Summary of CARH’s Legislative Priorities

In rural areas throughout the country, there continues to be an overwhelming need for both affordable and decent housing. The need for rental housing is even more acute. With lower median incomes and higher poverty rates than homeowners, many renters are simply unable to find decent housing that is also affordable. Neither the private nor the public sector can produce affordable rural housing independently of the other. It has been, and should be, a partnership between the public and private sectors. The following positions are important to all of rural America:

- Affordable rural housing is essential to any infrastructure proposal or discussion. If you build roads, factories and community facilities they are all there solely to support the rural residents who travel, work, and live in rural communities. Housing rural residents in decent housing must be the goal and the destination. While we hear more about homeownership, which is important, rural rental housing provides an oversized impact in per unit construction jobs, allows residents mobility to move as needed for work and family, and creates ongoing operating and maintenance jobs.

- CARH believes there are three basic ways to build rural rental housing infrastructure: Increase access to loans and credit enhancements; sustain rent subsidy programs for working poor and elderly households; and incentivize investments through the tax code.

- CARH believes that legislative proposals to modernize the Housing Credit and Housing Bond programs (see S.1703, the Affordable Housing Credit Improvement Act of 2019, introduced by Maria Cantwell (D-WA) and H.R. 3077, a companion bill introduced by Representative Suzan DelBene (D-WA-1)) would both strengthen and expand these two important programs so that rural housing preservation and new construction can take place. There has been overwhelming bipartisan support for the programs. CARH supports the legislation introduced in both houses of Congress.

- The final budget for Fiscal Year (FY) 2019 provided $1.331 billion for Rural Development’s (RD) Section 521 Rental Assistance (RA) program. CARH supports full funding of all RA contracts, with specific direction to expend all funds each year. RD should also be instructed to use any funds available after RA renewals and all recaptured RA for affordable housing preservation. Therefore, CARH supports the FY 2017 funding level of $1.405 for FY 2020.

- FY 2019 funding was set at $24.5 million for RD’s Multifamily Preservation and Revitalization (MPR) program. For FY 2020, CARH supports a funding level of at least $40 million. However, additional funding is needed as there are about four years of approved transactions either waiting to close or closing on a temporary workout status. We understand a one-time $60 million in additional budget authority (not appropriation of new money but budget authority to proceed) will fix this problem.
CARH believes that the Section 538 program is proving to be an important housing tool, at no cost to the government due to fees paid by the industry. CARH asks that the Section 538 loan guarantees, funded by the industry itself through guarantee premiums, be funded at $250 million per year for FY 2020.

Housing for extremely low income persons still needs the Section 515 direct loan program and its one percent effective interest rate. The Administration had proposed eliminating the program for FY 2020, while the House’s proposal provides $45 million. Ongoing funding on the current small level is needed to address at least some housing finance needs in impacted communities and provide a lifeline resource to help existing properties. CARH supports $45 million for the Section 515 program in FY 2020.

A substantial portion of Section 515 properties also have project-based Section 8 subsidy and residents with tenant based Section 8 housing choice vouchers. CARH also supports a strong project-based and tenant-based set of Section 8 programs.

The HOME program is a vital resource in financing numerous affordable housing developments, many of which would not be able to go forward and many of which would not provide housing for low-income families without this important program. HOME does not replace other financing resources committed to rural areas, but is an important gap financing program. States and localities leverage HOME by generating almost four dollars of other public and private funding to HUD. The Administration has proposed eliminating the program in FY 2020, while the House proposal provides $1.750 billion. CARH opposes any proposed future elimination of the program and supports funding of at least $1.750 billion for FY 2020.

In the Agriculture Improvement Act of 2018 (P.L.115-334), or more commonly known as the “Farm Bill,” the position of Under Secretary for Rural Development was re-authorized. CARH urges the Administration to nominate a candidate as soon as possible and also urge the House and Senate Appropriations Committees to allocate sufficient resources for this office so that RD can continue to support rural communities throughout the country.