

## Department of Community Affairs Stimulus Action Plan

The Department of Community Affairs will receive funds under the *American Recovery and Reinvestment Act of 2009 (ARRA)* through six different funding streams. These funding streams will provide assistance in the areas of homelessness, affordable housing development, community development, neighborhood stabilization and volunteerism.

**1. Homelessness Prevention and Rapid Re-Housing Program (CFDA No. 14.257)** - Under ARRA, the Department of Housing and Urban Development (HUD) will provide a total of \$1.5 billion in financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. A total of \$33.6 million will come to Georgia including a portion directly to local governments. Of this total, the Department of Community Affairs will receive \$19 million. The funds under this program will be granted to local governments and non-profits for the purpose of assisting targeted individuals and families who are homeless or would be homeless but for this assistance.

**2. Tax Credit Assistance Program (TCAP)** - The TCAP program is a one-time appropriation of \$2.25 billion of which the State of Georgia will receive \$54 million. TCAP will provide gap funding for capital investment in Low Income Housing Tax Credit projects. The funds will be distributed competitively to rental housing project owners with funding priority given to projects that are expected to be completed by February 2012. Projects awarded Low Income Housing Tax Credits in federal fiscal years 2007, 2008, and 2009 are eligible for funding. 75% of TCAP funds must be committed by February 2010, 75% must be expended by February 2011, and 100% of the funds must be expended by February 2012.

**3. Tax Credit Exchange Program** - Under the ARRA legislation, the State of Georgia may elect to exchange part of its 2009 Low Income Housing Tax Credit ceiling for a grant from the US Treasury at the exchange rate of \$.85 for each dollar of credit. Because the Department does not have a method for estimating the numbers of credits that will be exchanged, we are unable to specify the amount of these funds the State will receive at this time. The funds may be used to finance the construction, or acquisition and rehabilitation of "qualified low-income buildings" within the meaning of Sec. 42 of the Internal Revenue Code. The funds will be distributed competitively and the funding must be committed by December 31, 2010.

**4. Community Development Block Grants (CDBG)** - HUD, under ARRA, will award over \$1 billion in CDBG funding to states for stimulus related activities. The State of Georgia will receive a total of \$21.9 million, with a portion of those funds going directly to local governments. The Department of Community Affairs will receive \$10.9 million that will be used to enable local governments to undertake a wide range of activities intended to create economic opportunities, primarily for persons of low and moderate income. Under the Recovery Act, recipients must give priority to projects that can award contracts based on bids within 120 days of the grant agreement.

5. **Neighborhood Stabilization Program II (NSP II)** (CFDA No. 14.256) - HUD will make available through the Neighborhood Stabilization Program (NSP) \$1.9 billion in funding on a competitive basis to address home foreclosure and abandonment and for the provision of capacity building and support for NSP grantees. The Department of Community Affairs previously received \$77 million in NSP funds through a formula allocation under the Housing and Economic Recovery Act of 2008 that will be used to assist local governments to purchase abandoned and foreclosed properties. These funds are referred to as NSP I. The funds available under ARRA are referred to as NSP II and will be awarded on a competitive basis. The rating factors HUD will use to award NSP II funds will include grantee capacity to execute projects, leveraging potential, and concentration of investment to achieve neighborhood stabilization. HUD must issue the application requirements no later than May 3, 2009. Applications will be due to HUD not later than July 17, 2009. Because of the competitive nature of the funds and the fact that application criteria are not yet published, the Department does not know the amount of NSP II funds the State of Georgia might receive.

6. **AmeriCorps Grants** (CFDA No. 94.006) - The Corporation for National and Community Service (CNCS) Recovery grant program is a one-time appropriation of \$201 million. The State of Georgia, through the Georgia Commission for Service and Volunteerism (GCSV), Department of Community Affairs (DCA), will receive \$936,170 in AmeriCorps\*State funds from CNCS, and has requested an additional \$1,147,686 in competitively awarded and supplemental AmeriCorps\*State funds, for the purpose of creating a *Georgia Recovery Corps* of AmeriCorps programming. All Georgia Recovery Corps programmatic activity is focused on service to individuals and communities to either improve employment conditions, assist persons facing home foreclosure, or rehabilitate sub-standard housing.

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