended the initiation of communication and reporting mechanisms so that organizations in the system know what’s being done to address the limited participation of communities of color in affordable housing processes and decisions.

The objectives and strategies developed from the key expert interviews cover six areas:

- *Leadership and collaboration*
- *Capacity building*
- *Personnel practices*
- *Support to make improvements*
- *Marketing, communication, and public education*
- *System-wide accountability*

The informants recommended that partnerships be developed between funders, religious groups, and providers to figure out the best approaches for implementing the objectives and strategies that they identified.

⁵ National Congress for Community Economic Development, *People Like Me—The Human Capital Development Initiative: Opening the Door to Rewarding Futures in Community Development*.

⁶ Similar findings can be seen in the Fannie Mae Foundation, “Building for the Future.”

In the objectives and strategies that follow, the names of the parties that informants believe are responsible for implementation appear in the left column. As example, if *LISC* was mentioned as the responsible party, its name appears on the left. If the *affordable housing system* was noted as responsible, *AH System* appears in the left column, and so on.

Objective #2

Expand capacity building.

Key informants said that a comprehensive training and development plan is needed to enhance technical skills, help organizations better understand various communities, and help Community Development Corporations (CDCs) that are already stretched beyond capacity to address diversity issues. Two people made these comments: “We’ve found that LISC could do five times what they’re doing now, and it still wouldn’t be enough”; and “Systematic, comprehensive, long-term support of organizations in the housing world is needed.” Also emphasized was the need for development assistance to help the staffs at organizations broaden their mind-sets, get a better handle on what skills they’re actually seeking, and help them think about how to hire. Another need for training and development is to bring younger talent into the field.

Strategies

RESPONSIBLE
PARTIES:
LISC
Others

- Provide training for all levels of positions.
Examples provided by interviewees: Antiracism (Consider using the People’s Institute, a New Orleans based organization that has done anti-racism training in Minnesota); how to build a diverse board; how to work with specific communities; and the importance of promoting greater participation of communities of color in affordable housing processes and decisions.
- Provide training to specific people and positions.
Examples provided by interviewees: Diversity strategies for executives and second-tier positions; mid- to advanced subcontractor skills; technical skills (asset management, code enforcement, how to operate as a general contractor, how to develop an operating budget, how to set up reserves); and programs to train tenants for leadership roles.
- Offer a variety of internships and work opportunities.
Examples provided by interviewees: Involve high school, vocational/technical schools in housing production and design (GAP and NeDA, Plymouth Avenue Townhomes); technical and community colleges (consider in-service hours); HCDI (college interns and adult apprentices); and Americorps and work study students
- Provide supportive operations, programs, and services.
Examples provided by interviewees: Assisting CDCs with employment packages and recruitment; assisting nonprofit organization with recruitment; helping small CDCs of color to stabilize; offering mentoring services; starting minority seller programs; and working with organization to address institutional racism.
- Expand the resources that are available to promote greater community participation in affordable housing processes and decisions.
- Sponsor opportunities for people to come together to talk about what they’re thinking.
- Share resources.

Examples provided by interviewees: Best practices and guides to careers in community development and;⁷ Learn from organizations that have excellent track records of recruitment and retention (especially organizations of color).

- Provide operating support to LISC to do more in greater Minnesota.

Objective #3

Improve personnel practices.

Among those interviewed, there was strong support for increasing the number of workers in the affordable housing field. Most agreed that the creation of a larger pool of potential employees and candidates for boards and councils would improve chances of getting more people from communities of color involved in affordable housing processes and decisions. Informants cited numerous instances of perceived discrimination in hiring, personnel policies, and practices. Among them were organizational managers who hired people of color to serve community populations and were unable to see their transferable skills. Informants presented numerous ways to use thinking about affirmative action to keep diversity goals visible when hiring. They recommended that considerable attention be given to the area of recruitment, especially trying to recruit a broader pool of qualified candidates for executive-level positions.

Strategies

- Expand policies and practices to create a broader applicant pool.

Examples provided by interviewees: Address bias in hiring; consider using life experience for college-level credit when making hiring decisions; look for transferable skills and aptitudes that can be used as job qualifications; eliminate internal promotion systems; establish interview quotas (e.g.: one of three finalists must be a person of color); establish market-based pay systems to make salaries competitive; establish policy/practice that emphasizes recruitment and retention of diverse staffs and boards as ongoing activities and commitments; and target the second tier of the small pool of experienced executives nationally—those who are interested in moving up the ladder and recognize the need to relocate in order to get a higher-level position.

RESPONSIBLE
PARTIES:
AH System⁸

- Strengthen recruitment efforts by using alternative practices.

Examples provided by interviewees:

- Calling friends;
- Connecting with people of color who are already leaders in the field;
- Distributing flyers at colleges and churches;⁹
- Contacting undergraduate degree programs in community development (at schools with higher enrollment from communities of color);
- Hiring from the HCIDI network;
- Marketing to people who are using affordable housing services;
- Reaching out to specific populations;
- Posting job vacancies on various Web sites, including

⁷ Rutgers University is keeping track of best practices on how to address the limited participation of communities of color in affordable housing processes and decisions; NCCED will document the best practices in a formal report in October 2001. HCIDI has published *A Guide to Careers in Community Development* (Island Press, available in late spring). HCIDI will unveil a career development Web site in October 2000 *communitydevelopers.org*.

⁸ AH = Affordable Housing

⁹ New Hampshire College has a Ph.D. work degree in community development.

communitydevelopers.org (HCDI Web site, available in October 2000);

- Recognizing talent in sister field of human/social services;
- Recruiting from other states (sell the favorable aspects of life in Minnesota so that people are interested in moving here; recruit in Midwest communities);
- Recruiting in property management areas;
- Sharing résumés; using scholarships to attract employees; and
- Using temporary agencies that work with people of color.

- Strengthen employee benefits.

Examples provided by interviewees: Address barriers such as transportation and daycare; develop staff support networks.

- Create opportunities for advancement.

Examples provided by interviewees: Groom people of color for promotion; offer applied practical training to advance lower-level employees; offer on-the-job training to all employees; train qualified entry-level staff for promotions; and increase the number of people of color in top management positions.

- *Enhance work climates and perceptions about the system.*

Examples provided by interviewees: Better utilize the skills and talents of all workers; reduce perceptions of unfairness and limited access.

Informants said: “We use architects and contractors who are primarily white people. Archie & Roxanne Givens are considered the only credible developers of color. Charlie Belgrade was a Native American contractor, but he’s probably retired. There are no other credible groups who are Hmong or Cambodian. There is one black architect firm, Pete Williams. They get a fair amount of work, but they don’t get the gravy jobs. Why? Racism is a big part of it.”

“There’s a lack of equity in how money gets distributed to communities and who gets hired to distribute the money or develop the housing.”

“People of color are put on boards, but their recommendations and ideas are not supported.”

- Encourage teamwork and collaboration.

Informants said: “Small organizations are not included, and community-based organizations are not included in decision making in the field. It’s an excuse to say there is no one available to do this work, that there’s no one in the pool. Remember the leadership that is in the field.”

Objective #4

Support the improvement of personnel practices.

Informants would like the Family Housing Fund and LISC to provide more assistance to organizations in making improvements. One person said that everyone has to recruit for their staffs and boards; if there was a way to pool qualified, talented, skilled people of color who are interested in affordable housing issues, that would greatly help everyone and make it easier. Some informants believe that the fund and LISC should set up a system for hiring interns and fellows so that when there are openings, organizations can call and get a student who will work on a project.

Strategies

RESPONSIBLE
PARTIES:
Family
Housing
Fund, LISC

- Establish a system and database of interns and fellows.
Examples provided by interviewees: Survey graduate students in college programs and find out what it would take to pique their interest in affordable housing (programs like public administration, organizational development, nonprofit management, etc. Ask questions like: How many have had experiences working in the affordable housing field? How many would be interested? What are the attractive aspects of working in the field? What are the detracting aspects?)
- Conduct organizational assessments and make recommendations on the use of cultural competency in human resource practices and procedures.

Objective #5

Develop a marketing/communication strategy and public education materials.

Overall, informants seem to think that the field of affordable housing is not well known and that it lacks glamour. Those factors prevent people from choosing affordable housing careers. One person said: “Affordable housing is boring, highly structured work, and it’s not people’s first career choice.” Another said: “Putting up the buildings is the easy work; dealing with the families is the hard part. People who are working on the front lines get burned out. How do you market a job where people will hate you, especially when you concentrate large numbers of people into small spaces and try to manage them?” There is a need, according to most informants, to broaden the conceptualization of the field so that it is more appealing to a larger number of people.

Strategies

RESPONSIBLE
PARTIES:
Family
Housing
Fund, Others

- **Create public education and awareness campaigns.**
Examples provided by interviewees: Be strategic and broaden perspectives; address perceptions about communities of color; and discuss how bias affects how “quality” is defined.
- Publish and distribute information about the field.
Examples provided by interviewees: Market a broader conceptualization of the field to appeal to a large number of people; reach out to students; and attend/participate in career fairs to promote the field.
- Host information exchanges.
Examples provided by interviewees: Create community circles; convene a discussion and use it to develop a public policy platform; convene discussions to bring issues out of the closet; host informal meetings with various groups of cultural/ethnic professionals to build relationships with them and organizations that are working with people of color; and learn and draw from human/social services.

Objective #6

Require accountability.

Those interviewed believed that it would be important to have a few reminders about the need for greater participation from communities of color in affordable housing

processes and decisions. Working on the issues is difficult for some organizations because of existing demands and the lack of system-wide leadership and commitment. Informants said that if the system built in some accountability, organizations would work harder to respond to the issues.

These comments were common: “It would be easy for the Family Housing Fund to have a strong affirmative action requirement, and it would be legal. The fund could just add to the list of what it wants before someone gets the money. The Family Housing Fund has a lot of power and influence that could force the issue.”

“The funders are the drivers of the system. Before they give any money out, they should say, ‘These are our values, these are our guidelines, and we want to know what your level of participation is with people of color.’ Change will have to be required—forced—or it won’t happen. By-laws of organizations should include a statement that ‘You need to do this or you won’t get funding.’”

“Funders could say, ‘We value diversity and support those organizations that reflect the diverse communities being served.’”

Strategies

RESPONSIBLE
PARTIES: AH
System,
Family
Housing
Fund, LISC

- **Create a structure for accountability.**

Examples provided by interviewees:

- Challenge racism in the building trades;
- Conduct a GAP analysis with NRCC to create an inventory of people of color with trades and to track employment on construction projects;
- Create a position that has responsibility for increasing the participation of communities of color in affordable housing processes and decisions (give the position clout and house it in a neutral area like an intermediary: e.g., the position has to be at a fairly high level; the person must be assertive, perhaps pushy, a broker and a community navigator);
- Develop cross-city strategies;
- Endow a chair at a college/university to work on issues;
- Ensure that the board members of neighborhood-based housing organizations are given true consideration when seeking participation from a broad segment of the community in affordable housing processes and decisions;
- Ensure that there is leadership from CEOs on issues;
- Develop and distribute a *State of the Problem* report identifying staff and board demographics; and
- Track and report openings and hiring.

- **Expand funding terms.**

Examples provided by interviewees: Develop a point system (organizations get more points if they have diversity on boards and staffs); create policies and criteria for grants; require projects to document the level of diversity on their boards, staffs, and their level of involvement with the community that is being impacted.

- **Broaden funding policies and guidelines.**

Examples provided by interviewees: Ensure involvement of key stakeholders;

- Fund short study courses and workshops for people already working in the profession to allow them opportunities to grow and obtain skills for promotions;
- Offer scholarships to those already in the field to attend capacity-building training;

- Provide operational support (direct or through intermediaries);
- Provide stipends to support people in intern programs;
- Require larger, experienced groups to partner with small, less experienced groups of color;
- Require partnerships with people of color in development;
- Set aside targeted funds for organizations of color;
- Sponsor mentoring;
- Support Advantage Centers that help people find better jobs; and -Support the development of training.

Next Steps

For a system-wide initiative to thrive, organizations must raise the value placed on diversity throughout the housing system, remove existing barriers that hinder greater participation from communities of color, and cultivate people, programs, and services that are already part of the system. The staffs of the Family Housing Fund and LISC hope that the findings from the interviews will move the collaborative diversity work within the affordable housing field from the pilot stage to a broader effort. This wider scope will ultimately help many affordable housing organizations focus on a shared vision of the current problems and the implementation of strategies that will effect change.

The fund and LISC will share this report with interested organizations for feedback and enhancement and begin developing a range of tools for organizations to use in addressing the issues. Among these tools may be information sharing or training that teaches organizations how to recruit and helps them challenge organizational structures. The fund and LISC will also begin to collect more data about opportunities in the field and work within the system to establish goals and a timeframe so that it will be possible to measure progress over time. At some point, the fund and LISC will ask organizations to commit to tangible goals.

The fund and LISC staffs hope that after a three-year period the goals and standards will be translated into expectations or requirements throughout the system. At that point, it will be possible to develop funding guidelines that reflect the goals and standards and use funding criteria to encourage the development and implementation of goals.