July \_\_, 2022

The Honorable Tammy Baldwin The Honorable John Hoeven

Chairwoman Ranking Member

Senate Appropriations Subcommittee on Senate Appropriations Subcommittee on

Agriculture, Rural Development, Food and Agriculture, Rural Development, Food and

Drug Administration, and Related Agencies Drug Administration, and Related Agencies

Room 129 Dirksen Senate Office Building Room 338 Russell Senate Office Building

Washington, D.C. 20510 Washington, D.C. 20510

Dear Chairwoman Baldwin and Ranking Member Hoeven:

 The undersigned organizations would like to take this opportunity to thank you for your past support of the U.S. Department of Agriculture’s (USDA) Rural Development’s (“**RD”)** housing programs. We can’t underscore enough how vital funding is to meeting the affordable housing needs in rural America, which have only increased in recent years due to the economic impacts of the Covid-19 pandemic.

 We are writing to you today regarding the House Appropriations Committee’s fiscal year 2023 recommendations for the USDA’s Section 521 Rental Assistance (RA) program. As you know, rental assistance is sorely needed for low-income residents in RD financed housing properties. The Administration’s proposed budget recommended funding the Section 521 Rental Assistance program at $1.602 billion, which is an increase of $1.45 billion from FY 2022 funding levels. However, the Committee in H.R. 8239, the FY 23 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, recommended that the Section 521 program be funded at $1.494 billion. ***This reduction of $109 million would equate to RA contracts that were funded through the American Rescue Plan Act (ARPA) not being renewed. The undersigned organizations strongly oppose this proposed reduction and fully believe that residents who received RA funding through ARPA should continue to receive it***. ***We therefore recommended the Committee fund the Section 521 program at the $1.602 billion amount.***

 Not funding this rental assistance would have a devastating impact on low-income rural residents who during this period of high inflation can least afford to have a lifeline taken from them, and for that reason we strongly support full funding of all RA contracts. **This potential reduction in funding would jeopardize RA for over 27,000 units across 3,700 RHS properties**. These properties had been rent overburdened for some time prior to receiving RA contracts through ARPA funding and therefore the loss of rental assistance would be detrimental to these low-income residents. From our discussions with various Committee members and staff, we have been informed that this reduction is due to an interpretation that the ARPA funding language prohibits the Committee from funding RA contracts that received ARPA funding beyond September 30, 2022. For your reference, below is the ARPA funding language in question.

SEC. 3203. EMERGENCY ASSISTANCE FOR RURAL HOUSING.

“In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2022, to provide grants under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, for temporary adjustment of income losses for residents of housing financed or assisted under section 514, 515, or 516 of the Housing Act of 1949 who have experienced income loss but are not currently receiving Federal rental assistance.”

 We respectfully disagree with the Committee’s interpretation as this provision matches similar funding language presented in past budgets and does not outline any express provision that prevents the Committee from renewing these RA contracts. We are under the impression that HUD Section 8 Vouchers and other federally assisted programs that received ARPA funding are not facing this same problem. Through discussions with USDA’s program staff, it is our understanding that USDA’s Office of General Counsel shares our interpretation that RA contracts that received ARPA funding are eligible to be funded and renewed. ***We strongly urge this Committee to fund the Section 521 program at the Administration’s proposed budget of $1.602 billion, continuing to fund and renew all RA contracts including those added by ARPA funding.*** Not renewing this RA would jeopardize the housing stability of the low-income rural residents living in these RA units.

We appreciate the committee’s past support of rural housing programs and consideration of this important request.

Sincerely,