

LISC

*Helping neighbors
build communities*



American Recovery and Reinvestment Act of 2009

Community Development Highlights

March 6, 2009

Neighborhood Stabilization Program

- \$2 billion appropriated
- States, localities and nonprofits can apply through competitive process
- Up to \$200 million for capacity building for local communities receiving NSP funds
- Special program income rules repealed, even for earlier \$3.9 billion. CDBG rules apply.
- Some other new rules also apply

LIHTC Gap Funding

- \$2.25 billion for LIHTC projects
- Use HOME funding formula. State amounts at www.hud.gov
- Use HOME administrative platform but not “HOME funds”
 - Funds go only to state LIHTC allocation agencies
 - LIHTC rules on allocation plans/process, income, rent, affordability term apply
 - Davis-Bacon, environmental, fair housing, URA, Sec. 504, lead-based paint rules will apply
 - HUD can waive most other HOME requirements. Unlikely to apply: HOME match, CHDO set-aside, subsidy limits.
- Commit 75% funds in 1 year; spend 75% in 2 years, 100% in 3.

LIHTC Allocation Exchange

- States may exchange LIHTC allocation authority for cash to fund projects through grants, loans
 - Up to 40% of 2009 authority, national pool authority
 - Up to 100% of unused and returned 2008 authority
- Trade-in rate equivalent to 85 cents pricing
- Usual LIHTC allocation, other rules apply
- Each state will administer in its own way
 - Not all states will trade in.
 - Not all previously allocated projects will get cash.

Community Development Block Grant

- \$1 billion for community and economic development projects including housing and services for those communities hit hard by tough economic times.
- Funds will be distributed to grantees that received funding in fiscal year 2008.

Community Development Financial Institutions Fund

- \$100 million to immediately provide capital to qualified community development financial institutions (CDFIs) to invest in the development of underserved communities.
- Increase the NMTC volume in 2008 and 2009 by \$1.5 billion each for a total of \$5 billion each year. Additional 2008 volume available only to 2008 applicants.

HUD Assisted Housing

- \$2 billion for full-year payments to owners receiving Section 8 project-based rental assistance.
- \$250 million to owners of HUD assisted housing for energy and green retrofit investments.

Emergency Shelter Grants

- \$1.5 billion for homeless prevention activities.
- Likely be sent out to states, cities and local governments through the emergency shelter grant formula.
- The funding will be used for prevention activities: short or medium-term rental assistance, first and last month's rental payment, or utility payments.

Energy Efficiency and Conservation Grants

- Through Dept. of Energy.
- \$5 billion to help low-income families reduce their energy costs by weatherizing their homes.
- \$6.3 billion to help state and local governments make investments that make them more energy efficient and reduce carbon emissions.

USDA Section 502 Homeownership

- \$200 million to support \$11.5 billion in loans that will provide an estimated 105,000 very low to moderate-income rural households the opportunity of homeownership or avoid the risk of foreclosure.

Native American Housing Block Grants

- \$510 million. \$255 million will be distributed by the same formula used in fiscal year 2008.
- Will be used for new construction, acquisition, rehabilitation including energy efficiency and conservation, and infrastructure development.
- \$255 million will be distributed by competition.

Public Housing Capital Fund

- \$4 billion for building repair and modernization.
 - \$3 billion will be distributed by the same formula used in fiscal year 2008.
 - \$1 billion will be distributed by competition for projects that leverage private sector funding or financing for energy retrofit improvements.

Stimulus to the States

❑ Funding will flow through multiple state agencies. For community developers, wide distribution networks challenge our knowledge and contacts. For instance:

- | | |
|---------------------------------|--------------------------------|
| ○ Departments of Labor | jobs and workforce |
| ○ Departments of Energy | green jobs/energy efficiency |
| ○ Departments of Transportation | transit and walkable places |
| ○ Departments of Environment | green jobs/energy/construction |
| ○ Departments of Education | rehabilitation of school bldgs |
| ○ Departments of Health | health clinics |

❑ Decision-making varies in each state. Some Governors are leading a coordinated team. Some legislatures have special taskforces. Other states leave decisions to individual departments.

❑ Funding may flow through formula, special programs, competition.

❑ Timing is everything. Many states have made decisions about big projects, especially transportation. It is critical to know timelines.

Stimulus to the States

Getting Started:

- ❑ Assess options, determine priorities, narrow your focus. You can't do everything. What is intersection between programmatic focus, policy interests, and available opportunity? Energy efficiency, green building, green jobs, transportation, health, education, technology, NSP, vacant properties, brownfields, housing, tax credits, Americorps, safety, etc.
- ❑ Identify current status. Who is making decisions, what is your state's strategy, who are the key players, what are the opportunities for success?
- ❑ Find other advocates who will partner with you. They may be very nontraditional to community development. Join or lead a coalition.

Stimulus to the States

Four over-arching roles to play:

1. Demand a transparent process
2. Influence the criteria by which decisions are made
3. Seek funding for specific projects **OR** oppose specific projects that do not benefit existing communities
4. Place yourself in a position to advocate if there is another shot of stimulus funding.

State Advocacy to Influence Federal Stimulus

The Experience and Perspective of the Housing Alliance of PA

www.housingalliancepa.org

PA Example with “HERA”

- Educated ourselves about the provisions of the bill to be a “go to” source for PA housing and community development providers
- Linked to HUD, FHA to get direct information for our members
- Reached out to state officials in decision-making positions
- Included state officials by providing a forum for reaching large groups or provider organizations
- Developed positions within our network
- Worked with state officials to incorporate our ideas

PA Example with Stimulus Advocacy in DC

- Used statewide reach to connect with senate district offices
- Travelled to DC with consumers and providers
- Compiled and provided economic impact and job creation data from housing – important
- Used media to reinforce the message
- Repeated the message

Where do we go from here?

- Defining the focus of our advocacy – what do our members want and need to compete for these dollars?
- Start with the areas we know such as housing, homelessness, weatherization
- Move to new frontiers such as energy, transit
- Work with state officials to ensure community and housing agenda addressed

Where do we go from here?

- Big challenges
- Many decisions not yet made
- Money flowing to new priorities where we are less experienced
- HUD not fully staffed and decisions not yet made
- State understaffed to administer funds
- Focusing on what we know and what we can do

Information, information, information

- Connect with national sources in DC who are monitoring closely and can provide up-to-date information such as LISC, NACEDA, NAEH, NLIHC
- Provide updated information to members via email and website
- Conduct teleconference and in-person training, especially to smaller groups
- Receive latest information from various sources

Relationships

- Help Officials to do their Jobs
- Solve problems for them
- Make them look good whenever possible
- Connect our members to resources
- Use media to highlight successes
- Help members focus on what matters

Monitoring and Accountability

- Keeping tabs on what's being done
- Keeping our members informed
- Reporting out on what's going on
- Get more aggressively involved where needed

Our Focus with stimulus

- Tax credit housing development – gap financing and tax credit exchange
- CDBG
- Homelessness Prevention
- Public Housing
- Weatherization
- Project Based

Online Docs

- Sustainable Communities and the American Recovery Reinvestment Act: *Items of Interest & Details*
- Sustainable Communities and the American Recovery Reinvestment Act: *House-Senate Comparison Chart*

<http://www.lisc.org/section/special/policy>