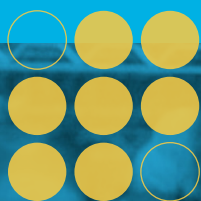


● Our Policy Lens on
Rural America



LSC



Our Policy Lens on Rural America

Rural communities contain almost 20 percent of the country's population, and many are struggling now due to job loss, limited access to financial services, substandard housing stock, and a lack of infrastructure investment, including investments needed to expand rural access to broadband. These factors hinder the growth of rural places and contribute to population loss, higher poverty rates, and basic capacity needs. The challenges are greatest in our nation's [most rural and isolated areas](#), many of which are persistent poverty counties.

We need a national commitment to support rural America's people and communities. Rural places are increasingly diverse and differ from one community to the next, although all offer a wealth of opportunities. These include less expensive land, high rates of homeownership, and a strong sense of community. LISC, through our Rural LISC program, has made a [Rural Promise](#) to achieve 20 percent of our community development impact in rural communities. This impact will be achieved through Rural LISC's focus pillars, which include access to capital, broadband and infrastructure, workforce development, disaster recovery and resilience, and placemaking.

We cannot fulfill this goal without strong alignment with federal policies and programs that support our investments in housing, economic development, family income and wealth building, health, and the capacity building needs of nonprofit organizations. LISC released a comprehensive set

of [policy priorities](#) that we intend to promote with members of Congress and the Administration in the coming months and years. We highlight below several of those policies and programs that we believe will be critical to supporting our work in rural America.

Persistent Poverty

Communities suffering from persistent poverty face some of our nation's steepest challenges, yet they find it difficult to apply for and receive federal resources due to capacity constraints. The U.S. Department of Agriculture (USDA) [defines persistent poverty](#) at the county level as counties where at least 20 percent of the population has been living in poverty for the past 30 years. There are approximately 353 persistently poor counties, more than 300 of which are in nonmetropolitan areas.

Various [legislative proposals](#) have been introduced in Congress to establish "10-20-30" policies, which would direct that a minimum of 10 percent of federal funds for specific affordable housing, community development, and infrastructure programs go to communities in which the poverty level has been at least 20 percent for the last 30 years. LISC [supports efforts](#) to increase the ability of persistent poverty communities to receive federal resources, and we believe these efforts work best when the programs also receive commensurate increases in funding.

Capacity Building

Nonprofit housing organizations and community development corporations (CDCs) play an essential role in supporting low-income families in rural communities. These groups develop and own affordable housing, and provide services that further housing stability and opportunity for residents. CDCs in rural areas face unique constraints—most notably limited public and private resources to support their work and much larger service areas—which can limit their capacity to meet needs.

LISC supports increased investments in capacity-building and technical-assistance programs, including:

- **The U.S. Department of Housing and Urban Development (HUD) Section 4 Capacity Building Program**, which provides grants to intermediary organizations to provide training, education, financial support, and development assistance to nonprofit CDCs and housing organizations in rural and urban communities.
- **USDA's Rural Community Development Initiative**, which provides grants to help nonprofit housing and community development organizations, low-income rural communities, and federally recognized tribes support housing, community facilities, and community and economic development projects in rural areas.
- **HUD's Distressed Cities Technical Assistance program**, which provides small local governments facing challenges caused by natural disasters with the assistance they need to recover.

Economic Development

Investments in inclusive economic development and infrastructure are critical to the growth of rural communities. Rural communities offer extraordinary talent, businesses, and assets to our local and national economies. Yet rural areas are often shortchanged of the private and federal investments needed to broaden pathways to opportunity meaningfully. The [distinctive challenges](#) of rural communities require robust federal investments that better support economic development, innovation, and infrastructure improvements.

LISC encourages the following federal actions:

- **Increase funding for HUD's Community Development Block Grant (CDBG) Program**, streamline the CDBG Disaster Recovery program, and create a new Community Development Financial Institution (CDFI) Crisis Fund program—so that dollars can flow quickly to communities that have been impacted by natural disasters.
- **Increase funding for the CDFI Fund's CDFI Program and make the New Markets Tax Credit permanent.** Both of these programs carve out significant resources for persistently poor and nonmetropolitan communities.
- **Improve the USDA Community Facilities Relending Program**—which provides capital to CDFIs and other lenders to make loans to develop community facilities in rural communities. We support efforts to work with USDA on streamlining the program to produce additional impacts.
- **Increase funding for the Economic Development Agency's Disaster Recovery and Revolving Loan Fund programs**, and streamline the Revolving Loan Fund program, which principally serves micropolitan and rural communities.

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- **Invest in high-quality broadband infrastructure throughout rural and Native American communities**, including passing the [Rural Broadband Acceleration Act](#), a bipartisan proposal to immediately fund shovel-ready high-speed internet projects, as well as providing pre-development and technical-assistance funds to support broadband planning in rural communities.

Family Income and Wealth Building

Building resilient communities of opportunity throughout rural America requires meaningful investments that strengthen individual and household financial stability. Poverty occurs at higher rates in rural America generally, and in 2018 rural communities accounted for all of the [extreme poverty counties across the nation](#). Rural communities also tend to be hardest hit during economic downturns; the [COVID-19 pandemic](#) has proven to be no different.

We must expand our investments in the people who live, work, and raise families in rural areas. In particular LISC urges these steps:

- **Increase protections against predatory lending practices**, which can trap households in debt and significantly impact credit scores.
- **Fund the Assets for Independence program at the U.S. Department of Health and Human Services (HHS)**, which provides matching funds for families saving for education, homeownership, or to start a business.
- **Expand access to income supports**, which lift millions of families out of poverty and provide them with the financial stability needed to thrive.

- **Foster digital inclusion** by subsidizing the costs of internet service and equipment for low-income households.
- **Invest in workforce development and financial coaching**. Rural residents need individualized pathways to better connect to workforce opportunities. This includes enhanced access to and knowledge of social services in addition to upskilling, job training opportunities, and financial literacy.

Health

Residents of rural communities face special health challenges, as well as difficulties accessing quality health care. The social determinants of health—the conditions in which people are born, live, learn, work, play, and age that heavily influence health—are often more negatively pronounced in rural communities. As a result, rural communities experience [higher rates of chronic conditions and disability than urban communities](#). It can also be harder to access health care in rural communities, given a shortage of facilities, a lack of transportation options, and difficulties filling health care positions in rural communities.

LISC supports the following steps to support rural health:

- **Provide incentives for the medical system to finance activities that address broader social determinants of health**, including through Medicaid funding streams and nonprofit hospitals' Community Health Needs Assessments (CHNAs).
- **Fund Community Resource Network Infrastructures** to better facilitate service coordination and referral management among health care providers, community organizations, and federally funded programs for vulnerable and home-bound individuals.

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- **Increase investments in Community Health Centers (CHCs).** CHCs serve [the most vulnerable populations](#): 91 percent of patients are low-income, 82 percent are uninsured or publicly insured, and 63 percent are minorities. Forty-five percent of CHCs are located in rural communities.
- **Increase access to healthy food.** [Gaining access to healthy and affordable food can be a challenge for rural residents.](#) LISC calls for increased appropriations for the USDA Healthy Food Financing Initiative (HFFI) so more food-access projects can secure financial and technical-assistance resources, helping to reduce food-access inequality. We also endorse continued funding for the HFFI program at the CDFI Fund.

Housing

Rural communities exhibit a very particular set of single-family and rental housing characteristics, with higher rates of homeownership and more families owning their property free and clear. But rural areas also have higher rates of substandard housing, [shortages of affordable rental housing](#), higher prevalence of manufactured housing, and lower household incomes. Low incomes make it challenging for homeowners to maintain their homes and for renters to afford those units, often limited in number, that may be available.

LISC supports the following actions advancing rural housing:

- **Increase federal funding for USDA's single-family and rental housing programs,** along with other federal housing assistance programs, which support the production and preservation of housing in rural communities.
- **Strengthen the Low-Income Housing Tax Credit (LIHTC)** through the [Affordable Housing Credit Improvement Act](#), which has numerous provisions specifically focused on [increasing LIHTC investments in rural and Native communities.](#)
- **Protect Duty-to-Serve mandates for government-sponsored enterprises (GSEs),** which require them to serve underserved markets, including rural communities.
- **Enact the Neighborhood Homes Investment Act,** which would create a tax credit to support the development and rehabilitation of single-family homes in distressed rural communities.
- **Increase protections and opportunities in manufactured housing.** Over half of the 17 million manufactured homes in the United States are located in rural communities.
- **Increase federal support for rural and tribal homeownership,** through robust funding for USDA's Section 502 Single Family Housing Direct Loan Program, Section 523 Mutual Self-Help Housing Program, and Section 533 Rural Housing Preservation Grants program, as well as for HUD's Office of Native American Programs, including the HUD Section 184 Indian Home Loan Guarantee Program.