

HUD No. 14-016
Brian Sullivan
(202) 708 - 0685
<http://www.hud.gov/news/index.cfm>

FOR RELEASE
Tuesday
March 4, 2014

**HUD AWARDS \$2 MILLION TO BOOST JOB GROWTH
AND BUSINESS OPPORTUNITIES ALONG U.S. – MEXICO BORDER**
Grants part of White House effort to increase access to capital in underserved rural areas

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) today announced \$2 million in grants to stimulate job growth and business opportunities in chronically underserved rural areas along the U.S.-Mexico border region. Provided through HUD’s *Border Community Capital Initiative* (“*Border Initiative*”), grantees expect to leverage an additional \$5.5 million from other public and private sources to increase investment in ‘colonias’ where there are few opportunities for businesses to access private capital.

HUD’s *Border Initiative* is a partnership among three federal agencies – HUD, the Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) and the Department of Agriculture – Rural Development (USDA-RD). The grant funding announced today is part of the White House Rural Council. The Council was launched by President Obama in 2012 to help create jobs and expand opportunities in rural communities.

HUD grants will provide direct investment and technical assistance to community development lending and investing institutions that focus on affordable housing, small business and community facilities to benefit the residents of colonias. HUD announced grants to the following organizations:

Grantee	Grant Amount	Target Markets
Accion Texas (San Antonio, TX)	\$800,000	87 eligible colonias spanning 12 border counties in Texas, New Mexico, and Arizona
Affordable Homes of South Texas (McAllen, TX)	\$600,000	Colonias located in Hidalgo, Willacy, Cameron, El Paso, and Webb counties.
Community Resource Group, Inc. (Fayetteville, AR)	\$200,000	Colonias along Texas-Mexico Border to include Starr, Hidalgo, Cameron, and Willacy counties.
Tierra Del Sol Housing Corporation (Dona Ana Co., NM)	\$200,000	Colonias in Dona Ana and Luna Counties in New Mexico
International Sonoran Desert Alliance (Ajo, AZ)	\$200,000	Ajo colonia in Ajo, Arizona
TOTAL	\$2,000,000	

HUD, USDA-RD and the CDFI Fund have all identified lack of capacity among organizations serving the colonias and similar persistent poverty communities as a limiting factor in the effectiveness of federal programs. Inconsistent availability of limited public funding in any one region or community plays a role in this, because organizations specializing in affordable housing, small business support and community facilities cannot sustain themselves and grow. All of the agencies recognize that the targeted border communities and populations receive insufficient services because they lack organizations with the capacity to effectively respond to community needs. Conversely, higher-capacity organizations working along the border consistently cite lack of access to capital as a major barrier to expansion.

The Border Initiative focuses on improving colonias communities and creating asset building opportunities for residents by helping local financial institutions raise capital and to lend and invest it in their communities. Strengthening local community development lenders and investors will also widen the channels through which larger private institutions and federal agencies can reach potential home owners, renters, business owners, facilities operators and service providers who need their support.

###

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.

More information about HUD and its programs is available on the Internet at www.hud.gov and <http://espanol.hud.gov>. You can also follow HUD on twitter @HUDGov, on facebook at www.facebook.com/HUD, or sign up for news alerts on HUD's Email List.