



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
FISCAL YEAR 2013 PROGRAM AND BUDGET INITIATIVES  
**ECONOMIC DEVELOPMENT AND INNOVATION IN RURAL AMERICA**

**In Fiscal Year 2013, HUD will continue to fund programs that will directly support housing and economic development in rural communities.**

Small towns and rural communities across America are facing an acute need for more affordable and energy efficient housing, while also pursuing sustainable economic development strategies that link rural housing and transportation to job centers. Recognizing the unique challenges in these decentralized areas, HUD continues to tailor its programs to provide rural communities with the resources they need to craft innovative solutions. HUD's partnership with rural communities spans from direct funding of block grants to supporting the housing needs of hundreds of thousands of families through larger programs like HOME investment partnerships, FHA insurance for homeowners, and the Housing Choice Voucher Program (HCVP). HUD's field offices in rural communities continue to serve as technical assistance resources and a link to other HUD programs and other federal agencies. Moreover, through programs like the Indian Housing Block Grant, HUD partners with rural American Indian and Alaska Native tribal governments to support efforts to create locally-driven solutions to economic development challenges.



**RURAL HOUSING STABILITY PROGRAM**

On May 20, 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which includes first-time funding for the Rural Housing Stability Assistance Program (RHSP). RHSP is designed to assist individuals and families who are homeless, in imminent danger of losing housing, or in the worst housing situations in rural communities. **In 2013, HUD is requesting an additional \$5 million for the Rural Housing Stability Assistance program.** These grant funds will be awarded outside of the existing Continuum of Care competition, and will introduce activities that have not historically been available through HUD's homeless assistance programs.

In addition to this focused RHSP initiative, rural communities will continue to have access to HUD's targeted homeless assistance, through the Continuum of Care competition grant, the Emergency Shelter Grant (ESG) program, and the Homelessness Prevention and Rapid Re-Housing Program (HPRP). Rural areas have increasingly gained access to HUD's competitive homeless assistance grants, primarily through the creation of Balance of State and Statewide Continuums of Care, with funds allocated directly to the state. In 2010, the Continuum of Care competition included a selection priority for new projects proposing to serve 100% rural areas. Organizations in 69 rural communities submitted applications for 108 new projects, requesting \$19 million. HUD will apply the rural selection priority to new projects in the 2011 Continuum of Care competition as well.

**AMERICAN INDIAN, ALASKA NATIVE, AND NATIVE HAWAIIAN PROGRAMS**

As the single largest sources of funding for housing on Indian tribal lands today, HUD initiatives in Indian country continue to have some of the Department's most successful track records. Programs like Indian Housing Block Grants, Indian Home Loan Guarantees, and Indian Community Development Block Grants support development in remote areas where safe, affordable housing is desperately needed. HUD also directly supports housing and economic development initiatives in remote areas of Hawaii, through the Native Hawaiian Housing Block Grant Program and Native Hawaiian Loan Guarantee Program. HUD recognizes the right of Indian self-determination and tribal self-





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governance by allowing the recipients the flexibility to design and implement appropriate, place-based housing programs according to local needs and customs. All together, **in Fiscal Year 2013, HUD is requesting \$731 million to fund programs that will support housing and development in American Indian, Alaska Native, and Native Hawaiian communities**, which will directly and indirectly support over 14,000 jobs.

**SUSTAINABLE HOUSING AND COMMUNITIES**

HUD's Office of Sustainable Housing and Communities (OSHC) was established in 2010 with a mission to infuse sustainability into HUD policies and programs so that a larger portion of the Department's funds lead to sustainable outcomes that create more housing, transportation and economic development opportunities in rural and urban regions.. Through partnerships with other Federal agencies to align resources and reduce barriers, HUD has developed the Sustainable Communities Initiative (SCI) to provide incentives to encourage market pick-up of sustainable planning and development strategies in communities of all shapes and sizes. Recognizing the strong demand and unique needs of rural communities to help connect economic development with future infrastructure and housing investments, SCI funding includes special funding categories for smaller communities. In 2011, over 40 percent of the OSHC Community Challenge Grants went to communities with populations below 50,000. **In Fiscal Year 2013, HUD is requesting \$100 million in SCI funding** within the Community Development Fund, of which a portion will once again be designated for small and mid-sized communities.

**ONGOING RURAL ASSISTANCE**

Beyond targeted efforts to alleviate housing and development issues in rural America, HUD serves families in small towns and rural communities through almost every major program it funds. **The State Community Development Block Grant (CDBG) program provides approximately \$692 million to rural areas, supporting over 25,000 jobs** both directly and indirectly, providing needed infrastructure, economic development, and affordable housing. HUD also funds over \$300 million in rural areas for affordable housing and homeownership programs through its HOME Investment Partnership program, directly and indirectly supporting over 5,360 jobs.

In addition, HUD and the Department of Agriculture meet regularly through an interagency rental housing policy group to better align and coordinate the affordable rental housing programs each operates. Altogether, **over 800,000 families in rural communities are directly assisted through the HCVP, Public Housing, and Multifamily programs**, with another 450,000 assisted through USDA. For homeowners, HUD's Federal Housing Administration (FHA) helps first-time homebuyers and other qualified families all over the country purchase their own home. **More than 1.5 million of the homes currently insured by the FHA are in rural areas, and approximately \$545 million in current FHA loans are to rural healthcare facilities designated as "critical access hospitals."** HUD recognizes the unique challenges in these rural areas, and continues to develop innovative, community-based programming to meet those needs.

