

NATIONAL RURAL HOUSING COALITION

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Fiscal Year 2024 Appropriations Fact Sheet

Homeownership

Section 502 Direct Loans

FY 24 Request: 1.512 billion (includes \$12 million for the Native American Relending Pilot) The Direct Section 502 program is a success story. Section 502 loans are targeted to low-income households; under the law, 40 percent of Section 502 loans must go to very low-income households. According to USDA, 91 percent of Section 502 direct borrowers are first-time homeowners. The amount requested will finance loans for over 6500 low-income rural households.

Section 523 Mutual Self-Help Housing

FY 24 Request: \$40 million Section 523 Mutual Self-Help Housing is the only federal program combining "sweat equity" homeownership opportunities with technical assistance and affordable loans for America's rural families. 82 organizations are working with low-income families to build their homes in rural communities. In FY 22, over 1000 homes were built under the Mutual Self-Help Housing program. Over 37,000 30,000 families are waiting to participate in Mutual Self-Help housing.

Appropriations for Mutual Self Help Housing Technical Assistance grants have remained at \$30 million since 2010. As a result, the number of grantees has dwindled, and the number of families receiving assistance has also dropped from a high of 1500. Adjusted for inflation, appropriations for section 523 would total \$42 million.

Home Repair Programs

FY 24 Requested: \$ 50,000,000 for Section 504 housing repair loans and \$25 million for Section 533 Rural Housing Preservation grants.

The Section 504 Loan and Grant program and the Section 533 Housing Preservation Grant program are vital to many rural residents, particularly the elderly, who lack alternative financial resources to make basic repairs the preserve their homes. Most of the nation's occupied substandard housing is located in rural areas. As the Housing Assistance Council reported, the 2010 Census revealed that of the approximately 116 million occupied housing units available in the United States, 25 million are in rural and small communities.ⁱ Over 5 percent, or 1.5 million, of these homes, are moderately or severely substandard.ⁱⁱ In addition, the American Community Survey found that almost 630,000 occupied households in the

country lack complete plumbing facilities – meaning they do not have one of the following: a toilet, tub, shower, or running water.

Data Sources: Housing Occupancy & Vacancy in Rural America,” Rural Research Brief, Housing Assistance Council. May 2012.

Housing in Rural America,” Taking Stock: Rural People, Poverty and Housing in the 21st Century, Housing Assistance Council. 2012

Rental Housing

Farm Labor Housing

Request: Section 514 loans: \$50 million; Section 516 grants \$18 million

Sections 514 and 516 are the only federal programs providing affordable loans and grants to purchase, construct, or repair rental housing for America's farm laborers.

There are approximately 3 million migrant and seasonal farmworkers in the United States. These essential workers show up to work every day to maintain our domestic food supply. Unfortunately, they also face the greatest housing challenges of all rural people. According to the most recent National Agricultural Workers Survey, 33% of all farm workers and 45% of migrant farmworkers live in crowded dwellings¹. Moreover, farmworkers and their families also suffer from poverty. 61% of farmworkers earn incomes below the poverty line. Consequently, three out of every five farmworker families live below the federal poverty line.

This lack of funding for new on- and off-farm worker housing and increasing demand comes when the farm laborer population becomes more settled. For example, an additional 45,560 farmworker housing units are needed in California to alleviate critical overcrowding in farmworker households.

Data Sources: National Agricultural Workers Survey.” January 2018; California Institute for Rural Studies, “Farmworker Housing Study and Action Plan For Salinas Valley and Pajaro Valley.” June 2018

Section 515 Rural Rental Housing Loans - FY 24 Request: \$200 million

Multifamily Preservation and Revitalization (MPR) – FY 24 request \$75 million

This funding will allow USDA to address better the need to renovate, repair and preserve a least a portion of its rental housing portfolio. Section 515 and MPR are used with other state and federal sources of affordable housing finance, including Low-Income Housing Tax Credits and state and local bond financing.

USDA’s Rural Housing programs provide much-needed access to affordable rental housing. As of October 2021, some 417,000 USDA finance rental housing units provide housing for rural seniors, people with disabilities, migrant and seasonal farmworkers, and low-income families. Most (91.6 percent) of Section 515 tenants have very low incomes. The average tenant earns just

\$14,665 annually. In addition, 64 percent of all households are elderly or disabled tenants, persons of color head 35.7 percent, and women head 71 percent.

USDA must address two significant problems in its rural rental housing portfolio. The first is the deteriorating conditions of its developments. In 2016, USDA published a second Comprehensive Property Assessment and Portfolio Analysis.² This report looked at USDA's Section 515 properties, farm labor housing properties, Section 538 financed developments, and projects refinanced under the Multifamily Preservation and Revitalization (MPR) program. The 2016 report found that the need had more than doubled in the past 12 years and raised the estimate to \$5.596 billion to preserve USDA's rental housing stock (including farm labor, Multi-family Preservation, and guaranteed developments) over the next 20 years. Of that amount, \$4.7 billion relates to Section 515 developments.

The second problem facing USDA is maturing mortgages. Although Section 515 was established in 1968, the high point of Section 515 production was 1977-1985. As a result, today and in the near future, there is a rising tide of maturing mortgages that could reduce the availability of affordable rural rental housing. In 2018, the Government Accountability Office estimated that over 90% of USDA rental housing properties could exit the portfolio by 2050. And USDA has indicated that 228,000 units will be lost by 2050.

Rental Assistance

FY 24 Request: \$1.68 billion for section 521 rental assistance. This includes renewing 268,000 rental assistance contracts, extending ARPA-funded rental assistance, and rural housing vouchers. According to a USDA February 2022 report, in 2018, the average income of Section 515 tenants receiving Section 521 Rental Assistance was only \$12,501.

2 Data Sources: USDA 2016 Rural Development Multi-Family Housing Comprehensive Property Assessment," U.S. Department of Agriculture Rural Development (March 1, 2016); United States Department of Agriculture Rural Development, "Results of the 2021 Multi-Family Housing Annual Fair Housing Occupancy Report

Agriculture Appropriations --
 Selected Programs: FY 23 Final; FY
 24 Budget -- \$ in millions

Programs	FY23 Final	FY24 Budget
502 Single Family Direct	\$1,258	\$1,500
502 Single Family Guaranteed	30,000	30,000
504 Loans	28	50
504 grants (RHAG)	32	40
533 Housing Preservation Grants in RHAG	16	30
516 Farm Labor Housing Grants	10	18
514 Farm Labor Housing Loans	20	50
515 Rural Rental Housing	70	200
521 Rural Rental Assistance	1487	1650
523 Self-Help TA	32	40
538 Rental Housing Guaranteed	400	400
Vouchers	48	38
Multi-Family Restructuring (MPR) (BA)	36	75
Community Facility Loans	2800	2800
Community Facility Grants	0	87
Community Facility Guarantee	650	650
Water-Wastewater Loans	1420	1500
Water-Wastewater Grants	596	717
Water-Wastewater Guarantee	50	50