



**Section 514 and 516
Farm Labor Housing
NOFA FY 2008**



Topics

- **Purpose**
- **Overview**
- **Program Administration**
 - **Funding Opportunities Description**
 - **Award Information**
 - **Eligibility Information**
- **Processing and Review**
 - **Application and Submission**
 - **Initial Pre-Application (proposal)**
 - **Formal Application**
 - **Application Review**
- **Selection Criteria**



Purpose

- **Section 514 FLH loans and Section 516 FLH grants are for the construction of new off-farm FLH units and related facilities for the intended purpose of increasing the number of available housing units for domestic farm laborers**
- **Applications may also include requests for 521 rental assistance and operating assistance for migrant units.**

Overview

- **Sections 514 and Section 516 provide Rural Development the authority to make loans and grants for financing off-farm housing to broad-based non-profit organizations, non-profit organizations of farmworkers, federally recognized Indian tribes and agencies or political subdivisions of State or local governments.**
- **In addition, loans may be made to limited partnerships in which the general partner is a non-profit entity.**



Overview

- Farm workers, often the most poorly housed people in the country, sometimes live in dwellings without running water, or in crowded, poorly built housing. USDA Rural Development is the only national source of construction funds for dedicated farm labor housing. USDA-RD FLH programs provide assistance for most of the housing developments built through the Section 514 and 516 programs. **Texas Farm Labor Housing has a portfolio of 1,332 revenue producing units providing decent, safe, and sanitary housing for domestic farm workers and their families.**



Program Administration:

Funding Opportunities Description

- **Housing that is constructed with FLH loans and grants must meet the Agency design and construction standards.**
- **Off –farm FLH must be managed in accordance with the program’s management regulation.**
- **Tenant eligibility is limited to persons who meet the definition of a “domestic farm laborer” or a “disabled domestic farm laborer”.**

Program Administration:

Funding Opportunities Description

- **In addition, off-farm FLH must be operated on a non-profit basis and tenancy must be open to all qualified domestic farm laborers, regardless of which farm they work.**
- **Operating assistance may be used in lieu of tenant-specific rental assistance in off-farm housing projects**
 - **that serve migrant farm workers**
 - **are financed under section 514 or Section 516**
 - **otherwise meet the requirements under 7 CFR 3560.574 (Operating Assistance)**



Program Administration:

Funding Opportunities Description

- **Owners of eligible projects may choose**
 - **tenant-specific RA or operating assistance**
 - **or a combination of both**
 - **however, any tenant or unit assisted with operating assistance may not also receive RA.**



Program Administration:

Award Information

- **Applications for FY 2008 only accepted through the time listed in the NOFA**
- **USDA-RD has the ability to adjust loan and grant levels, subsequently:**
 - final loan and grant levels can fluctuate
 - are subject to the availability of funding



Program Administration: *Award Information*

Estimated Funds Available Off-Farm Housing FY 2008

Section 514

\$19,158,807

Section 516

\$7,447,500



Program Administration:

Award Information

- **Individual requests – NTE \$3,000,000**
 - Total loan and grant
 - No available new construction Rental Assistance available under the current FY NOFA announcement
 - Section 516 off-farm FLH grants may not exceed 90% of the total development cost of the housing or the amount provided in 7 CFR 3560.562(c)(2) (Loan and Grant Limits).
- **Initial pre-application – must have firm commitments in place in order to be eligible for leveraged funding selection points**
 - If leveraging funds are in the form of tax credits, must document a history of receiving tax credits



Program Administration:

Eligibility Information

- **Receive a 516 Grant - Applicant Eligibility**
 - **broad-based non-profit organization**
 - **Must have a membership that reflects a variety of interests in the area where the housing will be located**
 - **broad-based organization**
 - **a non-profit organization of farm workers**
 - **federally recognized Indian tribe**
 - **agency or political subdivision of State or local government**
 - **Public agency (ie. Housing Authority)**



Program Administration: *Eligibility Information*

- **Receive a 514 Loan - Applicant Eligibility**
 - **broad-based non-profit organization**
 - **Must have a membership that reflects a variety of interests in the area where the housing will be located**
 - **faith-based organization**
 - **a non-profit organization of farm workers**
 - **federally recognized Indian tribe**
 - **agency or political subdivision of State or local government**
 - **Public agency (ie. Housing Authority)**



Program Administration: *Eligibility Information*

- **Receive a 514 Loan - Applicant Eligibility (continued):**
 - **LP which has a non-profit entity as its GP**
 - **Be unable to provide the necessary housing from its own resources;**
 - **Except for State or local public agencies and Indian tribes, be unable to obtain credit elsewhere at rates that would allow for rents within the payment ability of eligible residents**



Program Administration:

Eligibility Information

- **Other Administrative Requirements:**
 - 7 CFR part 1901, subpart E regarding EO requirements;
 - 7 CFR part 1901, subpart F regarding historical and archaeological properties;
 - 7 CFR 1924, subpart A regarding the planning and construction;
 - 7 CFR 1924, subpart C regarding the planning and performing of site work;
 - 7 CFR part 1940, subpart G, regarding environmental assessments;



Program Administration:

Eligibility Information

- **Other Administrative Requirements: (continued)**
 - **7 CFR part 3015, 3016, 3019 (as applicable) which establishes the uniform requirements for grants and cooperative agreements to State and local governments and to nonprofit organizations;**
 - **7 CFR 3560, subpart L regarding loan and grant authorities of the off-farm FLH program;**
 - **All other policies and regulations contained in 7 CFR part 3560 regarding the section 514/516 off-farm FLH program**



Processing and Review

Application & Submission

- **Application Process for 514/516 funding**
 - **Two phases:**
 - **Initial pre-application (proposal)**
 - filed with the RD State Office Texas
 - must meet the requirements of the NOFA
 - **Formal application**
 - only those proposals selected for further processing will be invited to submit formal applications
 - must submit a complete and formal application acceptable to the Agency prior to the obligation of Agency funds



Processing and Review

Application Review

- **The Rural Development State Office, Texas, reviews the applications and bases its determination of completeness of the application and the eligibility of each applicant on the information provided in the application submitted.**

Processing and Review

Selection Criteria

- **Based on National Competition**
 - Rural Development State Office Texas initially accepts, reviews, and scores requests in accordance with the NOFA,
 - Rural Development State Office Texas conducts the preliminary eligibility of the applications and forwards to the National Office,
 - The National Office ranks all requests nationwide and distributes funds to states in rank order and within funding limits.



Texas Farm Worker Resources

- **Department of Agriculture Economic Research Service (Homepage):** www.ers.usda.gov
- **Department of Agriculture Economic Research Service (State Facts)** <http://www.ers.usda.gov/StateFacts>

State fact sheets provide information on population, employment, income, farm characteristics, farm financial indicators, and top commodities, exports, and counties for each state in the United States.

- **Department of Agriculture Economic Research Service (Publications)** <http://www.ers.usda.gov/Publications/>
- **Department of Agriculture Economic Research Service (Rural Economy)** <http://www.ers.usda.gov/Browse/RuralEconomy/>



Texas Farm Worker Resources

- Texas QuickFacts – Census

<http://quickfacts.census.gov/qfd/states/48000.html>

- Texas Department of Agriculture:

http://www.agr.state.tx.us/agr/index/0,1911,1848_0_0_0,00.html

- Farm Bureau: <http://www.txfb.org/>

- Housing Assistance Council: <http://www.ruralhome.org/>

