

March 16, 2022

HUD Rural Capacity Building for Community Development and Affordable Housing (RCB) Program

The Rural Capacity Building for Community Development and Affordable Housing program (Rural Capacity Building or RCB), administered by the U.S. Department of Housing and Urban Development (HUD) is one of several federal programs that supports local housing and community development in rural areas. This In Focus describes the RCB program's structure and provides an overview of program funding.

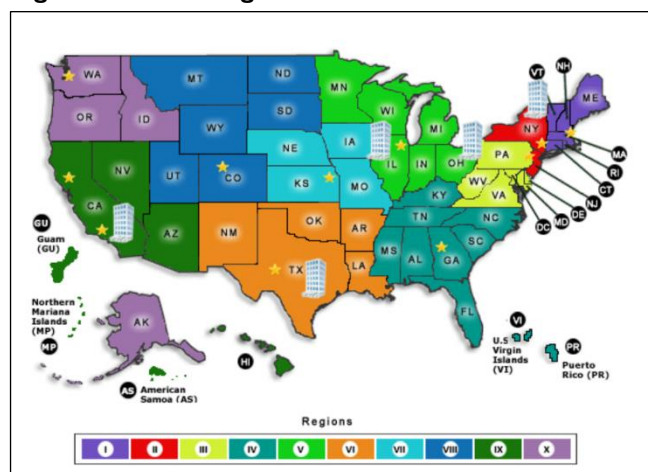
Program Structure and Administration

HUD awards RCB grants on a competitive basis to rural community development intermediary organizations (primary grantees). The primary grantees then use the RCB funding over a four-year period to provide technical support and financial assistance to rural community development organizations, local governments, and tribal entities for capacity-building activities.

Eligible Primary Grantees

HUD restricts primary grantee eligibility to certain nonprofit intermediary organizations with 501(c)(3) tax-exempt status. Eligible organizations must apply independently, rather than as a consortium. HUD requires that organizations have a demonstrated record of accomplishment in relevant activities, within the previous decade. Additionally, these organizations must serve in at least seven of HUD's ten regions. **Figure 1** provides a map produced by HUD, which illustrates the designated regions.

Figure 1. HUD's Regions



Source: U.S. Department of Housing and Urban Development, *HUD's Regions*, <https://www.hud.gov/localoffices/regions>.

Grant Application Process

Application guidance for HUD's RCB program is outlined in the agency's Notices of Funding Availability (NOFAs), which provide explanations of available grant funding, procedures, and deadlines. HUD generally releases RCB NOFAs on an annual or bi-annual basis.

HUD rates applications that meet the threshold requirements on a 100-point scale. HUD assesses eligible applications based on five core factors. As an example, **Table 1** provides an overview of the core rating factors and maximum point values outlined in the FY2019/FY2020 RCB NOFA. HUD will only consider applications from entities that meet the following requirements:

1. qualify as a national non-profit organization;
2. have no outstanding or insufficiently resolved civil rights issues; and
3. submit RCB applications in a timely manner, in accordance with the stated deadline.

Table 1. RCB Application Core Rating Factors FY2019/FY2020

Core Rating Factor	Maximum Points
Soundness of Approach	37
Capacity of Applicant and Relevant Organizational Experience	32
Achieving Results and Program Evaluation	13
Need/Extent of the Problem	12
Leveraging Resources	6
Total Points	100

Source: U.S. Department of Housing and Urban Development, *FY2019-FY2020 Rural Capacity Building for Community Development and Affordable Housing Grants (RCB)*, https://www.hud.gov/sites/dfiles/SPM/documents/FY2019-FY%202020RuralCapacityBuilding_RCB.pdf.

Notes: Core rating factors and maximum point amounts may vary across RCB NOFAs. This table provides an example of guidance from the FY2019/FY2020 NOFA.

HUD may award preference points for applications that propose activities aligned with certain priorities of an administration. For instance, the FY2019/FY2020 RCB program NOFA announced that applicants would receive

up to two preference points for applications including activities located in Opportunity Zones or Promise Zones, or projects carried out in partnership with Historically Black Colleges and Universities. Typically, preference points are awarded exclusively to eligible applicants with core scores of 75 points or greater.

Eligible Beneficiaries

As mentioned above, the intermediaries (primary RCB grantees) use RCB funds to provide financial and technical assistance for eligible beneficiaries. Potential grantees are required to share the plans for their beneficiary selection process in their application proposal. HUD rates the beneficiary selection process plans as a component of the “Soundness of Approach” factor. Generally, RCB primary grantees can provide capacity-building support in the form of financial and technical assistance to five types of eligible beneficiaries:

1. rural housing development organizations;
2. community development corporations;
3. community housing development organizations;
4. local governments; and
5. tribal entities.

In order to receive RCB support, beneficiaries must operate in an eligible rural area and serve rural constituencies. Under the RCB program, rural areas are defined as Census Bureau-recognized statistical geographic areas with fewer than 50,000 people. HUD has developed a web-based “Rural Beneficiary Mapping Tool” to aid primary grantees in confirming beneficiary eligibility.

Eligible Activities

The RCB program supports the following activities for rural community development organizations, local governments, and tribes:

- technical assistance including training and advice;
- financial assistance such as loans and grants; and
- other activities approved by HUD.

These activities—as carried out by primary grantees—typically support operational and administrative capacity needs of beneficiaries, related to organizational efforts such as affordable housing development and job creation.

Program Monitoring

HUD requires that primary RCB grantees submit semi-annual reports on project finances, implementation status, and outcomes. Grantees submit these reports through the Disaster Recovery Grant Reporting System, which tracks a range of appropriated funds administered by HUD.

RCB Appropriations

Congress has provided HUD \$5 million in RCB funds each fiscal year from FY2018 to FY2022 under the Self-Help Homeownership Opportunity program account in the

annual Transportation, Housing and Urban Development, and Related Agencies appropriations bills. This account also funds the Section 4 Capacity Building for Community Development and Affordable Housing program and the Self-Help and Assisted Homeownership Opportunity Program.

RCB Grant Awards

On January 5, 2021, HUD announced a total of \$10 million in RCB awards for five national nonprofit organizations to carry out program activities. These awards represented two years of appropriated funds (FY2019 and FY2020). Under the combined FY2019/FY2020 grant awards, HUD set the minimum grant amount at \$1.25 million and the maximum at \$3.25 million. When awarded on an annual basis, HUD typically sets the minimum and maximum awards at \$1 million and \$2.5 million, respectively.

Table 2 provides a breakdown of RCB grant awards of FY2019 and FY2020 funds.

Table 2. FY2019/FY2020 RCB Program Awards

Primary Grantee	Award Amount
Housing Assistance Council	\$2.70 million
Rebuilding Together	\$2.40 million
Minnesota Housing Partnership	\$2.40 million
Rural Community Assistance Corporation	\$1.25 million
Technical Assistance Collaborative	\$1.25 million

Source: U.S. Department of Housing and Urban Development, *HUD Announces \$10 Million in Capacity Building Grants for Rural America*, [https://www.hud.gov/press/press_releases_media_advisories/ HUD_No_21_001](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_001).

Notes: The list and number of grantees receiving RCB awards may vary from year to year. For a breakdown of RCB awards since FY2012, see U.S. Department of Housing and Urban Development, *Capacity Building Programs*, https://www.hud.gov/program_offices/comm_planning/capacitybuilding/#rcb.

Related CRS Products

CRS Report R47045, *Section 4 Capacity Building for Community Development and Affordable Housing Program*, by Joseph V. Jaroscak

CRS In Focus IF12038, *Farm Bill Primer: Rural Development Title*, by Lisa S. Benson

Joseph V. Jaroscak, Analyst in Economic Development Policy

IF12060

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.