



FEDERAL POLICY PROJECT

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FPP Partners

California Housing Authority Association (CHAA)

California Coalition for Rural Housing (CCRH)

Housing Authority Association of Southern California (HAASC)

Housing California

Los Angeles Coalition to End Hunger and Homelessness

NAHRO Northern and Southern California Chapters

NonProfit Housing Association of Northern California (NPH)

Northern California Nevada Executive Directors' Association

Southern California Association of Nonprofit Housing (SCANPH)

The San Diego Housing Federation

Congress Introduces American Recovery & Reinvestment Acts of 2009; Not Enough for Affordable Housing

On January 15 and 16, the House of Representatives introduced two companion bills: the first, **The American Recovery and Reinvestment Act**, calls for \$275 billion in tax breaks and \$550 billion in spending including \$16 billion of investments for affordable homes that is summarized below.

1. **Public Housing Capital Fund:** \$5 billion for building repair and modernization, including critical safety repairs. \$4 billion will be distributed through the existing formula and \$1 billion will be awarded through a competitive process for projects that improve energy efficiency.
2. **Energy Efficiency Housing Retrofits:** \$2.5 billion for a new program to upgrade HUD assisted low-income housing to increase energy efficiency, including new insulation, windows, and furnaces. This is currently limited to S8, 202/811s. Funds will be awarded competitively.
3. **HOME:** \$1.5 billion to help local communities build and rehabilitate low-income housing using green technologies. Funds to be distributed by formula.
4. **Neighborhood Stabilization:** \$4.2 billion to help purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.
5. **Homeless Assistance Grants:** \$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.
6. **Community Development Block Grants:** \$1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.
7. **Native American Housing Block Grants:** \$500 million to rehabilitate and improve energy efficiency at some of the over 42,000 housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded to projects that can be started quickly.

The second bill, **The American Recovery and Reinvestment Tax Act**, includes an innovative program that would temporarily allow state Tax Credit allocating agencies with unusable Credits due to the collapse of the LIHTC market, to exchange them with the Treasury for \$0.85 of cash for each credit returned.

In a normal year, we would celebrate this package of spending and tax measures as an enormous victory for the housing and job creation needs of lower income Americans. But with hundreds of thousands of Californians losing their jobs and homes each month, this is not a normal year. So, in addition to thanking our members of Congress for including the above measures, we need to make a last push for the most important missing pieces of the stimulus package including:

1. \$5 billion in gap financing for hundreds of stalled 2008 Low Income Housing Tax Credit and wait-listed Section 202 and 811 developments that will not be saved by the proposed Treasury program to allow exchanges of 2009 Tax Credits for cash grants. We will not argue if Congress prefers to allocate these funds via state allocating agencies instead of the HOME program.
2. Allow financial institutions that have received funds from the Troubled Asset Relief Program (TARP) to make their required dividend payments to the Treasury using Low Income Housing Tax Credits (LIHTC).
3. Funding for 200,000 incremental vouchers to provide an immediately available safety net for families losing their jobs and homes.

Timing: The House is schedule to begin action on these bills on Wednesday, January 21st with the Senate beginning work on parallel bills on Thursday, January 22nd.

Take action: Your federal elected representatives need your input on the importance of adding the three above measures to the stimulus legislation. Please contact your representative today and let him/her know that these measures must be included in the American Recovery and Reinvestment Bills. Visit the CHPC website for tools to support you in this most serious and time sensitive advocacy initiative: <http://www.chpc.net/policy/fpp.html> - ACTION