

NATIONAL RURAL HOUSING COALITION

Press Release

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Congress Deals Rural Housing Organizations a Mixed Hand

Congress holds on passing rural housing funding, despite strong indications for the need and history of strong bipartisan support

Washington, D.C. – October 1, 2018 – On Friday, the House of Representatives adjourned to focus on the midterm elections, while the Senate stays behind to continue working on nominations. The National Rural Housing Coalition (NRHC) lamented Congress' inability to work out issues in [H.R. 6147](#), which includes U.S. Department of Agriculture funding, as well as Interior, Treasury, Transportation and HUD. While the unresolved issues did not involve USDA Rural Housing appropriations, it still leaves funding up in the air for these important programs until at least mid-November. However, the Coalition was pleased with a new Senate bill proposing the single largest investment in rural housing programs, which was introduced last week by Senator Elizabeth Warren (D-MA).

“We are in the middle of a rural housing crisis with only about 10 percent of new homes being built in rural areas, leaving unaffordable, aged and increasingly decrepit housing as the only options for rural Americans,” said Bob Rapoza, executive secretary of the National Rural Housing Coalition. “Congress needs to make more investments and ensure that USDA rural housing are secure and fully funded.”

The rental housing financed by USDA, mostly through its Section 515 Rural Rental Housing program, is often the only affordable housing in small towns and farming communities. According to a 2016 USDA report, the cost to preserve and maintain this portfolio of some 450,000 units over 20 years totals \$5.6 billion. The majority of residents at these developments are low income and most are elderly households.

“Rural Americans were some of those hardest hit by the Great Recession and with a lack of decent, safe, and affordable rural housing they are now being left behind from its recovery,” said Rapoza. “The lack of decent housing is increasingly an obstacle to economic growth for rural communities, causing businesses to locate elsewhere and perpetuating high out-migration from communities already struggling to attract a high-skilled workforce.”

The *Wall Street Journal* reported on this very issue in May. In an article titled, “[Rural America Has Jobs. Now It Just Needs Housing.](#)” the author noted that due to a lack of housing in rural areas, employers with available jobs could not find workers because

NATIONAL RURAL HOUSING COALITION

they had no suitable place to live. Analysis from the Housing Assistance Council of 2010 Census data further validates this assertion. That data revealed that only 25 million housing units are located in rural and small communities of the approximately 116 million occupied housing units available in the United States. In addition, 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, it is unavailable to the 4 percent of rural occupied units.

On the matter of housing affordability in rural communities, a recent report by the Harvard Joint Center for Housing Studies found that 5 million households of rural renters are cost-burdened, meaning that renters pay more than 30 percent of their income for housing costs. In fact, 21 percent (2.1 million households) of rural households that rent pay more than 50 percent of income for housing.

NRHC notes that rural housing is not without its advocates in Congress. Republican-passed Appropriations bills have largely ignored the Administration's proposals to decrease rural housing funding. Further, this week, Senator Elizabeth Warren (D-MA) introduced the American Housing and Economic Mobility Act of 2018. The legislation responds to the lack of affordable housing in America and includes provisions to increase funding for the rural housing programs administered USDA. Reps. Sean Duffy (R-WI), Hal Rogers (R-KY) and Jim Costa (D-CA) have argued to support these federal rural housing programs through the annual appropriations process.

"The bill is a historic investment that would improve the quality of rural housing and decrease housing costs for rural families," says Rapoza. "It would double section 502 loans to \$2 billion, provide \$500 million to rehabilitate and preserve rural rental housing, finance an estimated 6,000 units of farm-labor housing, and more than double section 523 Self-Help Housing grants to \$75 million. This investment in rural housing attacks the problem head-on and saves money by accelerating the timetable for preservation and repair."

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.