

March 31, 2023

The Honorable Martin Heinrich
Chairwoman
Appropriations Subcommittee on
Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
Washington, D.C. 20510

The Honorable John Hoeven
Ranking Member
Appropriations Subcommittee on
Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
Washington, D.C. 20510

Dear Chair Heinrich and Ranking Member Hoeven:

We write in support of the rural housing budget included in the U.S. Department of Agriculture (USDA) Fiscal Year 2024 (FY24) budget. The budget request restores funding to important programs that will improve housing opportunities in rural and tribal communities across America.

Rural America is facing a shortage of affordable housing. Investment in the renovation of existing homes and construction of new housing has declined for years in our small towns and farming communities, and has resulted in a housing deficit. A *Wall Street Journal* article noted, "Fewer homes are being built per household than almost any other time in US history, and it is even worse in rural areas." As a result, in some rural communities economic growth is impeded not by the lack of jobs, but by the lack of housing for workers.¹

Rural, farming and tribal communities not only lack affordable housing options, but most of the housing that is available, is substandard. A total of 1.5 million rural homes are either moderately or severely substandard; more than 30 percent of the nation's housing units lacking hot and cold piped water are in rural and small-town communities, and on some Native American lands, the incidence of homes lacking basic plumbing is more than 10 times the national level.

The housing available in small communities is too expensive for many low-income families. A recent report by the Harvard Joint Center for Housing Studies, found that 38 percent of rural renters are cost-burdened, meaning they pay more than 30 percent of their income for housing costs, and 19 percent of rural renters households pay more than 50 percent of their income for housing.² In the coming years, the number of maturing section 515 mortgages will only accelerate, resulting in an even worse state of rental housing in rural America.

¹ Raice, Shayndi. "Rural America Has Jobs. Now It Just Needs Housing." *Wall Street Journal* May 30, 2018.
<https://www.wsj.com/articles/scarcity-of-housing-in-rural-america-drives-worker-shortage-1527672602>

² Harvard Joint Center for Housing Studies, "America's Rental Housing." 2022.
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf

Against this backdrop, federal rural housing programs have shrunk to the point that only about 7,000 direct loans are available for low-income families to purchase or build their own home. USDA has not made a direct loan for new rental housing construction in more than 10 years, and funding for rental preservation and farm labor housing is meager by any standard and by no means adequate to provide new housing opportunities or preserve existing housing resources.

Over the past 20 years, administrations of both parties have presented budgets that sought to eliminate or trim vital rural housing programs. The President's Fiscal Year 2024 budget request takes a different and welcomed approach by proposing increases for rural housing programs that will provide greater opportunity in rural and tribal communities, revitalize rental and farmworker housing construction and preservation, and address the problem of substandard housing that is so prevalent in rural America.

For these reasons, we believe rural housing and rural development programs need robust congressional support. As the committee prepares its Fiscal Year (FY) 2024 agriculture appropriations bill, we urge you to provide funding increases for the following programs:

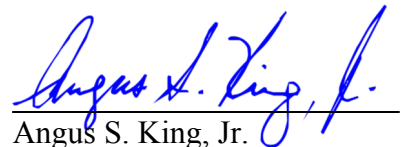
- \$1.585 billion for section 502 direct homeownership loans, including \$20.8 million for the Native American Relending Pilot Program;
- \$40 million for section 523 Mutual and Self-Help Housing;
- \$76 million for home repair through section 504 and section 533;
- \$200 million for Section 515 rural rental housing loans;
- \$75 million for multi-family preservation;
- \$1.688 billion for rural rental assistance;
- \$68 million for farm labor housing loans and grants authorized under section 514 and 516;
- \$1.61 billion Rural Water and Waste Water Facilities loans and \$726 million in grants; and
- \$22.745 million for the Rural Community Development Initiative.

We appreciate the committee's past support of rural housing and development programs and consideration of this request.


Sincerely,



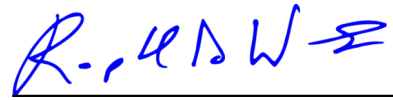
Tina Smith
United States Senator



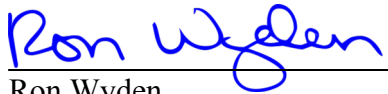
Angus S. King, Jr.
United States Senator



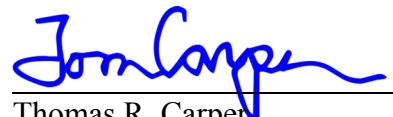
Michael F. Bennet
United States Senator



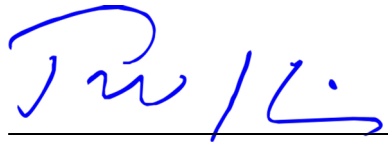
Raphael Warnock
United States Senator



Ron Wyden
United States Senator



Thomas R. Carper
United States Senator



Tim Kaine
United States Senator



Tammy Baldwin
United States Senator



Kirsten Gillibrand
United States Senator



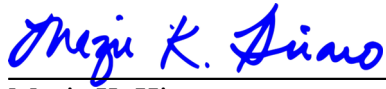
Maria Cantwell
United States Senator



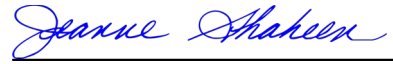
Catherine Cortez Masto
United States Senator



Elizabeth Warren
United States Senator



Mazie K. Hirono
United States Senator



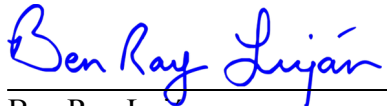
Jeanne Shaheen
United States Senator



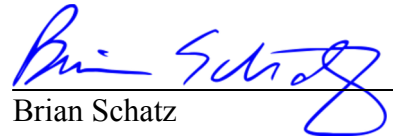
Gary C. Peters
United States Senator



Alex Padilla
United States Senator



Ben Ray Lujan
United States Senator



Brian Schatz
United States Senator



Christopher A. Coons
United States Senator



Sherrod Brown
United States Senator



Dianne Feinstein
United States Senator



Margaret Wood Hassan
United States Senator



Richard J. Durbin
United States Senator



Jeffrey A. Merkley
United States Senator



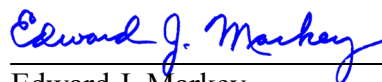
Jacky Rosen
United States Senator



Bernard Sanders
United States Senator



Chris Van Hollen
United States Senator



Edward J. Markey
United States Senator



Amy Klobuchar
United States Senator



Jon Tester
United States Senator



Benjamin L. Cardin
United States Senator