

UNITED STATES DEPARTMENT OF AGRICULTURE
SECTION 521 RENTAL ASSISTANCE PROGRAM

What is Needed:

H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, as passed by the House of Representatives on May 15, 2020, would provide **\$309 million** for the United States Department of Agriculture's (USDA) Rural Development (RD) Section 521 Rental Assistance (RA) program. This level of funding would provide additional assistance for current RA residents and, most importantly, would provide assistance to current residents of Section 515 properties who do not currently receive RA from the Section 521 program. Allocation of this **\$309 million** level, would according RD, provide **\$200 million** for current non-RA residents and **\$109 million** for current RA residents. This money would remain available until September 30, 2021.

The Health, Economic Assistance, Liability Protection and Schools Act (HEALS Act) as proposed in draft by the Senate, would provide \$113.4 million for the Section 521 program. Again, this funding would remain available until September 30, 2021. This funding level would **only cover current RA residents**. The CARES Act (P.L. 116-136) provided funding for many of the Department of Housing and Urban Development's (HUD's) rental assistance programs. **It did not provide any funding for RD's Section 521 rental assistance programs**. HUD funding does not help rural housing residents. Non-RA residents in rural properties have had their incomes decreased because of lost jobs because of the coronavirus pandemic and need assistance. We need to provide assistance for these residents. **The \$309 million is needed for the Section 521 program.**

Background:

Rural residents who live in multifamily housing (Section 515 program) administered by RD are low-income and extremely low-income families and seniors with annual incomes of about \$12,000 per household.

Approximately 63% of RD's rural rental housing households receive rental assistance from the RD's Section 521 RA program. Those residents live in properties financed through RD's Section 515 program. At the same time, almost **69,000 households** do not receive rental subsidy. RA, like HUD's project-based Section 8, pays the difference between 30 percent of a resident's income and the basic rent required to operate the property. Rural renters are unable to benefit from the funding provided for many of HUD's programs since they are limited to, or targeted at, urban and suburban households and rural programs are administered through USDA, not HUD. In previous COVID-19 legislative packages, HUD received hundreds of millions of dollars for residents who live in programs administered by HUD. RD received no additional monies for residents to help with COVID-19 related job losses and income.

The additional \$309 million for the Section 521 program would be used for existing RA recipients as well as to assist those renters who do not currently receive RA. RD's current budget cannot cover the existing portfolio plus RA to previous non-RA recipients who need assistance due to COVID-19 related job losses.

Based on RD's latest Occupancy Report (Unnumbered Letter, December 5, 2019 - Results of 2019 Multifamily Annual Fair Housing Occupancy Report), on the next page you will find the number of properties, by state, financed through the Section 515/514 program and the corresponding number of households living in rural rental housing. It also shows how many of those households received Section 521 RA and how many households received other types of assistance. **Take note of the number of households that do not receive Section 521 RA assistance or any other subsidy.** Many of the rural affordable housing properties are financed by several sources of financing, including the Section 515 program coupled with the Low-Income Housing Tax Credit (LIHTC) program. The Section 521 RA program is important to making these two programs work. Providing additional Section 521 funding for non-RA residents will benefit many of the vulnerable residents who are experiencing coronavirus job losses and reduction in income.

HOUSEHOLD ASSISTANCE IN RD MULTIFAMILY HOUSING (AS OF SEPTEMBER 2019)					
STATE	NUMBER OF PROPERTIES	NUMBER OF HOUSEHOLDS	HOUSEHOLD WITH SEC. 521 RENTAL ASSISTANCE	HOUSEHOLDS WITH OTHER ASSISTANCE	HOUSEHOLD WITH NO ASSISTANCE
ALABAMA	437	12,844	7,540	1,588	3,716
ALASKA	34	758	731	22	5
ARIZONA	114	3,618	3,291	159	168
ARKANSAS	415	8,473	5,742	1,757	974
CALIFORNIA	522	24,948	17,761	2,858	4,329
COLORADO	129	3,242	2,540	204	498
CONNECTICUT	64	2,420	1,746	215	459
DELAWARE	50	1,611	1,270	239	102
FLORIDA	401	17,101	12,215	1,316	3,570
GEORGIA	418	14,036	8,335	875	4,826
HAWAII	30	1,046	872	141	33
IDAHO	160	3,968	3,610	111	247
ILLINOIS	502	8,782	6,749	1,035	998
INDIANA	448	11,226	7,046	1,773	2,407
IOWA	368	7,096	5,863	217	1,016
KANSAS	267	4,816	3,451	437	928
KENTUCKY	425	10,901	6,214	1,673	3,014
LOUISIANA	375	11,223	7,710	1,230	2,283
MAINE	327	7,473	5,984	952	537
MARYLAND	147	5,012	2,978	800	1,234
MASSACHUSETTS	65	1,803	1,575	142	86
MICHIGAN	517	15,151	9,066	2,573	3,512
MINNESOTA	469	8,996	5,952	751	2,293
MISSISSIPPI	481	13,080	9,177	1,589	2,314
MISSOURI	595	13,413	8,025	1,636	3,752
MONTANA	117	1,949	1,735	26	188
NEBRASKA	182	2,705	1,985	369	351
NEVADA	59	1,792	1,569	109	114
NEW HAMPSHIRE	83	2,408	2,021	172	215
NEW JERSEY	85	3,030	2,021	445	564
NEW MEXICO	101	3,674	3,117	343	214
NEW YORK	407	11,949	5,409	5,802	738
NORTH CAROLINA	591	20,882	16,376	2,833	1,673
NORTH DAKOTA	124	1,827	1,332	186	309
OHIO	372	12,943	8,382	2,240	2,321
OKLAHOMA	240	6,443	4,875	791	777
OREGON	183	6,063	4,692	601	770
PENNSYLVANIA	288	9,287	6,585	1,240	1,462
PUERTO RICO	85	4,549	3,789	758	2
RHODE ISLAND	12	412	370	23	19
SOUTH CAROLINA	295	10,559	6,636	1,571	2,352
SOUTH DAKOTA	245	4,251	3,213	357	681
TENNESSEE	324	10,348	6,870	988	2,490
TEXAS	635	20,506	13,603	2,224	4,679
UTAH	83	1,990	1,676	147	167
VERMONT	116	1,874	1,407	353	114
VIRGIN ISLANDS	16	424	424	0	0
VIRGINIA	246	9,673	6,765	1,005	1,903
WASHINGTON	285	8,120	5,913	1,022	1,185
WEST VIRGINIA	206	5,934	4,055	1,054	825
WESTERN PACIFIC	1	47	0	47	0
WISCONSIN	348	7,563	5,336	1,172	1,055
WYOMING	53	1,340	1,106	123	111
TOTALS	13,542	385,579	266,705	50,294	68,580