

Fast Facts!

Farm Labor Housing Strengthens Rural Economies

The Fiscal Year (FY) 2021 budget proposed by the US Department of Agriculture (USDA) eliminates the farmworker housing loans and grants authorized under Sections 414 and 516, respectively under the Housing Act of 1949. The final FY 20 appropriations bill HR 1865 did not approve a similar request. For FY 2021 NRHC urges Congress to provide at least \$35 million in loan authority and \$15 million in grants for farm labor housing

What Is It?

- ❖ Section 514/516 is the *only* federal program that provides affordable loans and grants to purchase, construct, or repair housing for America’s farm laborers. Funds may also be used to install necessary facilities, including water and waste disposal systems.
 - Under the program, farmers, nonprofit organizations, and local governments are eligible to receive low- interest loans.
 - Public bodies – typically housing authorities – and non-profit organizations may receive grants to cover up to 90 percent of development costs.

Proposed Funding Levels

Section 514 Loans

FY 20 Final: \$28M
 FY 21 Budget: \$0
 FY 21 NRHC: \$35M

Section 516 Grants

FY 20 Final: \$10M
 FY 21 Budget: \$0
 FY 21 NRHC: \$15M

Why Is It Important?

- ❖ Agriculture is a driving force of the U.S. rural economy, but its sustainability depends on a steady supply of farm laborers. Without the assistance of Section 514/516, many farms are unable to attract the labor they need to be successful.
- ❖ Farmworkers have the worst housing needs of all rural people. More than 60 percent of the 3 million farmworkers in the U.S live in poverty – a rate 5 times the national average. As such, farmworkers must overcome powerful barriers to decent housing, forcing many to live in substandard, crowded conditions.
- ❖ For the Farm Labor Housing program, in FY 2017, USDA obligated 21 loans for nearly \$34.9 million and 6 grants at \$8.2 million.
- ❖ Section 514/516 is chronically underfunded and cannot keep pace with increasing need.
 - On average, the program finances less than 1000 units per year. The amount pales in comparison to the need. For example, in Texas, more than 99 percent of the state’s farm labor housing needs are unmet and in California, more than 800 families are currently on the waitlist for a single farm labor housing project.



The Washington Non-Profit Office of Rural Farmworker Housing Secured 514/516 to Move Farmworkers from Living in Shipping Containers to Homes

- ❖ Grant County has over 1,500 farms that produce over \$1.76 billion in agricultural products annually. While this is significant economic activity, hard-working farmworker families have very low incomes. Rates of overcrowding are significant and, according to recent market studies, over half of the households in Mattawa have incomes of less than \$35,000 per year and 33% have less than \$25,000 per year.
- ❖ Years ago, cargo containers were converted to temporary housing to serve migrant farmworkers in Grant County, WA. While these units served an emergent need, they were not a long-term solution and were reaching the limit of their useful life.
- ❖ To meet the needs of the community and provide safe and affordable housing for the hard-working farmworker families, ORFH worked with the Housing Authority of Grant County to construct Esperanza, which made up of sixteen new affordable housing units in Mattawa, WA.
- ❖ Esperanza is owned and operated by the Housing Authority of Grant County. ORFH provided the comprehensive development services necessary to secure the financing and build this much-needed housing.
- ❖ Today, Esperanza is a seasonally-occupied development serving the area's farmworkers. Mattawa is located in Grant County, WA. ORFH was able to secure nearly \$3 million from USDA Rural Development Section 514 and 516 farmworker housing programs and over \$1 million in additional funding from the Washington State Housing Trust Fund.

