

Often portrayed as a crisis of urban areas, homelessness has been a persistent and growing challenge in America's small towns, suburbs, and rural places. According to the [last national count of people experiencing homelessness](#), the number of people experiencing unsheltered homelessness rose in rural and suburban areas while falling or holding steady in urban ones. Families and people experiencing long-term homelessness are particularly affected. Nationwide, homelessness response systems only have the capacity to provide housing to [an estimated 16%](#) of people who stayed in an emergency shelter; capacity in rural areas is especially constrained and [depends more on federal funding](#). Faced with this reality, there is an urgent need to increase the availability of Permanent Supportive Housing (PSH) and other [interventions that work to end homelessness](#).

One [Research Into Action](#) team, led by Matt Fowle and Cypress Marrs at the Housing Initiative at Penn, investigated the challenges and opportunities of doing so in rural America. They interviewed dozens of service providers, government staff, housing developers, and advocates working in rural places across the country. **Their research highlights the challenges service providers and housing developers must overcome to create and sustain PSH in rural settings, and points towards policies that would help.**

Key Takeaways

Rural homelessness response systems do a lot with limited resources.

In rural areas, homelessness response planning bodies (called Continuums of Care, or CoCs) often encompass multiple counties and cover a vast territory. Yet they must complete the same essential functions as any other CoC: operate a central system of access for homeless services, coordinate efforts across service providers and jurisdictional partners, maintain accurate service data, and conduct a yearly count of all people experiencing homelessness in their area. All of this is harder to do—in fact, sometimes impossible to do—given the amount of geographic ground to cover. On top of that, rural CoCs tend to have fewer staff. This means less capacity to do what is necessary to scale supportive housing, like convincing government leaders of the need for more resources and applying for complex funding opportunities.

Rental housing supply is limited, but building new housing is too expensive.

Nearly every expert the researchers interviewed identified the shortage of affordable housing in rural areas as a key barrier to addressing homelessness and implementing PSH. Landlords are often reluctant to rent to PSH tenants or charge rents that exceed subsidy amounts. Likewise, units often fail to meet the habitability standards required by federal programs. Despite these challenges, most rural PSH units (70%) are pre-existing private market units in scattered-site locations. Construction costs make developing single-site buildings challenging and not

competitive on a cost-per-unit basis with projects in urban areas. New projects can also face community resistance, especially when homelessness is not perceived to be a problem in rural communities. As a result of these challenges to building new units or securing existing units, PSH programs might not be able to offer participants much of a choice in housing opportunities. Lag time in identifying new units also delays new tenants' ability to enroll in these programs.

Supportive services are challenging to provide at the appropriate frequency and intensity, and some specialties are altogether lacking.

PSH relies on ensuring tenants have access to the care and services necessary to remain stably housed. Service providers interviewed by the researchers shared how difficult it can be to provide this level of care in rural areas, especially when tenants are not centrally located. Poor public transportation increases the burden on case managers to bring services to people (or bring people to services), and case managers may struggle to keep up with their caseloads as a result.

“The reality... in rural communities, is that services may not exist or be very accessible in many areas or programs... often what that means more so in rural communities probably than in more urban areas, is that your PSH staff may be the only staff assigned to that person... and have limited capacity to piece together a more holistic array of services...”

— Service provider interviewed by research team

In general, rural residents (both housed and homeless) require greater access to high-quality healthcare, including a broad range of specialties. Until the nation fully addresses rural healthcare deserts, there will be barriers to implementing Housing First models as intended. Medicaid could be an important source of services funding; however, some states (many with significantly large rural areas) have [chosen not to participate](#) in a helpful Medicaid expansion, and recent federal-level [policy changes](#) are likely to hinder participation. Further, Medicaid reforms are needed to ease provider access (especially for smaller organizations) and to reduce requirements that do not align with the realities of PSH service provision.

Still, the researchers noted how individual case managers and service providers frequently went above and beyond to meet the needs they observed in their communities, “demonst[rating] the dedication, resourcefulness, and flexibility of rural service providers.”

Service providers and housing developers persistently overcome challenges to create more PSH. New federal and state funding efforts directed to rural areas are helping.

Organizations are still finding ways to expand their PSH capacity. The researchers highlighted federal and state efforts to reduce administrative barriers and support PSH in rural communities. Key examples include:

- Supportive Housing Development Fund in Nevada: a state grant program for supportive services, which allows for longer grant periods and pays for capacity building.
- Back@Home Initiative in North Carolina: a program in which the state takes on the administrative burden of braiding different federal funding streams, enabling nonprofit partners to spend more time providing client-centered care (and meet a greater diversity of client needs).
- The U.S. Department of Housing & Urban Development’s Special Notice of Funding Opportunity to Address Rural and Unsheltered Homelessness (SNOFO): a competitive grant

opportunity that set aside funding specifically for rural areas and enabled greater flexibility in how funding could be spent (including, for example, on repairs to make units habitable). Thirty-eight CoCs won awards through the rural set-aside, half of which chose to dedicate funding to PSH projects.

Implications: Research into Action

PSH is important to rural America, and a much larger supply is required to meet communities' needs.

Rural CoCs have fewer PSH beds per capita than urban CoCs. In many rural counties, there is no PSH at all. Greater PSH capacity is necessary to respond to rising unsheltered and chronic homelessness in rural areas.

The Alliance identified ways this research could inform policy and practice:

- **Federal and state governments should increase the amount of funding available for rural PSH.** In addition to increasing the overall amount of funding available for rural PSH, increases can helpfully account for variations in program delivery, such as by taking into consideration greater costs associated with planning and delivering homeless assistance in large geographies. Tailored opportunities allow rural projects to be evaluated against each other, instead of competing against projects in urban areas with lower costs per person served. More states can adopt models like those in Nevada and North Carolina. The federal government can sustain and build on the funding designated for rural areas in the SNOFO and mobilize a larger range of programs to bolster support to PSH in rural areas by making use of federal surplus properties and expanding assistance through pre-existing programs (like Housing Choice Vouchers, the U.S. Department of Agriculture's multi-family housing programs, and other sources).
- **Federal and state rulemaking should reflect the fact that PSH development and implementation look different in rural areas.** Certain rules and regulations, although well-intentioned, do not serve rural areas. For example, some rural PSH providers shared how restrictions on how to spend funding can make it harder to serve their clients, such as by not allowing reimbursement for transportation assistance. Service providers also expressed how eligibility for PSH units could be more responsive to local needs (while still complying with federal law). When they have been offered, flexible opportunities have benefited rural America, enabling localities to build solutions that match their reality.
- **Tailored technical assistance can help build capacity in rural areas.** This could include dedicated one-on-one support as well as opportunities for peer sharing, so CoCs can share strategies for approaching common challenges. There is a clear role for the federal government here with opportunities for philanthropic partners to step in as well.
- **A sustainable solution requires reforms to interconnected systems—like bolstering Medicaid and expanding physical and mental healthcare access in rural areas.** Supportive housing relies on partnerships to deliver wraparound services. Greater access to healthcare would help PSH tenants and improve the lives of all community members.
- **Expanded evidence about what works in rural communities will improve policy and practice.** Researchers should evaluate successful rural PSH programs to better understand implementation strategies and key program components.

Learn more and read the full report:

[Making Permanent Supportive Housing Work in Rural America.](#)