

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
2006 Summary Statement and Initiatives
(Dollars in Thousands)

RURAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAM	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2004 Appropriation	\$25,000	\$25,259	-\$148	\$50,111	\$24,480	\$23,144
2005 Appropriation	24,000	26,502 ^a	-192	50,310	50,310	25,000
2006 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>25,000</u>
Program Improvements/Offsets	-24,000	-26,502	+192	-50,310	-50,310	...

a/ Includes \$870,000 in recaptures.

Summary Statement

The Budget proposes to consolidate funding for Rural Housing and Economic Development (RHED) into a new program within the Department of Commerce.

The RHED program was legislated originally to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities, including capacity building activities. Grants were competitively awarded to eligible recipients: local rural non-profit organizations, community development corporations, Indian tribes, state housing finance agencies, and state economic development and federally recognized community development agencies.

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Budget Authority</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2004 Obligations</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2006 Request</u>
Rural Housing and Economic Development .	\$24,852	\$25,259	\$50,111	\$24,480	\$23,808	\$26,502	\$50,310	...
Total Rural Housing and Economic Development Program	24,852	25,259	50,111	24,480	23,808	26,502	50,310	...

<u>FTE</u>	<u>2004 Actual</u>	<u>2005 Estimate</u>	<u>2006 Estimate</u>
Headquarters	8	8	8
Field	<u>1</u>	<u>1</u>	<u>1</u>
Total	9	9	9

a/ Includes \$870,000 in recaptures.

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
 RURAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAM
 Program Offsets
 (Dollars in Thousands)

Rural Housing and Economic Development	<u>Amount</u>
2004 Appropriation	\$24,852
2005 Appropriation	23,808
2006 Request	<u>---</u>
Program Improvements/Offsets	-23,808

Proposed Actions

No fiscal year 2006 funding is proposed for the RHED program. Outlays remain level from fiscal year 2005 to fiscal year 2006 as previous rounds of funding continue to spend out. The Department's proposal to terminate the RHED program reflects the belief that these efforts can continue to be pursued through existing HUD, HOME and other programs and through the integrated community development effort located in the Department of Commerce. Additionally, the U.S. Department of Agriculture manages a portfolio of rural housing and economic development grants programs that vastly exceed HUD's RHED program in terms of programs and services from budget to staffing.

The RHED program was legislated originally to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities, including capacity building activities. Grants were competitively awarded to eligible recipients: local rural non-profit organizations, community development corporations, Indian tribes, state housing finance agencies, and state economic development and federally recognized community development agencies. From fiscal year 1999 to fiscal year 2003, actual data show that the RHED program recipients have created 5,418 jobs, trained 15,233 people, created 642 new businesses, assisted 2,306 existing businesses, constructed 5,313 housing units, and rehabilitated 5,727. Fiscal year 2004 data will be collected and reported by November 2005.

The RHED program was evaluated during fiscal year 2004. The evaluation found that the program that was rated had a clear purpose and design and decent strategic planning, but needed improvements in program management and results.

Rural Housing and Economic Development

**COMMUNITY PLANNING AND DEVELOPMENT
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Performance Measurement Table**

Program Name: Rural Housing And Economic Development					
Program Mission: To encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2004 Plan	2004 Actual	2005 Plan	2006 Plan
Number of Jobs Created		N/A	N/A a/	5,000	N/A

N/A = Not Applicable.

a/ Data will be collected and reported by November 2005.

Explanation of Indicators

Because no funding was requested in fiscal years 2004 and 2005, no performance indicators were established. However, funds were appropriated in fiscal year 2005 as in recent years and a target of 5,000 jobs is projected in fiscal year 2005.

Rural Housing and Economic Development

**COMMUNITY PLANNING AND DEVELOPMENT
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Justification of Proposed Changes in Appropriations Language**

The 2006 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

[For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$24,000,000 to remain available until expended, which amount shall be competitively awarded by September 1, 2005, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas.]

Explanation of Changes

No fiscal year 2006 funding is proposed for the Rural Housing and Economic Development program.

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
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Crosswalk of 2004 Availability
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Rural Housing and Economic Development	\$25,000	-\$148	\$25,259	\$50,111
Total	25,000	-148	25,259	50,111

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
Crosswalk of 2005 Changes
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 President's Budget Request</u>	<u>Congressional Appropriations Action on 2005 Request</u>	<u>2005 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Rural Housing and Economic Development	\$24,000	-\$192	...	\$26,502	\$50,310
Total Changes	24,000	-192	...	26,502	50,310