



To: Members of the Rural Alliance, Inc. Board of Directors and its Affiliated Entities

From: Patrick Blacklock, President
Maggie Chui, Deputy Executive Director
Eric Will, RCRC Policy and Local Assistance Manager
Arthur J. Wylene, General Counsel

Date: October 31, 2023

Re: Presentation of the 2023 RAI-Sponsored Research Report: "*Are Member Counties of the Rural County Representatives of California (RCRC) Receiving Their 'Fair' Share of California State Programs Devoted to the Promotion of Affordable Housing?*"

Summary

An overview and next steps for the Rural Alliance, Inc.'s (RAI) 2023 sponsored research project on housing capacity challenges in rural communities will be discussed.

Background

As part of the 2023-25 RAI Business Plan, RAI aims to sponsor research projects on topics of interest to rural counties. To initiate the research program, the RAI Board has expressed support for funding 1-2 research projects, with a total budget of up to \$30,000 in 2023. The purpose of this research initiative is to develop high-quality, data-driven research on the impacts of federal and state policymaking on rural communities, with a particular emphasis on factors that distinguish rural from urban communities. This research will advance efforts to inform and guide policymakers toward solutions that yield beneficial outcomes for the residents of rural communities in California and nationwide.

Following feedback discussions with the RAI Board and staff, RAI selected housing capacity challenges in rural communities as the general subject for its inaugural sponsored research project. In June 2023, the RAI Board approved the RAI-sponsored research topic and awarded the research grant to Robert W. Wassmer, Ph.D., California State University, Sacramento. The specific research question investigated by Dr. Wassmer and his team of graduate students in the Master of Public Policy and Administration program was as follows:

Did rural communities receive a disproportionately small share, based on need, of housing funds provided by the State of California, and if so, what were the specific barriers to rural communities receiving their fair share of these funds?

The research project endeavored to validate anecdotal concerns expressed that many rural counties in general receive a disproportionately low share of housing funds, which impact these communities' ability to produce sufficient housing for all income levels.

Dr. Wassmer and his team conducted the initial research phase over the summer. The plan was for the data collected during the initial phase to undergo further refinement and evaluation in the fall, with Dr. Wassmer and his team providing their assistance.

Report Findings

In late September, Dr. Wassmer and his team completed the report *“Are Member Counties of the Rural County Representatives of California (RCRC) Receiving Their “Fair” Share of California State Programs Devoted to the Promotion of Affordable Housing?”*

The report presents findings on the performance of RCRC Member Counties over the past three years regarding the distribution of outcomes in 13 different housing affordability programs. The research indicates that a significant number of RCRC Member Counties do not participate in some or all of the housing programs for which they are eligible (unlike urban counties, who consistently participate in most of these programs) - but where rural counties do participate, they often perform favorably, receiving a proportionately larger share of funding than their urban competitors. The report provides comprehensive details on these findings and outlines methods to identify RCRC Member Counties receiving a disproportionately low share of offerings in housing affordability programs. Furthermore, it provides considerations for further exploration of housing program assistance measures for RCRC Member Counties.

The report's most notable finding is the identification of "low-end county receivers" among RCRC Member Counties who participate in few programs and thus receive minimal or no funding, in contrast to their similarly-sized "higher-end county receiver" counterparts. The report suggests steps for further research to determine the reasons *why* some counties have greater participation rates – and success – than other similarly-sized counties, which may lead to development of future programs to assist those “low-end county receivers” in more effectively participating. Rural counties who participate in these housing programs have the potential for strong performance, and it is essential to recognize that certain counties may benefit from additional support to encourage their active participation.

Next Steps

Building upon the report's findings, staff are exploring suggestions for the qualitative research steps in the next phase. Of particular interest is the “Data Summary Table” provided with the report, which provides a compelling perspective on how RCRC Member Counties compare in their applications for housing affordability measures. Staff anticipates conducting outreach to and research on counties that are disproportionately not receiving state housing funds. Specifically, staff would recommend focusing on the counties within RCRC’s small county initiative, given those counties’ constrained budgets

and staffing. This focused approach will allow staff to dig deeper into specific areas of the state, but with the concept that some approaches can be utilized beyond just one jurisdiction.

To develop this data and eventual set of recommendations/solutions, RCRC staff will complete interviews with counties, housing authorities, and regional agencies/districts, research additional housing data, and contextualize what is happening within each of the counties through a review of local, state, and federal programs. To adequately follow up on the initial report by Dr. Wassmer, additional qualitative and quantitative data will flesh out the current conclusions, help clarify the factors leading to some counties more effectively obtaining state housing funds, and inform a set of recommendations for next steps for the counties based on this analysis.

The completion of these products, based on the initial report by Dr. Wassmer, will better equip RAI and RCRC counties and may inform future RAI research studies in collaboration with academia. These solutions can help RAI and RCRC staff to develop more robust technical assistance programs for member counties and/or strategically apply for enhanced funding (grants and loans) opportunities. Furthermore, these methods can help inform advocacy (both policy and regulatory) efforts in the development of legislation, regulations, and revisions to existing programs.

Recommendation

No action is recommended.

Attachment

- *"Are Member Counties of the Rural County Representatives of California (RCRC) Receiving Their 'Fair' Share of California State Programs Devoted to the Promotion of Affordable Housing?"*