

NATIONAL RURAL HOUSING COALITION

1250 Eye Street, N.W., Suite 902, Washington, DC 20005 • (202)393-5229 • fax (202)393-3034 • www.nrhweb.org

Section 514/516 Farm Labor Housing Programs

Farmworker Housing Need

- There are approximately 3 million migrant and seasonal farmworkers in the United States. Farmworkers are the worst-housed of all rural people. According to the Economic Research Service, housing conditions for migrant and seasonal farmworkers have long been substandard and there has not been any improvement in recent years. Farmworkers are also among the poorest of rural people. Sixty one percent of farmworkers earn incomes below the poverty line, and consequently three out of every five farmworker families live below the federal poverty line which is almost six times the national rate.

USDA Farm Labor Housing

- The **only** federal program targeted to the housing needs of migrant and seasonal farmworkers is the section 514/516 loan and grant program administered by the Department of Agriculture and the Rural Housing Service. Over the history of this program, USDA has financed some 36,000 units for a cost of \$1.27 billion.
- USDA has not devoted adequate attention to this program. USDA has never conducted an assessment of their farm labor portfolio. The agency has inadequate information on the status of projects – either physical or financial. Also the agency does not employ authority to provide annual technical assistance contracts. The last contract was in 2004.
- The current level of funding for farmworker housing is about \$20 million in budget authority. With the funding in the bill, USDA will finance not more than 2,000 units for the entire country. The amount is a far distance from addressing the need. For example, Texas has some 360,000 migrant and seasonal farmworkers and only about 1,300 units of farm labor housing. One project in California has a waiting list exceeding 800 families.

- Over the last 5 years (FY 03-07), USDA has financed some 12,888 units of housing. The cost of this was \$264 million in federal funds. Farmworker housing sponsors and developers leveraged an additional \$265 million, thereby matching the federal funds on a dollar for dollar basis.
- Over the same period, USDA obligated 92% of the funds appropriated by Congress; with only a small of carryover at the end of the period. Development is a time consuming and ‘lumpy’ process and does not necessarily follow a fiscal year calendar. For this reason, Congress has regularly made farm labor housing appropriations ‘no year money’ in order to give the agency the flexibility to administer the program.
- In recent years, due to reduced funding, some states have come forward with their own programs to finance farm labor housing, among them are Florida, Washington State, and California. In addition, Congress has facilitated the use of federal housing tax credits with farm labor housing by changing the section 514 statute.
- There continues to be robust demand for assistance. While final USDA has not complied final numbers for FY 08, organizations in California alone have applied for \$27 million in loans and \$4 million in grants.