



Rural Housing Coalition

of New York

Working Together to Revitalize Rural New York

For Immediate Release

RURAL NEW YORKERS AT RISK

Report Calls for Preservation of Affordable Rental Housing

ALBANY, NY – February 13, 2024 – Thousands of vulnerable New Yorkers will soon be at risk of losing their homes following the expiration of USDA-financed mortgages that provide protections and rental subsidies to tenants. A [new report](#), produced by the Regional Plan Association for the Rural Housing Coalition, shows that as soon as 2027, hundreds of tenants in rural communities will be subject to displacement each year – with limited options for housing and support – as decades-old programs begin to lapse.

The U.S. Department of Agriculture’s (USDA) Section 515 Program, established in 1949 by President Harry Truman, provided low-cost financing for the construction of affordable multi-family rental housing in rural communities. The 1980s and 1990s saw a building boom of these housing developments, but now the mortgages on these properties are expiring – along with regulatory protections and rental subsidies that capped rent at no more than 30% of income.

“Households that spend more than 30 percent of their incomes on rent and utilities like electricity, water, gas, and sewage are considered rent burdened,” said Michael J. Borges, Executive Director of the Rural Housing Coalition of New York. “This report illustrates an urgent need and calls on the New York State Legislature to take action to preserve a crucial source of affordable rental housing in rural communities – before it’s too late.”

The ten counties that would lose the most USDA Section 515 properties by 2030 are: Wayne; Washington; Chenango; Cattaraugus; Seneca; Wyoming; Orange; Oneida; Tompkins and Erie.

“The Rural Housing Coalition is asking the state to invest \$25 million in a program that would fund the acquisition and rehabilitation of these properties by entities that would preserve their affordability,” said Borges. “There is a model for this effort – the Mitchell-Lama Housing Program, a state sponsored initiative to provide affordable housing to middle-income residents. The 2023-24 New York State budget appropriated \$50 million to help preserve Mitchell-Lama units. We are seeking an investment to give rural property owners an incentive to continue affordability regulations.”

The report shows that there are approximately 12,000 USDA Section 515 units across New York State, housing 15,000 low-income seniors and families. Eighty-five percent of New York counties have at least one USDA 515 property, and the average income of a USDA 515 tenant is \$18,000 – less than half the state average. It also shows these rental properties are located in counties where an average of 72% of the housing stock is owner-occupied, leaving very few options for renters looking for alternative housing.

The report concludes that relying solely on the Federal government to address the issue will not be enough. According to Borges, “Ribbon-cuttings and groundbreaking ceremonies are exciting, but New York State needs to be as enthusiastic about preserving existing housing stock as it is about building new. If we act quickly to help rehabilitate, preserve, and ensure permanent affordability of USDA Section 515 housing, we can help overcome some of the challenges faced by rural renters, including substandard housing options and lack of affordable housing supply.”

The Rural Housing Coalition of New York is a statewide organization dedicated to revitalizing rural New York by strengthening housing and community development providers. The coalition supports rural housing and community development providers through organizational capacity development, training, and technical assistance, and raising public awareness and advocacy.

Review the full report as a PDF here – <https://rpa.org/work/reports/rural-new-yorkers-at-risk>

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