

NATIONAL RURAL HOUSING COALITION

Press Release

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Rural Organizations United in Opposition to White House Proposal for USDA Rural Programs Shift to HUD

Rural Organizations from across the country wrote to Congress, voicing opposition to the Administration's proposal to shift Rural Development programs

Washington, D.C. — July 9, 2018 — Today, the National Rural Housing Coalition (NRHC) released a [letter](#) to Congress opposing the Administration's [Delivering Government Solutions in the 21st Century Reform Plan and Reorganization Recommendations](#) to transfer United States Department of Agriculture (USDA) rural housing loan guarantee and rental assistance programs to the Department of Housing and Urban Development (HUD). The proposal, combined with the Administration's Fiscal Year 2019 budget, would bring to an end USDA's rural housing program.

“Since taking office, the Trump’s USDA has sought to kill off federal rural housing programs. Every budget that this Administration has proposed would eviscerate rural housing and community development programs. This new proposal is just another attempt to undermine rural programs,” said Bob Rapoza, executive secretary of the National Rural Housing Coalition. “The bottom line is rural housing problems are quite different from urban housing issues. Shifting jurisdiction from a federal agency like USDA, which prioritizes rural development policies and has an established infrastructure, to an agency like HUD, which is focused on urban development and has a limited track record in serving rural people and communities, is not a recipe for improving housing conditions in rural and farming communities.”

The NRHC contends that the Administration, through the budget and now through reorganization, will do very little if anything to improve housing conditions in America's small towns and farming communities. In fact, there is ample evidence of the need for additional resources to address the lack of affordable and decent rural housing.

Only 10 percent of all new single-family homes were built in rural areas in 2016, down from 14 percent in 2010, according to the National Association of Home Builders. Further, what housing is available is likely to be in poor condition. The Housing Assistance Council (HAC) found that of the 25 million units located in rural and small communities, over 5 percent (or 1.5 million) of these homes are considered either moderately or severely substandard. Although most Americans take indoor plumbing and potable water at the tap for granted, HAC reports it is unavailable to 4 percent of rural occupied units.

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This shortage of decent rural housing often means that when these households can find housing, it is too expensive for their incomes. Nearly 5 million rural households pay more than 30 percent of their monthly income toward housing and over 2.1 million rural households spend more than half of their income on housing, according to the Harvard Joint Center on Housing Studies.

Compounding the issues of affordability and economic opportunity for rural residents, the decline in new housing and poor condition of available housing has impeded economic growth and business prospects in some rural communities. Employers are less likely to locate in areas that lack decent housing for workers.

The proposed reorganization plan would leave some 400,000 tenants of USDA-financed rental housing and project owners caught between two federal agencies. This is problematic for rural housing providers as the price tag for preserving rural rental housing continues to rise, consequently jeopardizing the efficient delivery of other rural development programs.

“USDA is embedded in rural America with over 400 field offices across the country, some located in rural areas, and some 50 state and territorial offices mostly located in rural America. This existing infrastructure means the agency is well-positioned to deliver housing assistance to rural families. HUD does not often have a presence in rural and farming communities, as there are not relevant programs,” said Rapoza, “The rural housing programs that are transferred to HUD will be quickly swallowed up and will, over time, disappear.”

For more information about rural housing and community development, please visit [the National Rural Housing Coalition's webpage](#).

About the National Rural Housing Coalition

NRHC is a national membership organization of non-profit housing organizations, housing developers, state and local officials, and housing advocates. Since 1969, NRHC has promoted and defended the principle that rural people have the right—regardless of income—to a decent, affordable place to live, clean drinking water, and basic community services.