



## **WORKSHOP TO PREPARE FOR FEDERAL STIMULUS DOLLARS**

**February 6, 2009**

**The Renaissance Collaborative, 3757 S. Wabash**

**9 – 11am**

### **AGENDA**

- I. Welcome
- II. Introductions
- III. Overview of Stimulus Package Proposals, 1st Congressional District Director
  - Principles
  - Resources
- IV. Getting Ready
- V. Homework: Prepare and Share Your Pipeline

# The American Recovery and Investment Act of 2009 – HR 1 and SR 1

## Purposes of Act:

- To preserve and create jobs and promote economic recovery.
- To assist those most impacted by the recession.
- To provide investments needed to increase economic efficiency by spurring technological advances in science and health
- To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
- To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and
- local tax increases.

## General Provisions:

- These funds have no relationship to Continuing Appropriations or current budget year commitments.
- Preference giving to projects can move within 120 days. Recipients have goal to move 50% of dollars in 120 days.
- Maximize job creation and economic benefit
- Use it or Lose It: Dollars can be recaptured and reallocated.
- Formula Grants to be allocated at 30 days of passage.
- Competitive Grants at 90 days.

## Tracking of Progress:

Quarterly Reporting to Congress will impact information required from entities that are awarded/granted/loaned funds.

1. Economic Effects of the Act
2. Employment Effects of the Act:
  - Number of jobs created in public sector and private sector
  - Number of jobs preserved in public sector and private sector
3. Share of tax and non-tax expenditures that were spent and saved by group and income class
4. How States have spent funds by providing services to citizens and wages/compensation for public employees
5. Description of funds unspent and reasons for this.

## Community Related Funding Sources in Stimulus Bills – A Comparative Look

	House	Senate
<b>HOME</b>	<p>\$1.5 billion to help local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch. Funds are distributed by formula.</p>	<p>\$2.25 Billion for the HOME Investment Partnerships Program block grant to enable state and local government, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families. Since 1990, this flexible block grant program has provided key financing for the acquisition, construction, and rehabilitation of over 887,000 units and provided rental assistance to over 200,000 poor families. HOME’s track record of success makes it the ideal vehicle to help jump-start affordable housing projects in desperate need of ‘gap financing’ due to the collapse of the Low Income Housing Tax Credit (LIHTC) market, and to ensure that vulnerable families obtain and maintain stable housing during the economic downturn. Additionally, the bill authorizes the Secretary of the Department of Housing and Urban Development (HUD) to distribute up to 20% percent of authorized funding (\$450 million CONFIRM FIGURE) to incentivize investments of HOME funds in projects that promote energy efficiency and green technologies.</p>
<b>NSP</b>	<p>\$4.2 billion to help communities purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight. *\$750 million of this towards supportive activities for consortia, CRN-type groups, etc.</p>	<p>The bill includes \$2.25 billion for the redevelopment of abandoned and foreclosed homes. In addition to states and cities, nonprofits will also be able to compete for this funding. The funding will be used to support Communities across the country hardest hit by the foreclosure crisis.</p>
<b>Public Housing</b>	<p><b>Public Housing Capital Fund:</b> \$5 billion for building repair and modernization, including critical safety repairs. Every dollar of Capital Fund expenditures produces \$2.12 in economic return. \$4 billion of the funds will be distributed to public housing authorities through the existing formula and \$1 billion will be awarded through a competitive process for projects that improve energy efficiency.</p>	<p><b>Public Housing Capital Fund:</b> The bill provides \$5 billion to the public housing capital fund to enable local public housing agencies to address a \$32 billion backlog in capital needs -- especially those improving energy efficiency in aging developments -- in this critical element of the nation’s affordable housing infrastructure. \$3 billion will be distributed by formula and \$2 billion competitively to incentivize innovative and large-scale projects. The investment will also yield significant economic benefits, including generating \$2.12 cents in local economic activity for every dollar and creating or preserving 140,000 jobs in the housing construction sector devastated by the current recession.</p>

<p><b>Homeless</b></p>	<ul style="list-style-type: none"> <li>• <b>Homeless Assistance Grants:</b> \$1.5 billion for the Emergency Shelter Grant program to provide short term rental assistance, housing relocation, and stabilization services for families during the economic crisis. Funds are distributed by formula.</li> </ul>	<p><b>Homelessness Prevention Fund:</b> The bill includes \$1.5 billion for homeless prevention activities, which will be sent out to states, cities and local governments through the emergency shelter grant formula. The funding will be used for prevention activities, which include: short or medium-term rental assistance, first and last month’s rental payment, or utility payments. As such, most of this funding will go directly into the economy of local communities as the funds will be used to pay housing and other associated costs in the private market.</p>
<p><b>Energy – REHAB</b></p>	<ul style="list-style-type: none"> <li>• \$16 billion to repair public housing and make key energy efficiency retrofits.</li> <li>• \$6 billion to weatherize modest-income homes.</li> <li>• <b>Energy Efficiency Housing Retrofits:</b> \$2.5 billion for a new program to upgrade HUD sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces. Funds will be competitively awarded.</li> <li>• <b>Lead Paint:</b> \$100 million for competitive grants to local governments and nonprofit organizations to remove lead-based paint hazards in low-income housing.</li> </ul>	<p>\$1.3 billion for grants or loans to owners of the Department of Housing and Urban Development’s assisted housing for energy and green retrofit investments. In order to receive this funding these owners must meet certain standards and agree to certain terms and conditions. Most importantly, they must agree to an additional period of affordability of at least 15 years.</p>
<p><b>EDA</b></p>	<p><b>Economic Development Assistance:</b> \$250 million to address long-term economic distress in urban industrial cores and rural areas distributed based on need and ability to create jobs and attract private investment. EDA leverages \$10 in private investments for \$1 in federal funds.</p>	
<p><b>AmeriCorps</b></p>	<p>\$200 million to put approximately 16,000 additional AmeriCorps members to work doing national service, meeting needs of vulnerable</p>	<p>\$200 million for AmeriCorps to place national service members in community organizations caught between dramatically expanding populations in need and diminishing donations.</p>

	populations and communities during the recession.	
<b>SBA</b>	<b>Small Business Credit:</b> \$430 million for new lending assistance and loan guarantee authorities to make loans more attractive to lenders and free up capital. The number of loans guaranteed under the SBA's 7(a) business loan program was down 57% in the first quarter of this year compared to last.	\$730 million to stimulate lending to small businesses, including \$630 million to support \$20 billion in zero-fee or reduced-fee loans to small businesses and \$30 million for loans and critical technical assistance to "micro" borrowers. The dollar amount of loans guaranteed under the SBA's two largest business loan programs was down 40% in the first quarter of this year compared to last.
<b>MISC</b>	<b>Community Development Block Grants:</b> \$1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.	<ul style="list-style-type: none"> <li>• <b>Community Development Financial Institutions:</b> \$250 million to immediately provide capital to qualified community development financial institutions (CDFIs) to invest in the development of underserved communities.</li> <li>• <b>Social Services Block Grant:</b> \$400 million for States and local non-profits to deliver critical services to unemployed and low-income individuals struggling with the effects of the recession.</li> </ul>
	<b>Low-Income Home Energy Assistance:</b> \$1 billion to help low-income families pay for home heating and cooling at a time of rising energy costs.	<b>Project-Based Stability:</b> The bill provides just over \$2.1 billion for full year payments to owners receiving Section 8 project-based rental assistance. By providing funding for a full year, it will send a signal to these owners and others thinking of investing in affordable housing that the government can pay their bills on time and in full. In addition, owners that want to participate in the energy retrofit program will have to agree to additional periods of affordability and it is important that they have confidence in the government's ability to pay their bills.
	<b>Compassion Capital Fund:</b> \$100 million for grants to faith- and community-based organizations to provide critical safety net services to needy individuals and families.	
	<b>Community Services Block Grant:</b> \$1 billion for grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high	<ul style="list-style-type: none"> <li>• <b>Community Services Block Grant:</b> \$200 million to local community action agencies (CAAs) for services to the growing numbers of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, as well as benefits outreach and enrollment.</li> </ul>

	food and fuel prices.	
<b>Vouchers</b>	\$0	\$0
<b>National Housing Trust</b>	\$0	\$0