

FY 2020 Self-Help Homeownership Opportunity Program (SHOP) and the Rural Capacity Building (RCB) program

Sending Office: Honorable Vicente Gonzalez

Sent By: Fred.Castro@mail.house.gov

Request for
Cosponsor(s)

Support the Self-Help Homeownership Opportunity Program (SHOP) and the Rural Capacity Building (RCB) program

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Please join me in supporting \$15 million for SHOP and \$5 million for the Rural Capacity Building (RCB) program in the Fiscal Year 2020 Transportation-HUD Appropriations bill to ensure that our nation's rural housing needs are served. The deadline to join this letter is March 29th, 2019, and the deadline for submissions for the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies is close of business April 4, 2019.

LETTER TEXT

Dear Chairman Price and Ranking Member Diaz-Balart:

We write to express our strong support for maintaining stable funding for two small Housing and Urban Development (HUD) programs that support affordable housing in rural communities—the Self-Help Homeownership Opportunity Program (SHOP) and the Rural Capacity Building (RCB) program in the Fiscal Year 2020 House Transportation-HUD Appropriations bill.

SHOP has been a uniquely effective tool for creating successful low-income homeownership nationwide, especially in rural America where affordable housing support is very limited. The RCB program builds the capacity of local entities taking on affordable housing and community development activities that benefit low and moderate-income families in rural areas. Given the limited federal resources available to support low-income homeownership, especially in rural areas, preserving funding for these successful and efficient programs has never been more important.

Since 1996, SHOP has enabled local nonprofit organizations to build more than 35,000 homes and house more than 80,000 adults and children. Of these homes, approximately 50% are in rural areas. SHOP grantees have raised a significant amount of private leverage and brought in more than \$2 billion of investment into communities. SHOP is also one of only four federal housing programs out of 40 studies that received a top rating in the Office of Management and Budget's PART evaluation system.

Thanks to continued Congressional support, this small, effective program 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 become committed, successful homeowners. This approach requires low-income families to put in at least 100 hours of “sweat equity” in their homes; most families average more than 350 hours. SHOP funds are used to defray land acquisition, property, and infrastructure costs, some of the most difficult activities for local nonprofits to finance.

National nonprofits compete annually for SHOP allocations through HUD and then grant funding to hundreds of local nonprofits in every state, the District of Columbia and Puerto Rico. Current grantees include Habitat for Humanity International, Community Frameworks, the Housing Assistance Council, and Tierra del Sol Housing Corporation.

HUD’s RCB program allows national organizations to provide a wide range of help to local housing nonprofits and others working to develop or preserve affordable homes. This program works nationwide—providing training, technical assistance, information, and financing—to serve the neediest rural communities across the country.

The need for affordable housing continues to increase, and distressed housing conditions and concentrated poverty disproportionately affects 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 rural America.

We respectfully request that you provide \$15 million for SHOP and \$5 million for the Rural Capacity Building (RCB) program in the Fiscal Year 2020 House Transportation-HUD Appropriations bill to ensure that our nation’s rural needs are served.

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

Sincerely,

Vicente Gonzalez

Member of Congress

Related Legislative Issues

Selected legislative information: Family Issues, Finance, Transportation

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