



## Virginia's Allocation of the Stimulus Funds for Housing-Related Programs

**The American Recovery and Reinvestment Act (The Recovery Act)**, signed into law on February 17, provides \$13.6B for projects and programs administered by the **Department of Housing and Urban Development (HUD)** and allocated to state and local recipients to help families and communities hardest hit by the economic crisis. Approximately 75 percent of these funds were disbursed on February 25; the remaining 25 percent will be awarded in a competitive grant process to be determined in the coming months.

Virginia received \$170,719,443, with the majority of the funds going to public housing capital expenditures, assistance for the low income housing tax credit program, the homelessness prevention fund, CDBG, and project-based rental assistance. Here is how the allocations break down, according to HUD reporting:

**Public Housing Capital Fund.** Provides funds for the capital and management activities of Public Housing Agencies (PHAs), including modernization and development of public housing. The funds cannot be used for operations or rental assistance. In our area, two jurisdictions have Public Housing Agencies and are eligible for funding: Fairfax County Redevelopment and Housing Authority will receive \$2,294,177 and the Alexandria Redevelopment Housing Authority will receive \$1,791,960. The funding will be allocated no later than March 17, 2009, and must be spent within three years.

**Tax Credit Assistance Program (TCAP).** TCAP provides grant funding for capital investment in Low Income Housing Tax Credit (LIHTC) projects through a formula-based allocation to state housing finance agencies. In Virginia, VHDA will distribute these funds competitively and according to their qualified allocation plan. Projects awarded LIHTCs in fiscal years 2007, 2008, or 2009 are eligible for funding, but state agencies must give priority to projects that are expected to be completed by February 2012. This funding is meant to address the loss of investor equity for LIHTC projects and provide some gap financing in the form of grants. Virginia will receive \$44,247,749 for the TCAP.

**Homelessness Prevention Fund.** Provides financial assistance and services to prevent individuals and families from becoming homeless, and helps those who are experiencing homelessness to be quickly re-housed and stabilized. Activities eligible for assistance include: short-term or medium term rental assistance and housing relocation and stabilization services, mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance and case management. In our area the distribution is:

<b>Alexandria</b>	<b>Arlington</b>	<b>Fairfax County</b>	<b>Prince William</b>
\$512,214	\$728,367	\$2,462,398	\$789,775

Virginia will receive \$24.8M, \$11.4M of which will be distributed to counties and cities that did not receive direct funding. All funding must be spent within three years.

**Community Development Block Grants (CDBG).** Enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. Under the Recovery Act, recipients shall give priority to projects that can award contracts based on bids within 120 days of the grant agreement. The allocation among our area's jurisdictions is:

<b>Alexandria</b>	<b>Arlington</b>	<b>Fairfax County</b>	<b>Loudoun County</b>	<b>Prince William County</b>
\$335,003	\$475,768	\$1,610,504	\$244,615	\$516,528

Virginia will receive \$5.2M in CDBG funds for non-entitlement areas of the state.

**Project-Based Rental Assistance.** The Section 8 Program provides rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects. A portion of this assistance is "project-based", i.e.; the subsidy is committed by HUD for the assisted units of a particular mortgaged property for a contractually determined period.

The funding provided in the Recovery Act will fund contract renewals to participating property owners under the Section 8 program on a full twelve-month cycle. This will avoid the payment disruptions that have occurred in recent years and enable owners to maintain their properties in an acceptable condition. Virginia will receive \$33.1M to be allocated to 81 properties throughout the state.