

United States Senate

WASHINGTON, DC 20510

May 11, 2022

The Honorable Brian Schatz
Chair
Subcommittee on Transportation, Housing,
and Urban Development, and Related
Agencies
Senate Committee on Appropriations
722 Hart Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing,
and Urban Development, and Related
Agencies
Senate Committee on Appropriations
413 Dirksen Senate Office Building
Washington, DC 20510

Dear Chair Schatz and Ranking Member Collins:

We write to respectfully request strong funding in Fiscal Year 2023 for two small HUD programs that support affordable housing in rural communities—**\$20 million for the Self-Help Homeownership Opportunity Program (SHOP) and \$5 million for the Rural Capacity Building (RCB) program**. In light of limited federal funding available to support low-income homeownership, especially in rural areas, increasing funding for these successful and efficient programs has never been more important.

Since 1996, SHOP funding has supported the work of nonprofit organizations that employ the self-help homeownership model, a method that has assisted tens of thousands of low-income families, and fostered them to be committed, successful homeowners. Through this approach, low-income families must put in at least 100 hours of “sweat equity” in their homes, and many families invest more than 500 hours. SHOP funds are used to defray land acquisition, property and infrastructure costs -- some of the most difficult activities for local nonprofits to finance.

SHOP is one of HUD’s most powerful tools for low-income homeownership, and has made a huge impact in rural America. This small, effective program has enabled local nonprofit organizations since 1996 to build more than 35,000 homes and house more than 100,000 adults and children. Of these homes, approximately 40% are in rural areas, and nearly 60% of the families served have incomes below 50% of the area median (AMI). SHOP grantees have raised a significant amount of private leverage and brought in more than \$3.6 billion of investment into communities. National nonprofits compete for SHOP allocations annually through HUD and then grant funding to hundreds of local nonprofits. Funds have been disbursed to every state, the District of Columbia and Puerto Rico.

HUD’s RCB program allows national organizations to provide a wide range of help to local housing and community development nonprofits. This includes training, technical assistance, information, and financing targeted to rural low-income communities. RCB also aids local organizations in marshaling private and public capital to their communities.

The need for affordable housing continues to increase, and distressed housing conditions and concentrated poverty disproportionately affect rural communities. Providing sufficient

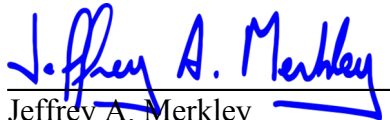
appropriations for these capacity building and financial assistance programs will leverage millions of additional dollars into communities, and improve the quality of life in urban, suburban, and rural America.

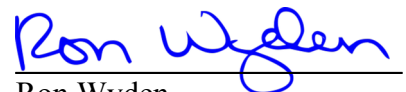
Throughout the COVID-19 pandemic, we have learned the importance of a safe and affordable home. However, over the last two years, affordable housing development and construction activities across the country have become more difficult and existing funding sources have been redirected, all while costs of materials, land, and labor have increased significantly.


Given SHOP's consistent, strong track record of providing homeownership opportunities to low-income families across the country, we respectfully request that you provide \$20 million for SHOP and \$5 million for the RCB program in the FY23 THUD Appropriations bill to ensure that our nation's needs are served. We also request the per unit cap be increased from \$15,000 to \$25,000, as eligible costs have increased significantly since the current \$15,000 per unit cap was established in 2004.

Thank you for your consideration of this request and for your support of affordable homeownership.

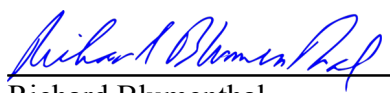
Sincerely,



Jeffrey A. Merkley
United States Senator


Ron Wyden
United States Senator


Tammy Baldwin
United States Senator


Michael F. Bennet
United States Senator


Richard Blumenthal
United States Senator


Sherrod Brown
United States Senator



Maria Cantwell
United States Senator



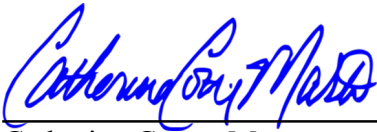
Benjamin L. Cardin
United States Senator



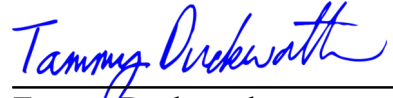
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Tammy Duckworth
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United States Senator



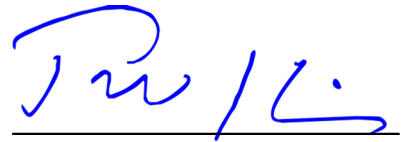
Martin Heinrich
United States Senator



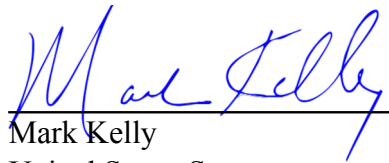
John Hickenlooper
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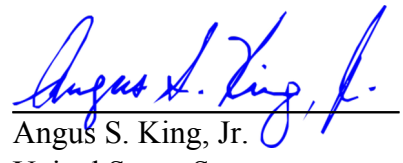
Mazie K. Hirono
United States Senator



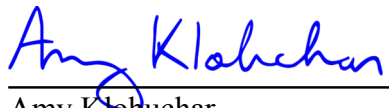
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United States Senator



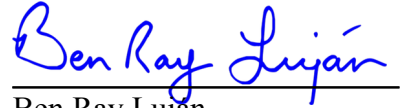
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United States Senator



Amy Klobuchar
United States Senator



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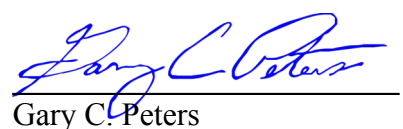
Joe Manchin III
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