



# NATIONAL RURAL HOUSING COALITION

## Fast Facts!

### Section 514 & 516: Farm Labor Housing Strengthens Rural Economies

For more than 40 years, the USDA Section 514/516 Farm Labor Housing Program has provided low-cost loans and grants to buy, build, improve, and repair housing for farm workers, investing over \$1.3 billion to finance 38,400 housing units.

#### What it is:

- ◆ Section 514/516 is the *only* federal program that provides affordable loans and grants to purchase, construct, or repair housing for America's farm laborers. Funds may also be used to install necessary facilities, including water and waste disposal systems.
  - ⇒ Under the program, farmers, nonprofit organizations, and local governments, are eligible to receive low-interest loans.
  - ⇒ Public bodies – typically housing authorities – and non-profit organizations may receive grants to cover up to 90 percent of development costs.

#### Why it Matters:

- ◆ Agriculture is a driving force of the U.S. rural economy, but its sustainability depends on a steady supply of farm laborers. Without the assistance of Section 514/516, many farms are unable to attract the labor they need to be successful.
- ◆ Farmworkers have the worst housing needs of all rural people. More than 60 percent of the 3 million farmworkers in the U.S live in poverty – a rate 5 times the national average.
- ◆ Farmworkers must overcome powerful barriers to decent housing, forcing many to live in substandard, crowded conditions:
  - ⇒ 33 percent of farmworkers pay more than 30 percent of their monthly incomes on housing and are considered “cost-burdened.”
  - ⇒ 33 percent of farmworker housing is either moderately or severely substandard, without hot water, or with leaking roofs, rodent problems, or inadequate heating or plumbing systems.
- ◆ Section 514/516 is chronically underfunded and cannot keep pace with increasing need.
  - ⇒ On average, the program finances only 600 units per year. Compare that to Texas, where more than 99 percent of the state's farm labor housing needs are unmet. In California, more than 800 families are currently on the wait list for a single farm labor housing project.

#### Section 514 Loans

FY16 Final:	\$23.9 M
FY17 Budget Request:	\$23.9 M
FY17 House:	\$23.9 M
FY17 Senate:	\$23.9 M

#### Section 516 Grants

FY16 Final:	\$8.4 M
FY17 Budget Request:	\$8.3 M
FY17 House:	\$8.4 M
FY17 Senate:	\$8.3 M

#### Learn more about how the FY 2017 budget impacts rural communities by reviewing NRHC's other Fast Fact Sheets!

The National Rural Housing Coalition (NRHC) is national member organization of community groups, public officials, and non-profit developers who believe that rural people have the right, regardless of income, to decent, affordable housing, clean drinking water, and basic community services.

#### Contact Us

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