

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
2008 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>
2006 Appropriation	\$17,000	\$26,742 ^a	-\$170	\$43,572	\$23,822	\$20,813
2007 Full-Year CR Estimate.....	24,000	19,750	...	43,750	43,750	22,000
2008 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>27,000</u>
Program Improvements/Offsets	-24,000	-19,750	...	-43,750	-43,750	+5,000

a/ Carryover includes recaptures totaling \$1.068 million.

Summary Statement

No fiscal year 2008 funding is proposed for the Rural Housing and Economic Development (RHED) program. This is equal to the fiscal year 2007 President's request and \$24 million below the fiscal year 2007 Continuing Resolution amount. The RHED program was created to encourage new, innovative approaches to serving the housing and economic development needs of the nation's rural communities. With the Department's proposed revisions of the CDBG program the needs of America's rural communities will be addressed through the State CDBG program, the HOME program, and through the U.S. Department of Agriculture (USDA). USDA manages a portfolio of rural housing and economic development grant and loan programs that vastly exceed RHED in terms of programs and services provided to America's rural communities. The PART of the RHED program results to date have been characterized as ineffective.

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>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Rural Housing and								
Economic Development .	\$16,830	\$26,742	\$43,572	\$23,822	\$24,000	\$19,750	\$43,750	...
Total	16,830	26,742	43,572	23,822	24,000	19,750	43,750	...
<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>					
Headquarters	7	7	7					
Field	8	7	7					
Total	15	14	14					

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>
2006 Appropriation	\$16,830
2007 Full-Year CR Estimate.....	24,000
2008 Request	<u>...</u>
Program Improvements/Offsets	-24,000

Proposed Actions

No fiscal year 2008 funding is proposed for the Rural Housing and Economic Development (RHED) program. The RHED program was created to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities, including capacity building activities. Beginning in 1999, grants were competitively awarded to eligible recipients: local rural non-profit organizations, community development corporations, Federally recognized Indian tribes, state housing finance agencies, and state community and/or economic development agencies.

The Department proposes to consolidate the RHED program activities under the CDBG reform and through the HOME program. Additionally, the U.S. Department of Agriculture manages a portfolio of rural housing and economic development grant programs that vastly exceeds RHED in terms of programs and services provided to the nation's rural communities. Furthermore, the RHED program was evaluated under the Program Assessment and Rating Tool (PART) during fiscal year 2004, and received an overall rating of "ineffective." The evaluation indicated that the program had a clear purpose and design, but needed improvements in program management and comprehensive results.

Rural Housing and Economic Development

**COMMUNITY PLANNING AND DEVELOPMENT
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Performance Measurement Table**

Program Name: RURAL HOUSING AND ECONOMIC DEVELOPMENT						
The purpose of the Rural Housing and Economic Development program is to build capacity at the State and local level for rural housing and economic development and to support innovative housing and economic development activities in rural areas. The funds made available under this program are awarded through a competitive selection process conducted in accordance with the HUD Reform Act.						
Performance Indicators		Data Sources	Performance Report		Performance Plan	
			2006 Plan	2006 Actual	2007 Plan	2008 Plan
Number of Jobs Created			1,200	2,360	N/A	N/A

N/A = Not Applicable.

Explanation of Indicators

No funding is requested for either fiscal year 2007 or 2008 and no performance target is projected.

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
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Justification of Proposed Changes in Appropriations Language

Explanation of Changes

No fiscal year 2008 funding is proposed for the Rural Housing and Economic Development program.

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
Crosswalk of 2006 Availability
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Rural Housing and Economic						
Development	<u>\$17,000</u>	<u>-\$170</u>	<u>...</u>	<u>...</u>	<u>\$26,742</u>	<u>\$43,572</u>
Total	17,000	-170	...	...	26,742	43,572

Rural Housing and Economic Development

COMMUNITY PLANNING AND DEVELOPMENT
RURAL HOUSING AND ECONOMIC DEVELOPMENT
Crosswalk of 2007 Changes
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2007 President's Budget Request</u>	<u>FY 2007 CR Estimate</u>	<u>2007 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2007 Resources</u>
Rural Housing and Economic Development	\$24,000	...	...	\$19,750	\$43,750
Total	24,000	...	...	19,750	43,750