

American Recovery and Reinvestment Act of 2009

Triad Associates

As you already know, *The American Recovery and Reinvestment Act of 2009* lays out a plan to address our current financial crisis through investments in infrastructure, healthcare, education and energy, an extension of social programs and tax cuts. President Barack Obama signed the Act into law on February 17, approving \$787 billion in funding for federal programs.

Some of the goals of the Act are to:

- Create 3 to 4 million jobs over the next two years.
- Computerize every citizen's medical records in five years.
- Double renewable energy generating capacity over three years.
- Provide healthcare coverage for nearly 8.5 million Americans.
- Enhance the security of 90 major ports.
- Increase food stamp benefits for over 30 million Americans.

This stimulus package plans to modernize our health care system upgrade classrooms, libraries and labs in our children's schools across America, build wind turbines and solar panels for clean energy creation and lay broadband internet lines to connect rural homes, schools and businesses to the information superhighway. It will also work to repair crumbling roads and bridges and fix dangerously deficient dams and levees.

The Recovery Act specifies appropriations for a wide range of Federal programs and will increase or extend certain benefits payable under the Medicaid, unemployment compensation and nutrition assistance programs. This legislation also reduces individual and corporate income tax collections and makes a variety of other changes to tax laws.

Federal agencies are starting to post on their individual websites how they plan on spending the money. Beginning March 3rd, agencies are required to submit weekly reports providing a breakdown of funding, major actions taken to date and major planned actions. These reports will be posted on www.recovery.gov, a website that will track every dollar spent through *The American Recovery and Reinvestment Act*. Detailed state maps will soon be available to assist with tracking the money. Beginning May 8th, agencies must provide monthly financial reports providing obligations, expenditures and other financial data by state, county or other appropriate geographical unit.

It is important to note that within twenty days after enactment of the Recovery Act, agencies will post funding opportunity announcements to Grants.gov, and within thirty days of enactment, the Grants.gov synopsis shall link to the full announcement on the agency website. Federal agencies are also required to identify opportunities to streamline data collection to help alleviate reporting burden on funding recipients.

Each federal agency will have a dedicated section of its primary website to Recovery Act activities by the beginning of March. All agencies will have prominent links to *Grants.gov* and *FBO.gov* so that entities that want to apply or bid for grants, contracts, loans or loan guarantees have a clear and consistent avenue to learn more and act.

Here is some of the information that has been provided to date:

Housing and Urban Development (HUD)

The Recovery Act makes a substantial investment -- \$13.6 billion -- in housing and community development programs. The housing investments serve four main purposes:

- \$5.85 billion is for a range of housing and community development activities, including \$4 billion for the renovation and retrofitting of public housing. The Act provides an additional \$510 million and \$250 million respectively for the Native American and assisted housing programs. The Community Development Block Grant program will receive \$1 billion, while \$100 million is appropriated for HUD's lead based paint hazard reduction and abatement activities.
- \$4.25 billion is targeted to spur recovery in the housing sector, including \$2 billion for a second round of investments in the Neighborhood Stabilization Program and \$2.25 billion in a special allocation of HOME funds.
- \$1.5 billion is to prevent homelessness and enable the rapid re-housing of homeless families and individuals.
- \$2 billion is to ensure full 12 month funding for Section 8 project based contracts.

Environmental Protection Agency (EPA)

The American Recovery and Reinvestment Act of 2009 specifically includes \$7.22 billion for projects and programs administered by EPA to protect and promote both green jobs and a healthier environment. These environmental areas include:

- Clean Water State Revolving Fund and Drinking Water State Revolving Fund: \$4 billion for assistance to help communities with water quality and wastewater infrastructure needs and \$2 billion for drinking water infrastructure needs. A portion of the funding will be targeted toward green infrastructure, water and energy efficiency and environmentally innovative projects.
- Brownfields: \$100 million for competitive grants to evaluate and clean up former industrial and commercial sites.
- Diesel Emissions Reduction: \$300 million for grants and loans to help regional, state and local governments, tribal agencies and non-profit organizations with projects that reduce diesel emissions.
- Superfund Hazardous Waste Cleanup: \$600 million for the cleanup of hazardous sites.
- Leaking Underground Storage Tanks: \$200 million for cleanup of petroleum leaks from underground storage tanks.

Within New Jersey, \$161.8 million is targeted for the Clean Water State Revolving Fund and \$43.2 million is allocated to the Drinking Water State Revolving Fund.

Law Enforcement/Criminal Justice

Approximately 5,500 additional law enforcement officers will be added to agencies across the country through funding provided by the recently passed stimulus plan. The American Recovery and Reinvestment Act of 2009 allocates \$1 billion to the U.S. Department of Justice Office of Community Oriented Policing Services (COPS) for the COPS Hiring Recovery Program (CHRP). The grant program will be open to law enforcement agencies nationwide. More than \$4 billion will be available for state and local law enforcement and other criminal and juvenile justice activities.

Energy and Water

Two bonding mechanisms for financing renewable energy and energy efficiency systems have been expanded under the tax section of the American Recovery and Reinvestment Act of 2009. The act authorizes the allocation of as much as \$1.6 billion in new Clean Renewable Energy Bonds (CREBs), which are tax credit bonds for financing renewable energy projects. The act also authorizes the allocation of \$2.4 billion in qualified energy conservation bonds to finance a variety of clean energy projects. \$6 billion will support loan guarantees for renewable energy and electric transmission technologies – these are expected to guarantee more than \$60 billion in loans. There will also be a new tax credit to encourage investment in the manufacturing facilities that help make clean energy projects possible.

The Army Corps of Engineers is also slated to receive funds for construction, operation and maintenance and the regulatory program.

Transit

High-speed rail corridors and intercity passenger rail service will gain significant new funding. The Act provides \$8 billion for the Federal Railroad Administration to provide capital assistance to such rail projects, placing priority on projects that support intercity high-speed rail service. The act also provides \$1.3 billion to Amtrak, with the majority of funds going toward the repair, rehabilitation or upgrade of passenger rail assets or infrastructure, and for capital projects that expand passenger rail capacity.

Transit in general gains significantly under the economic stimulus act, which allocates \$6.9 billion to the Federal Transit Administration for capital assistance grants. The act directs \$100 million of those funds to help public transit agencies reduce their energy consumption and their greenhouse gas emissions. An additional \$750 million will support infrastructure investments in "fixed guideway" systems, which are any transit service that uses exclusive or controlled rights-of-way or rails, running the gamut from heavy rail to high-occupancy vehicle lanes. Another \$750 million is available for grants to "New Starts" and "Small Starts" projects, which include fixed guideway systems, system extensions and bus corridor improvements. The act also provides \$1.5 billion in supplemental discretionary grants for capital investments in surface transportation infrastructure, which could include transit systems.

Education

The Act will provide \$77 billion in funding for these purposes:

- \$40 billion in state stabilization funds to help avert education cuts; some of this money can be used for school modernization.
- \$13 billion for Title I, including \$3 billion for Title I school improvement programs.
- \$12 billion for IDEA.
- \$5 billion in incentive grants to be distributed on a competitive basis to states that most aggressively pursue higher standards, quality assessments, robust data systems and teacher quality initiatives.
- \$5 billion for Early Childhood.
- \$2 billion for other education investments, including pay for performance, data systems, teacher quality investments, technology grants, vocational rehab, work study and Impact Aid .

Additionally, up to \$33.6 billion will be available for school modernization.

Even in circumstances where funding is allocated to shovel-ready projects, it is not too late to start putting your plans together. Many projects may derail due to problems with permitting, a lack of community support, environmental issues or other potential roadblocks. It is possible that a project not identified in the first round of funding can find financial support in a subsequent round or through money that may be left over as a result of stalled or forfeited projects.

In the meantime, keep checking www.recovery.gov for updated information. This is an exciting opportunity for municipal government to obtain funding for many projects that may have been designed and simply needed the right infusion of funding to get started!

Triad Associates is currently the League's Grant Consulting Firm. Their firm, which is known for its expertise in community and economic development, including strategic planning, redevelopment, acquisition, relocation and funding, has brought diverse plans and projects to life by generating more than \$580,000,000 for over 120 public, private and nonprofit clients throughout the Northeast region since 1978. Every member of the Triad team is personally committed and dedicated to the success of its clients and the projects that benefit communities.