



PROPOSALS FOR THE NEW ADMINISTRATION: PROVIDING INFRASTRUCTURE TO SUPPORT RURAL DEVELOPMENT

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Background

When a new Administration takes power, the rural housing community is eager to engage and educate, giving voice to our work across the country. With rural voters' economic anxiety well-documented through this year's election cycle, the current transition is particularly important. Rural concerns may be elevated in the national dialogue, bringing resources to our community. Yet there are also threats to domestic discretionary spending, which could turn back years of progress and thwart efforts to bring opportunity and self-sufficiency to rural America.

Rural communities face declines in population, high poverty rates, a sluggish recovery from the recent recession, and increased drug addiction and abuse. In rural America, there remains a fundamental need for access to capital as well as for strong federal, state, local, and private-sector partnerships. Along with other needs, rural America has serious infrastructure problems that hinder rural development. President-elect Trump has expressed a strong interest in improving the nation's infrastructure, and a variety of elected officials have indicated a willingness to work with him on this issue. In rural areas, investing in housing represents infrastructure investment that addresses human needs, creates jobs, and stabilizes rural communities.

The physical challenges in rural areas have significant impacts on the options for developing infrastructure. Water, sewer, and electrical power delivery may have to span long distances between developed areas but each foot must be paid for regardless of the number of actual users. New technology may not be available for internet and Wi-Fi, limiting opportunities for information, education, and commerce and making the finished development less desirable to the ultimate users. Supportive retail and community services do not have sufficient customers or users to risk rural location investments.

Having a focus on strong infrastructure is not only critical to the survival of rural America but also speaks to economic opportunity, standards of living, and social cohesion for rural residents. But, because there are fewer people across whom to spread the costs, large

infrastructure projects in rural areas tend to have much higher costs per household than comparable projects in urban areas. Housing stability is necessary for individuals and families to thrive and prosper, yet millions of households in both rural and urban communities across the country live in homes that cost more than they can afford, have physical or health hazards, or may be lost due to foreclosure or eviction. In addition, the demand for rural infrastructure development often goes unheard because rural populations are smaller and less dense than those in urban and suburban areas, which generate louder political voices.

Issues/Challenges and Opportunities

The challenges associated with educating federal policymakers are numerous, and can be illustrated by the issues connected to creating adequate infrastructure for rural development. Rural areas have fewer banks and fewer specialized lenders in those banks. Rural communities may struggle to draw upon private capital for affordable housing development and ample evidence shows that national philanthropic investment largely bypasses rural America, especially isolated areas with persistent poverty; therefore, rural places may rely heavily on federal support through various programs that promote rural development. Reduction in federal spending for affordable rural housing programs has made the situation worse.

Another issue to consider is that rural developers are less likely to operate in a specialized niche, concentrating solely on financial transactions. They must often address a wide range of community needs, unlike their (often) more specialized urban counterparts. It can be extremely stressful for those rural development practitioners who often must play multiple roles to make up for the lack of support often found in rural areas.

Infrastructure issues in rural development relate to communities that are isolated and lack the population density that can support economic infrastructure development. Strengthening support for rural infrastructure development can be linked to increasing the availability of credit sources. Rural communities are sometimes at a disadvantage when federal and state governments allocate infrastructure spending dollars.

That does not mean that opportunities do not exist. In many cases, satisfying rural infrastructure needs demands new investment – not rehabilitation of old, outdated systems. Land rights can be purchased far less expensively than in urban areas. New technology may become available to change the nature of providing necessary services to support development.

Discussion Questions

- What steps can be taken to draw political attention to the need for improved access to reliable and affordable energy services, including renewable and alternative sources of energy that will lead to infrastructure support in rural development?

- What are the pros and cons of focusing on supporting the rural housing and infrastructure programs that already exist, or developing ideas for new initiatives the Trump Administration could claim as its own?
- How can (or should) the rural housing community link investment in traditional infrastructure (e.g. roads, bridges, broadband) to investment in the production and preservation of housing?
- What strategies exist to develop and improve access of rural populations to information and communications technologies that support Internet access and build capacities for an effective use of these technologies?