



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
FISCAL YEAR 2012 PROGRAM AND BUDGET INITIATIVES  
**ECONOMIC DEVELOPMENT AND INNOVATION IN RURAL AMERICA**

**In Fiscal Year 2012, HUD is requesting a total of \$832 million 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 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 rural competition 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 INNOVATION FUND**

HUD's Rural Innovation Fund supports a variety of innovative approaches to addressing the problems of concentrated rural housing distress and community poverty through comprehensive housing, community, and economic development activities. The Rural Innovation Fund supports bold ideas that lead to better housing conditions and economically viable communities with a strong potential for sustaining those benefits.



**In 2012, HUD is requesting \$25 million for the Rural Innovation Fund.** Building on the former Rural Housing and Economic Development program, the Rural Innovation Fund promotes the ideas of pioneering rural communities to affordable housing and economic development. The program offers grants to support new approaches to old problems proposed by tribes, local non-profits and community development corporations, and state housing and economic development agencies. Applicants identify targeted affordable housing and economic development interventions, either geographically or through an innovative overall approach applicable over a wider area, to assist low-income rural communities.

**RURAL HOUSING STABILITY PROGRAM**

On May 20, 2009, President Obama signed the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, which includes first-time funding for the Rural Housing Stability Program (RHSP). RHSP is designed to assist individuals and families who are homeless, in imminent danger of losing housing, or in the worst case housing situations in rural communities. **In 2012, HUD is requesting an additional \$25 million for the Rural Housing Stability 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



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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.

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-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 2012, HUD is requesting \$782 million to fund programs that will support housing and development in American Indian, Alaska Native, and Native Hawaiian communities**, which directly support over 6,000 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 in line with the Livability Principles jointly established by HUD, EPA, and DOT. Through partnerships with other Federal agencies to align resources, along with internal initiatives, 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. Specifically, the application criteria for SCI funds recognize the unique challenges in rural communities in terms of needs, desires, data and capacity. **In 2010, \$25.6 million** of the SCI grant funding was designated for small and mid-sized regions, and **every small community application that met the funding threshold was awarded funds**. In 2012, HUD is requesting \$150 million in SCI funding, 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 \$840 million to rural areas, supporting over 8,500 direct jobs**, providing needed infrastructure, economic development, and affordable housing. HUD also funds over \$500 million in rural areas for affordable housing and homeownership programs through its HOME Investment Partnership program, directly supporting over 4,300 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**. HUD recognizes the unique challenges in these rural areas, and continues to develop innovative, community-based programming to meet those needs.