



Reduce Rural Housing Costs and Poverty Conditions

Midwestern Governors should prioritize preserving and improving the existing housing stock through energy efficiency improvements and building the capacity for local governments and nonprofit organizations to access existing funding streams because access to an affordable home is critical to health, safety, and security.

Background

In rural communities, the housing stock is older and more inefficient than in other areas of the country. When these homes were built they were not intended to meet any efficiency standards and they have become increasingly energy inefficient over time. Inefficient housing can lead to extremely high heating costs during the winter months. Even if the cost of rent or a mortgage is affordable (which is widely considered to be less than 30 percent of a household's income), high heating bills due to energy inefficient homes can render total housing costs unaffordable.

In addition, the residents of rural America are older than the nation as a whole and the population of elderly adults is expected to grow. In Iowa, for example, the population of seniors over the age of 65 is expected to grow by 26 percent in this decade. These older adults have unique housing needs. Most seniors wish to remain and age in their homes as long as possible, but rural elders are increasingly experiencing challenges with housing affordability and quality. For many rural seniors to "age in place", their homes require modifications to allow for safety and accessibility, and weatherization for their homes to remain affordable.

The resources to help rural Americans are often underutilized or insufficiently available. Specifically, many rural communities lack the capacity to take advantage of existing financial resources. Federal resources such as the HOME Investment Partnership Program and Community Development Block Grant Funding are used for the development of new affordable housing, enabling affordable homeownership, and for the rehabilitation and repair of existing housing. However, navigating the grant application and compliance process requires special expertise and sufficient staff capacity.

Rural communities can only access these federal programs through state agencies that also often lack the funding and capacity to offer the appropriate technical assistance to small communities. Also, these funds are distributed based on state priorities. In an effort to spend funds quickly, rural communities are often left out. As a result, block grant funding is highly concentrated in larger towns and communities where local governments have staff with the specialized skills to apply for grants and the staff capacity to adequately comply with regulations. As capital is scarce in rural communities and small towns, access to existing federal and state funding sources could be extremely valuable.

Points and Facts

- Rural homes are older. In rural Kansas alone, 73 percent of housing stock was built prior to 1980 and half of the rural housing stock is over 65 years old.

- Rural Americans are older than elsewhere in the U.S. as a whole and the population age 65 years old and older is expected to grow significantly in the coming years.
- States should increase investments in homeownership, home rehabilitation, repair and weatherization programs:
 - Rehab and repair programs can preserve the existing housing stock and modify homes so that rural seniors may age in place.
 - Weatherization programs help lower housing costs for renters and homeowners by improving heating efficiency and fuel savings.
- States should make rural communities a higher priority by allocating more technical assistance during the grant making and compliance process. Habitat also supports adequate funding for USDA Rural Development capacity building funding sources.

Additional Resources

Habitat for Humanity recently released a report on residential energy efficiency entitled, *Less is more: Transforming Low-Income Communities Through Energy Efficiency*. It contains additional information regarding weatherization needs throughout the country. It is available at Habitat.org.

About

Habitat for Humanity's (Habitat's) vision is a world where everyone has a decent place to live. Anchored by the conviction that housing provides a path out of poverty, Habitat, a nonprofit Christian housing organization, has helped more than 5 million people improve their housing conditions since 1976 through home construction, rehabilitation and repairs, housing finance, housing support services and technical assistance, and advocacy. Habitat's federated network operates in more than 70 countries and includes more than 1,400 independent affiliates (local 501(c)(3) nonprofit charitable organizations) serving communities throughout the United States.

Andrew Szalay

Habitat for Humanity International
 Government Relations and Advocacy
 (202) 239-4432
aszalay@habitat.org
[@AndrewSzalay](#)

Lisa Houser

Habitat for Humanity of Iowa
 Executive Director
 (515) 266-6886
lhouser@iowahabitat.org
[@HabitatIowa](#)