



Housing Assistance Council

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www.ruralhome.org

October xx, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Maxine Waters
Chairwoman
Financial Services Committee
United States House of Representatives
Washington, DC 20515

The Honorable Sherrod Brown
Chairman
Banking Committee
United States Senate
Washington, DC 20510

The Honorable David Scott
Chairman
Agriculture Committee
United States House of Representatives
Washington, DC 20515

The Honorable Debbie Stabenow
Chairwoman
Agriculture Committee
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Chairwoman Waters, Chairman Brown, Chairman Scott & Chairwoman Stabenow:

We hope this letter finds you and your families and staff well and healthy. The xx undersigned affordable housing and community development organizations and partners write to support the rural housing resources included in the House Financial Services Committee's infrastructure reconciliation bill and the Rural Partnership Program included in the House Agriculture Committee's infrastructure reconciliation bill. We urge you to address the pressing housing and capacity needs of our nation's rural communities by maintaining these resources at the levels outlined in the Financial Services and Agriculture bills.

Long before the pandemic, rural America was facing an affordable housing crisis. Rural housing units lack adequate plumbing and kitchen facilities at a rate almost double the national average. Many homes in persistently poor rural areas suffer from overcrowding. Affordability challenges also deeply impact rural residents, with average incomes well below the national median and nearly half of rural renters being categorized as cost burdened (paying 30 percent or more of their income in rent).¹ These rural communities also often struggle with a lack of access to capital, a dearth of philanthropic and government investment, and declining local capacity to provide assistance and access complex federal resources. Exacerbating these challenges, the rural housing programs at the U.S. Department of Agriculture (USDA) have atrophied under federal funding cuts for decades.

¹ Based on data accessed at: <http://www.ruraldataportal.org/>

We specifically support the Financial Services provisions that invest \$5 billion in USDA rural housing programs for multifamily rental preservation and new construction, home ownership and home repair, farmworker housing and rental assistance; and \$25 million in the Self-Help Homeownership Opportunity Program (SHOP) at the Department of Housing and Urban Development (HUD) to allow for affordable homeownership through sweat equity. No new USDA direct-financed rental housing has been developed in a decade, and the existing properties are increasingly losing their affordability provisions as their mortgages mature, with thousands of units being lost each year.² The investment that the Financial Services reconciliation bill makes would be transformational for addressing the multifamily preservation crisis and encouraging rural homeownership.

We also support the Rural Partnership Program (RPP) in the House Agriculture reconciliation bill, to address the capacity needs of rural places. RPP is a newly proposed program that is funded at nearly \$4 billion and would provide flexible grants to support rural and tribal community development and capacity building. The proposed program has two parts: grants to support direct activities and projects, and grants to support the organizations responsible for providing technical assistance and capacity to administer the grants. The power of capacity building in rural communities cannot be overstated. Rural communities often have small and part-time local governments, inadequate philanthropic support and a shortage of the specialists needed to navigate the complexities of federal programs and modern housing finance. Targeted capacity building through training and technical assistance is how local organizations learn skills, tap information, and gain the wherewithal to do what they know needs to be done. Geographic equity for rural places is a stated priority for the new Administration,³ but no amount of federal investment will succeed in creating lasting rural equity if not paired with robust capacity building to ensure the most underserved and persistently poor rural places are in a position to access available federal resources.

We urge you to consider the unique infrastructure needs of rural places and maintain the targeted resources for rural housing and capacity building included in the House Financial Services and Agriculture reconciliation bills. We stand ready to work with you during these unprecedented times to achieve these objectives. Thank you for your time and leadership.

Sincerely,

Housing Assistance Council (HAC)

² Rental Housing for a 21st Century Rural America: A Platform for Preservation. Housing Assistance Council. <https://ruralhome.org/rural-america-is-losing-its-affordable-rental-housing/>

³ Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Jan. 20, 2021. <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>