



Department of Justice, Peace and Human Development
Office of Domestic Social Development

HOUSING AND COMMUNITY DEVELOPMENT
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BACKGROUND

The housing problems facing Americans are headlines. Stories of families unable to afford their homes and facing foreclosure and eviction fill the news. There is no doubt that the housing market is a major driver in the current economic crisis. Given its role, Congress included significant resources for housing programs in the recently enacted economic stimulus bill (*The American Recovery and Reinvestment Act of 2009*):

- **\$1.5 billion for homeless prevention and rapid re-housing.** The Emergency Shelter Grant program (Department of Housing and Urban Development) will allow local groups to provide short-term or medium-term rental assistance, housing relocation and stabilization services including housing search, mediation or outreach to property owners, credit repair, security or utility deposits, utility payments, rental assistance for a final month at a location, moving cost assistance, case management or other appropriate activities for homelessness prevention and rapid re-housing of persons who have become homeless.
- **\$4 billion for the Public Housing Capital Fund.** This \$1 billion must be distributed by HUD by September 1, 2009. Public housing agencies (PHA) must give priority consideration to the rehabilitation of vacant units and to those capital projects already underway or identified in the PHA's five-year capital plan and for renovations and energy conservation retrofit investments. The funds cannot be used for operating or rental assistance.
- **\$2.25 billion for Project-based Housing.** \$2 billion corrects a longstanding problem of underfunding in the project-based Section 8 account that caused HUD to have to enter into contracts for less than a year with property owners creating great instability in the program. The remaining \$250 million is for HUD to provide grants and loans to upgrade its Section 202 elderly, Section 811 disabled and Section 8 project-based stock to increase energy efficiency. Owners participating in this \$250 million grant or loan program must commit to at least an additional 15 years of affordability.
- **\$2 billion to fund the Neighborhood Stabilization Program (NSP).** These funds can be used to redevelop foreclosed and abandoned homes. Unlike the existing NSP program, the new NSP funds will all be distributed by a competitive process. States, units of general local government and nonprofit entities or consortia of nonprofit entities are eligible to submit proposals. Eligible applicants can partner with for-profit entities to submit proposals. NSP program also include a number of renter protections.
- \$1 billion for the Community Development Block Grant program to be distributed using the normal CDBG formula.

- \$100 million for HUD's lead hazard control and healthy homes program for applicants eligible for FY08 lead hazard reduction program but not awarded because of insufficient funds.
- **Rural Housing Programs.** The bill provides funding to support both Section 502 direct rural homeownership loans and guaranteed homeownership loans and funds to support loans and grants from the rural community facilities program.
- The Emergency Food and Shelter Program within the Federal Emergency Management Agency received \$100 million.

USCCB POSITION

The United States Conference of Catholic Bishops supports a national housing policy that includes: preservation and production of quality housing for low income families, the elderly and other vulnerable people; as well as the participation and partnership of residents, nonprofit community groups, and churches to build and preserve affordable housing. Churches, community groups, the private sector, and state and local government must all do more to meet our common responsibility for housing. However, there is no substitute for an involved, competent, and committed federal government.

ACTION

Urge Congress to fully fund the rental assistance programs for the lowest income families and to provide cities, municipalities, states, and community groups the financial wherewithal to establish and maintain the neighborhood infrastructure of low-income communities in the Fiscal Year 2010 appropriations process.

As the economic crisis develops, Congress may propose additional housing legislation. Continue to monitor the Justice, Peace and Human Development webpage on the USCCB website for updates and opportunities for advocacy.

For more information, contact

Thom Shellabarger, USCCB, 202-541-3189 or tshellabarger@usccb.org