

CARH

 Council for Affordable and Rural Housing
Serving the Affordable Housing Needs of Rural America

GREYSTONE



NATIONAL RURAL HOUSING COALITION

August 25, 2021

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Congressman McHenry:

We write to urge the Committee to invest in improving housing in rural America. Like the rest of the United States, America's small towns and farming communities face a severe shortage of affordable housing:

- According to US Census data, between 1999 and 2008, the average annual production of new single-family houses in non-metro areas totaled 221,000. In the period 2009 to 2017, average production fell to 68,000 per year.¹
- Rental housing, where it is available, often costs too much. According to a recent report by the Harvard Joint Center for Housing Studies, 41 percent (5 million households) of rural renters are cost-burdened, meaning they pay more than 30 percent of their income for housing costs, and nearly half of rural households (2.1 million) pay more than 50 percent of their income for housing.²
- Rural communities lack safe drinking water or adequate waste disposal facilities in the United States. In fact, hundreds of thousands of rural families lack running water in their

¹ United States Census Bureau. (2018). *Metropolitan Statistical Area Status for New Single-Family Houses Completed*. Retrieved from <https://www.census.gov/construction/chars/pdf/metro.pdf>

² Harvard Joint Center for Housing Studies, "America's Rental Housing." 2017. http://www.jchs.harvard.edu/sites/default/files/harvard_jchs_americas_rental_housing_2017_0.pdf

homes. More than two million Americans do not have access to safe drinking water and sanitation, including 1.4 million who lack access to indoor plumbing.³

- Years of declining investment in the renovation of existing and construction of new housing in our small towns and farming communities has resulted in a housing deficit. A recent *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.⁴

In its history, the rural housing programs administered by the U.S. Department of Agriculture (USDA) have made housing opportunities available to millions of low income families, financing over 2 million home mortgages and some 500,000 units of affordable rental housing.

However, over the last 20 years, rural housing assistance has slowed to a trickle. USDA funding for rural home loans for low-income families, affordable rental housing and farmworker and related assistance, when accounting for inflation, is down by over 60 percent. As a result, USDA finances less than 7,000 mortgages a year for low and very low-income homeowners. Due to these budget cuts, Agriculture does not provide any direct loans for new construction of affordable rental housing, does little in the way of preserving existing rental housing and annually builds only about 200 units of housing for migrant and seasonal farmworkers.

The upcoming budget reconciliation legislation provides the Committee an historic opportunity to improve housing opportunity for rural and Native American low income households and provide needed stimulus to local rural economies.

We urge the Committee to invest \$5 billion in federal rural housing programs for home ownership, rental housing construction and preservation, home repair, farmworker housing and rental assistance. This investment will result in construction or preservation of over 100,000 units of affordable rural housing and assistance to thousands of rent-overburden families.

A generation of budget cuts and neglect have left rural America with an affordable housing crisis. We urge the Committee to take the opportunity afforded by budget reconciliation to increase the quality and quantity of affordable housing available in rural and tribal communities.

Thank you for your consideration of this request and your attention to this matter.

Sincerely,

Colleen Fisher, Executive Director
Council for Affordable and Rural Housing

David Lipsetz, President and CEO
Housing Assistance Council

Tanya Eastwood, President and CEO
Greystone Affordable Development

Robert A. Rapoza, Executive Secretary
National Rural Housing Coalition

CC: Members of the House Financial Services Committee

³ "Closing the Water Gap in the United States." *U.S. Water Alliance*.

http://uswateralliance.org/sites/uswateralliance.org/files/Closing%20the%20Water%20Access%20Gap%20in%20the%20United%20States_DIGITAL.pdf

⁴ 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>