

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Self-Help and Assisted Homeownership Opportunity Program

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	60,000	66,000	-	-	126,000	12,000	47,014
2026 Appropriation	65,000	114,000	-	-	179,000	114,000	69,186
2027 President's Budget	16,000	65,000	-	-	81,000	65,000	69,406
Change from 2026	(49,000)	(49,000)	-	-	(98,000)	(49,000)	220

PROGRAM PURPOSE

The Self-Help and Assisted Homeownership Opportunity Program account funds grants for the purchase of home sites and development or improvement of infrastructure to set the stage for “sweat equity” and volunteer-based homeownership programs for low-income individuals and families. The account also funds awards that deliver capacity-building support to local organizations.

BUDGET OVERVIEW

The 2027 President’s Budget requests a single \$16 million grant to Habitat for Humanity (Habitat) to support sweat equity homeownership under Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) and capacity building activities under Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note). In total, the President’s Budget reduces spending by \$49 million compared to the 2026 Enacted level.

JUSTIFICATION

The 2027 President’s Budget requests funding for a grant to Habitat to fund sweat equity homeownership projects and to strengthen the capacity of its affiliates, of which \$5 million is proposed to be set aside for rural-specific capacity-building activities. The Budget does not propose to fund any other awards under either program.

Eligible activities include those that 1) support land acquisition and infrastructure improvements to create homeownership opportunities for families and 2) enhance Habitat’s capacity and ability to carry out community development and affordable housing activities benefiting low-income persons.

Homeownership activities under Section 11 include eligible expenses to develop decent, safe, and sanitary dwellings. Specifically, Section 11 grants fund land acquisition and infrastructure improvements. Assisted homebuyers must be low-income and must contribute a significant amount of sweat equity toward the development of the unit. Historically, approximately 50 percent of beneficiaries live in rural communities. Projects implemented by Habitat benefit from volunteer labor and community engagement, which enhances program efficiency and expands the impact of each grant dollar.

Complementing these activities, Section 4 capacity building grants provide the knowledge and resources to initiate, improve, or expand implementation of community development, housing, and economic development activities. These investments support affordable housing production and rehabilitation and enhance economic opportunities in low-income communities, with a particular emphasis on rural communities through the targeted set aside requirement.

Expanding Section 4 in Rural America

According to the U.S. Census Bureau, over 68 million Americans live in rural areas,¹ which are essential to the national economy and serve as hubs for agriculture, energy production, and manufacturing. This economic importance, however, stands in stark contrast to the limited development infrastructure found in many rural communities, which often struggle to access Federal resources and effectively implement local initiatives. Many of these communities face persistent poverty, an aging housing stock, and declining economic opportunities, making targeted capacity building not only necessary, but urgent.

To address the persistent capacity challenges facing rural communities, the President’s Budget proposes a \$5 million set-aside within Section 4 for rural capacity building. This set-aside would ensure that rural areas receive the targeted technical assistance and organizational support required to revitalize local economies and strengthen community-based institutions. Resources would be directed to a trusted non-profit intermediary in Habitat and deployed through local Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs) to lead efforts in affordable housing, small business development, and main street revitalization—critical drivers of job creation and economic growth. By building local capacity, this investment aims to reduce long-term reliance on Federal assistance by strengthening local control, empowering rural communities to attract private capital and implement homegrown solutions, while promoting economic prosperity.

Performance

Habitat is a prime example of the strong, long running partnerships HUD has with faith-based organizations. In implementing Section 4 grant award funding received from 2017 to 2023, Habitat reported the following:

- Awarded with a total of seven Section 4 grants totaling \$57,281,928
- Matched funding with \$1,024,692,103 in additional public and private investments, representing an approx. 18:1 leverage ratio
- Served over 300 eligible organizations and 157 subgrantees
- Created 158 new jobs
- Rehabbed, preserved, and/or repaired 4,404 homes
- Distributed 142 scholarships

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Self Help Housing Opportunity Program	12,000	12,000	24,000	-	12,000	24,000	36,000	-
Section 4 Capacity Building	42,000	42,000	84,000	-	46,000	84,000	130,000	16,000
Set-Aside for Rural Capacity Building Activities [Non-Add]	5,000	5,000	10,000	-	5,000	10,000	15,000	5,000
Set-Aside for Tribal Communities [Non-Add]	1,000	1,000	2,000	-	1,000	2,000	3,000	-
Rural Capacity Building	6,000	12,000	18,000	12,000	7,000	6,000	13,000	-
Total	60,000	66,000	126,000	12,000	65,000	114,000	179,000	16,000

¹ U.S. Census Bureau. (2022, December 29). *Nation’s urban and rural populations shift following 2020 Census* (Press release No. CB22-CN.25). U.S. Department of Commerce. Retrieved August 13, 2025, from U.S. Census Bureau website.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For a grant to the fourth capacity building entity specified in section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), \$16,000,000, to remain available until September 30, 2029, for activities authorized under that section 4, under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note), and for related assistance: Provided, That of the funds made available under this heading, not less than \$5,000,000 shall be for rural capacity building activities.