

DONOVAN ANNOUNCES \$2.25 BILLION IN RECOVERY ACT FUNDS NOW AT WORK TO JUMPSTART AFFORDABLE HOUSING CONSTRUCTION

Funding will stimulate the production of thousands of housing units stalled by recession while creating tens of thousands of jobs across the country

WASHINGTON - U.S. Housing and Urban Development Secretary Shaun Donovan today announced that HUD is approving the final round of plans submitted by state housing finance agencies totaling over a billion dollars to jumpstart affordable housing programs in 26 states throughout the country that are currently stalled due to the economic recession. This brings the total amount of funding now at work under this program to \$2.25 billion dollars in all 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

Funded through *American Recovery and Reinvestment Act of 2009* (Recovery Act), HUD's new Tax Credit Assistance Program (TCAP) allows state housing finance agencies to resume funding of affordable rental housing projects across the nation while stimulating job creation in the hard-hit construction industry.

"Today's announcement demonstrates that the *Recovery Act* is working *now* to jumpstart the nation's ailing economy," said Secretary Donovan. "The TCAP program will significantly boost our efforts to put the American people back to work while providing quality, affordable housing options for low-income families at a time when those options are critical."

The current economic and financial crises present significant challenges for the construction industry, particularly residential construction. One of the by-products of this crisis has been the freezing of investments in the low income housing tax credit (LIHTC) market. The tax credits create an incentive for investors to provide capital to developers to build multi-family rental housing for moderate- and low-income families across the nation. Since the contraction of the credit market, and as traditional investors remain on the sidelines, the value of tax credits has plummeted. Consequently, as many as 1,000 projects (containing nearly 150,000 units of housing) are stalled across the country.

In response, the Recovery Act provides \$2.25 billion for TCAP, a grant program to provide capital investments in these stalled LIHTC developments. HUD is awarding TCAP grants by formula to state housing credit agencies (all 50 states plus the District of Columbia and the Commonwealth of Puerto

Rico) to complete construction of qualified housing projects that will ultimately provide affordable housing to an estimated 35,000 households nationwide. Since a major purpose of this program is job creation, the Recovery Act establishes ambitious deadlines to spend the grant funds and requires state housing credit agencies to give priority to projects that can begin immediately and be completed by February 16, 2012.

Under this second round of TCAP funds, state housing finance agencies in the states below are receiving awards today (the first 26 grants under this program were announced on June 30):

State	Amount
ALASKA	\$5,490,631
ALABAMA	\$31,952,086
CALIFORNIA	\$325,877,114
COLORADO	\$27,349,670
DISTRICT OF COLUMBIA	\$11,644,346
DELAWARE	\$6,608,893
FLORIDA	\$101,134,952
GEORGIA	\$54,481,680
INDIANA	\$38,048,333
KANSAS	\$17,121,110
KENTUCKY	\$31,616,176
LOUISIANA	\$39,383,397
MASSACHUSETTS	\$59,605,630
MARYLAND	\$31,701,696
MAINE	\$10,690,750
MISSOURI	\$38,687,026
MONTANA	\$7,818,360
NEW MEXICO	\$13,876,558
NEVADA	\$15,184,795
OKLAHOMA	\$25,723,568
PENNSYLVANIA	\$95,050,396
TEXAS	\$148,354,769
UTAH	\$11,639,074
VIRGINIA	\$44,247,749
WEST VIRGINIA	\$16,541,848

WYOMING	\$4,846,908
Total	\$1,214,677,515

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov. You can also follow HUD on twitter @HUDnews, on facebook at www.facebook.com/HUD, or sign up for news alerts on HUD's News Listserv.