

LISC

NACEDA  
March 31, 2009

### Housing and Community Development Priorities in the 111<sup>th</sup> Congress

Barbara Burnham  
Senior Director of Federal Policy and Congressional Relations  
*Local Initiatives Support Corporation*

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### Preface: FY 2009 Omnibus

- Fiscal Year 2009 Omnibus signed March 10, 2009; funds all programs through September 30, 2009.
- Highlights:
  - CDBG - \$3.9 B
  - HOME - \$1.825 B
  - Section 8 PBV - \$7.1 B
  - Section 202 - \$765 M
  - Section 811 - \$250 M
  - Public Housing Capital - \$2.45 B
  - Homeless Assistance - \$1.677 B



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**Chapter 1:  
The Stimulus**

- American Recovery and Reinvestment Act signed on February 17, 2009
- Provides additional insight into Administration's priorities



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**Chapter 1:  
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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- Special program income rules repealed, even for earlier \$3.9 billion.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.

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**Chapter 1:  
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Community Development Block Grants (CDBG)

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

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## Chapter 1: The Stimulus

### HOME Gap Financing for LIHTC Projects

- \$2.25 billion for LIHTC projects
- Use HOME funding formula. State amounts at [www.hud.gov](http://www.hud.gov)
- Use HOME administrative platform but not "HOME funds"
  - Funds go only to state LIHTC allocation agencies
  - LIHTC rules on allocations 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% fund in 1 year; spend 75% in 2 years, 100% in 3.

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## Chapter 1: The Stimulus

### Homeless Assistance Grants

- \$1.5 billion for homeless prevention activities.
- Allocated 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.

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## Chapter 1: The Stimulus

### 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.

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### Chapter 1: The Stimulus

#### Public Housing Capital Fund

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

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### Chapter 1: The Stimulus

#### Energy Efficiency and Conservation Grants

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

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### Chapter 1: The Stimulus

#### Lead Hazard Reduction Program

- \$100 million for grants for lead reduction and abatement.
  - Funds awarded to applicants of the Lead Hazard Reduction Program for fiscal year 2008 funds that were found to be qualified but not funded due to funding limitations. Remaining funds added to the fiscal year 2009 funds.

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**Chapter 1:  
The Stimulus**

Brownfields Grants

- \$100 million to states for job training, assessment, revolving loan fund, and cleanup grants.
  - \$5 million for job training grants announced on March 19<sup>th</sup>; applications due April 20<sup>th</sup>.
- EPA may award funds “for meritorious and quality proposals submitted under competitions that were initiated within the past 18 months.”

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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 cent 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

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Community Development Financial Institutions Fund

- \$100 million to 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.

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### Chapter 1: The Stimulus

#### USDA Rural Development 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.

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### Chapter 1: The Stimulus

#### AmeriCorps

- \$200 million
  - \$89M to make awards to existing AmeriCorps grantees for the 2009-2010 service year,
  - \$65M to fund VISTA
  - \$40M to shore up the Trust
- Eligible Recipients: State Commissions and National Directs (nonprofits such as LISC)

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### Chapter 1: The Stimulus

#### Capacity Building Grants for Social Services Assistance

- \$50 million for competitive grants to private nonprofit organizations to expand the delivery of social services to individuals and communities affected by the economic downturn through Administration for Children and Families within the Department of Health and Human Services.
- New initiative; grantees should have clear and measurable goals, and must be able to evaluate the success of their program.

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**Chapter 1:  
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YouthBuild

- \$50 million to expand services to youth who gain academic and occupations credentials through the construction and rehabilitation of affordable housing.

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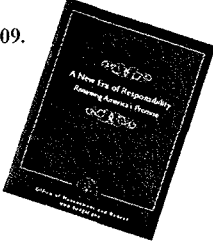
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**Chapter 2:  
FY 2010 Budget**

- President Obama released budget highlights on February 26, 2009.
- Full budget expected in May 2009.




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**Chapter 2:  
FY 2010 Budget**

Department of Housing and Urban Development

- Full funding of CDBG at \$4.5 billion; proposed formula modernization
- Capitalization of National Housing Trust Fund at \$1 billion
- Increases funding for the Housing Choice Voucher program; will propose legislative reforms to address the program's costly inefficiencies.
- Increases funding to preserve assisted multifamily properties. Enables HUD to preserve approximately 1.3 million affordable rental units.

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**Chapter 2:  
FY 2010 Budget**

**Department of Housing and Urban Development**

- Increased funding to enforce fair housing, mortgage disclosure, and settlement requirements to combat mortgage fraud and predatory loans.
- Creates a new Energy Innovation Fund to catalyze private sector investment in the energy efficiency of the Nation's housing stock.
- Creates a new Choice Neighborhoods Initiative to make a range of transformative investments in high-poverty neighborhoods where public and assisted housing is concentrated.

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**Chapter 2:  
FY 2010 Budget**

**Department of the Treasury**

- Expands job-creating investments and access to credit in disadvantaged communities by doubling funding for the Community Development Financial Institutions Fund.

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**Chapter 2:  
FY 2010 Budget**

**Department of Agriculture**

- Provides over \$20 billion in loans and grants to support and expand rural development activities, including small businesses, renewable energy, and telecommunications.

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**Chapter 2:  
FY 2010 Budget**

Department of Transportation

- Increases funding for public transit to support commuters, improve air quality, and reduce greenhouse gases.
- Supports development of high speed rail networks across the country to link regional population centers.
- Likely integrated Transit Orientated Development (TOD) Focus.

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**Chapter 2:  
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Department of Health and Human Services

- Supports families by providing additional funding for affordable, high-quality child care, expanding Early Head Start and Head Start, and creating the Nurse Home Visitation program to support first-time mothers.

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**Chapter 2:  
FY 2010 Budget**

Department of Labor

- Provides strong support for Federal workforce training programs, and increases their focus on green technologies training.

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**Chapter 2:  
FY 2010 Budget**

Department of Education

- Creates incentives and supports for States to build comprehensive, coordinated, high-quality early childhood “Zero to Five” systems, building on the early childhood investments in the American Recovery and Reinvestment Act of 2009.
- Supports Innovative and Effective Strategies to Improve Achievement, including Promise Neighborhoods, a new effort to test innovative strategies to improve academic achievement and life outcomes in high-poverty areas.

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**Chapter 2:  
FY 2010 Budget**

Department of Justice

- Begins funding 50,000 additional police officers through the Community Oriented Policing Services (COPS) program.
- Expands Prisoner Reentry Programs by \$109 million for prisoner reentry programs, including an additional \$75 million for the Office of Justice Programs to expand grant programs authorized by the Second Chance Act that provide counseling, job training, drug treatment, and other transitional assistance to former prisoners.

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**Chapter 2:  
FY 2010 Budget**

Corporation for National and Community Service

- Makes a substantial investment in national service, setting the program on a path for expansion to 250,000 slots.
- Creates a new Social Innovation Fund to invest in and scale up innovative non-profits and solutions to address the Nation’s most pressing social problems.
- Expands service-learning in the Nation’s schools, helping students become contributing citizens and community members through service.

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