

From: Victor Merced
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Subject: Director's Bulletin

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To: Employees and Partners of Oregon Housing and
Community Services

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Re: Director's Bulletin – American Recovery and Reinvestment Act Update

More than \$90 million in federal stimulus is coming the way of Oregon Housing and Community Services.

Details of the American Recovery and Reinvestment Act, signed by President Obama on February 27, continue to be scrutinized by CFO Nancy Cain and Senior Policy Advisor John Fletcher.

We do not have a precise assessment of ARRA dollars, but you can be sure of this: Oregon is actively pursuing stimulus funding on behalf of people in need and people who are at risk of losing their homes.

Such is the vision Gov. Ted Kulongoski has promulgated, and OHCS intends to faithfully deliver.

Big picture. ARRA – all \$787 billion of it – is designed to jump-start the economy and put people back to work. The bill's major components are:

- Purchase of goods and services – \$308 billion.
- Direct payments to individuals – \$267 billion.

- Tax relief to businesses and individuals – \$212 billion.

A summary of the bill's major provisions can be found at:

<http://waysandmeans.house.gov/media/pdf/111/arra.pdf>

To dig into the bill language, note the following categories and links:

- Spending provisions: <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>
- Tax provisions: http://www.house.gov/billtext/hr1_legtext_crb.pdf

President Obama is reporting progress on the bill's objectives at:

<http://www.whitehouse.gov/>

OHCS benefits. The stimulus bill will provide more resources for many OHCS programs. More detailed information about these programs will be listed on the department Web site as information becomes available.

The following OHCS programs will receive stimulus funding:

Low-Income Weatherization. Roughly \$40.1 million will be provided for weatherizing as many as 10,000 homes. The energy and environmental savings from these improvements will continue for years to come.

Tax Credit Assistance Program. The stimulus bill provides \$27.34 million to support housing tax credits that have lost value. These funds will provide needed gap financing for “ready” affordable housing projects

In addition, the bill allows OHCS to cash in unused credits from 2008 and a portion of the 2009 allocation. This exchange provision provides additional resources for existing and new affordable housing projects.

Neighborhood Stabilization. Nationwide, an additional \$2 billion is provided for the well-publicized Neighborhood Stabilization Program. States and cities are required to apply for these funds as they are competitively awarded. The funds will enable the purchase and redevelopment of foreclosed properties in neighborhoods threatened by blight. We roughly estimate over \$9 million as Oregon's proportionate share based on the previous NSP allocation.

Homelessness. The bill provides \$7.87 million to OHCS for homelessness programs. Additional funds are provided to Portland, Salem, Eugene, Clackamas County and Washington County. These funds will provide short-term rental assistance, housing relocation and stabilization for those at risk of homelessness.

Community Services Block Grant. The bill strengthens the CSBG program,

providing and additional \$7.94 million to support employment, food, housing and healthcare.

Other Funding. ARRA also provides funding for the OHCS Temporary Emergency Food Assistance Program, providing USDA commodities to Oregonians who otherwise might go hungry. Additional funding in the amount of \$1 million is also identified for Oregon Volunteers to support AmeriCorps and other volunteer programs.

First-Time Homebuyer Tax Credit. The American Recovery and Reinvestment Act of 2009 amended the First-Time Homebuyer Tax Credit for homes purchased between January 1, 2009, and November 30, 2009:

- The credit is 10 percent of the value of a home, up to \$8,000 (\$4,000 for a married individual filing separately).
- Qualified households with incomes up to \$75,000 (\$150,000 for a joint return) that have not had an ownership interest in a home for the previous three years may take advantage of this credit.
- In addition, the amended credit may be used by homebuyers who qualify for a Mortgage Credit Certificate or use Oregon's First-Time Homebuyer Program. The credit is for the homebuyer's 2009 tax year only, and does not have to be repaid unless the homebuyer ceases to use the home as a principal residence within 36 months of the date of purchase.

These resources will enable OHCS to help the state's economy while providing needed programs and critical services to Oregonians.

I take no great pleasure, as director of Oregon's housing finance agency, in facing down the economic trauma that confronts us. Still, I am proud to serve a governor who clearly embraces the best interests of all the state's residents.

Implementation of ARRA will be a challenge to be sure. Oregon Housing and Community Services will be vigilant, judicious, and transparent in its management of this federal infusion of dollars. As always, we will keep you up to date on important news as we receive it.

In reaffirming the greatness of our nation we understand that greatness is never a

given. It must be earned.

~ Barack Obama

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