

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury and HUD Announce \$419 Million in Recovery Act Funds to Create Jobs, Provide Affordable Housing

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WASHINGTON – As part of the Obama Administration's effort to create jobs and ease pressures on the housing market, the U.S. Department of the Treasury today announced more than \$330 million in American Recovery and Reinvestment Act (Recovery Act) funding to spur the development of affordable housing units in Kansas, Michigan, Ohio, Wisconsin, and Puerto Rico. The Department of Housing and Urban Development (HUD) also announced \$83 million for housing development in Ohio. The announcements come just three months after the Recovery Act was signed into law on February 17.

"Today's announcement of housing funds is an example of how President Obama's Recovery Act is setting our nation back on the path to economic stability, one community at a time," said Treasury Secretary Tim Geithner. "The construction and development created by this initiative will help the private sector to create much needed jobs and increase the availability of affordable housing for families around the country."

"In order for the Recovery Act to work as the President and Congress intended, it is essential that funds get out and contribute to job creation as quickly and efficiently as possible," said HUD Secretary Shaun Donovan. "This announcement today illustrates the commitment these agencies, and the Administration as a whole, have to ensuring that Recovery Act funds work to jumpstart the economy and housing market."

The labor and housing crises in this country are deeply inter-connected. Since their peak level at the beginning of 2006, housing starts have fallen 80 percent. Houses currently under construction are at a 12-year low, down 60 percent from the peak in the first quarter of 2006. This collapse has led to severe job losses in the residential building and specialty trades sector related to housing, with employment down by nearly one-third -- a loss of close to one million jobs. Such losses not only indicate significant problems in the residential construction sector, but also suggest that the need for affordable housing has risen markedly during the recession.

In response, the Treasury Department and HUD have launched two innovative programs that will provide more than \$5 billion from the Recovery Act to put people to work building quality, affordable housing for individuals and families affected by the current crisis.

The Treasury Department will work with state housing agencies to provide \$3 billion in funding to jump start the development or renovation of qualified affordable housing for families across the country. Under this program, after meeting certain eligibility requirements, state housing agencies will receive funding to construct affordable housing developments.

Today, the Treasury Department is announcing the first round of recipients: \$115 million in Wisconsin; \$99 million in Puerto Rico; \$78 million in Michigan; \$23 million in Kansas; and \$21 million in Ohio.

In addition, HUD will be awarding \$2.25 billion in grants to state housing credit agencies under the Tax Credit Assistance Program (TCAP) program to complete construction of qualified housing developments. This program will ultimately provide affordable housing to at least 35,000 low-income households. Today, HUD announced its first award, providing \$83 million to kick-start stalled multifamily developments in Ohio. Submissions from the remaining states, Puerto Rico, and the District of Columbia are due to HUD by no later than June 3, so this is the first of many similar announcements HUD anticipates making in the coming weeks.

The following are examples of specific local projects the Treasury funds will support:

**Osawatomie, Kansas.** The funds will complete construction on an elderly low-income housing project. Earlier this year, developers had to halt construction with three fourths of the building completed because, as the economy contracted, they could not attract additional investors. The Kansas Housing Resources Corporation anticipates that jobs will be created for plumbers, landscapers, electricians, general contractors, and painters. In addition, 24 Osawatomie families will have affordable housing at a time when many need it most.

**Detroit, Michigan.** Among the project the Michigan State Housing Development Authority expects to fund is Across the Park Apartments, a \$13 million preservation effort that will restore and modernize a federally assisted development in the City of Detroit. Plans include

renovating all 200 housing units, including energy efficiency upgrades. The project is expected to create construction jobs and full-time property management jobs.

**Canton, Ohio.** The housing award fund will allow for construction of Gateway House II, a new 40-unit permanent housing project in Canton, Ohio, to serve Stark County's population. The property is currently occupied by a vacant three-story vinyl sided tenement building, which is slated for demolition. The property has ample space around it for parking, green space and recreational activities. The project will provide jobs for contractors, electricians, plumbers, painters, roofers, and landscapers. In addition, once complete, the developments will make permanent jobs in property management and maintenance.

The funds announced today are the first in a series of awards based on a rolling application process. HUD and the Treasury Department anticipate making similar announcements in the coming weeks. To view the terms and conditions for the Treasury application, please click [here](#). To view the terms and conditions for the HUD application, please click [here](#).

For further information on local projects, please contact:

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