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**SECRETARY DONOVAN AWARDS OVER \$1 BILLION IN RECOVERY ACT FUNDS TO JUMP-START AFFORDABLE HOUSING CONSTRUCTION IN 26 STATES**

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

WASHINGTON - U.S. Housing and Urban Development Secretary Shaun Donovan today announced that HUD is approving plans submitted by state housing finance agencies for \$1,035,322,485 to jump start affordable housing programs in states throughout the country that are currently stalled due to the economic recession. Funded through *American Recovery and Reinvestment Act of 2009* (Recovery Act), HUD's new Tax Credit Assistance Program (TCAP) will allow 26 state housing finance agencies to resume funding of affordable rental housing projects across the nation while stimulating employment in the hard-hit construction trades.

"The 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 Secretary Donovan. "The funding being announced today is an important step in achieving the goal of putting the American people back to work while providing quality, affordable housing options for low-income families at a time when those options are 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 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 on hold 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 these TCAP grants by formula to 52 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 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.

Under this first round of TCAP funds, state housing finance agencies in the states below are receiving awards today (the remaining 26 grants will follow in the coming weeks):

Arizona  
Arkansas  
Connecticut  
Hawaii  
Idaho  
Illinois  
Iowa  
Michigan  
Minnesota  
Mississippi  
Nebraska  
New Hampshire  
New Jersey  
New York  
North Carolina  
North Dakota  
Ohio  
Oregon  
Puerto Rico  
Rhode Island  
South Carolina  
South Dakota  
Tennessee  
Vermont  
Washington  
Wisconsin

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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](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov). You can also follow HUD on twitter @HUDnews, on facebook at [www.facebook.com/HUD](http://www.facebook.com/HUD), or sign up for news alerts on HUD's News Listserv.*