

**DONOVAN AWARDS ALMOST \$5.5 MILLION TO JUMP-START AFFORDABLE HOUSING CONSTRUCTION IN ALASKA**  
***Recovery Act funding to stimulate the production of affordable units stalled by recession***

WASHINGTON - U.S. Housing and Urban Development Secretary Shaun Donovan today awarded \$5,490,631 to jump start affordable housing programs in Alaska that are currently stalled due to the current economic recession. Funded through *American Recovery and Reinvestment Act of 2009* (Recovery Act), HUD's new Tax Credit Assistance Program (TCAP) will allow the Alaska Housing Finance Corporation to resume funding of affordable rental housing projects across the state while stimulating employment in the construction trades.

"The intended purpose of the *American Recovery and Reinvestment Act* is to jumpstart the nation's ailing economy, with a primary focus on creating and saving jobs in the near term," said HUD Secretary Shaun Donovan. "The funding being awarded today is an important step in achieving the goal of putting American people back to work while at the same time providing quality, affordable housing options for low-income families at a time when it is needed more than ever."

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 LIHTC market. Tax credits provide 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 on hold across the country.

In response, the Recovery Act provides \$2.250 billion for TCAP, a grant program to provide capital investments in these stalled Low-Income Housing Tax Credit (LIHTC) projects. HUD is awarding these TCAP grants by formula to state housing credit agencies 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 for expenditure of grant funds and requires state housing credit agencies to give priority to projects that can begin immediately and be completed by February 16, 2012.

For more details regarding specific projects funded through this grant, contact Sherri Simmonds at the Alaska Housing Finance Corporation, (907) 330-8447.

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*HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet and [espanol.hud.gov](http://espanol.hud.gov).*