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Early Details: Housing in Federal Stimulus Package

St. Paul, Minn. (February 12, 2009) – Early reports indicate that housing programs are a part of the \$790 billion stimulus package agreed to by Congressional leaders yesterday. While these new federal resources fail to meet current and projected housing need, they do provide an important building block for crafting state housing strategy. The House is expected to vote on the package today or tomorrow, followed quickly by the Senate, in order to have the bill to the President's desk by Monday. The stimulus package includes the following funding to address housing:

1. \$2 billion for a second round of Neighborhood Stabilization Program. The proposed initiatives differ from current programs in that they 1) emphasize competitive grants, and 2) make funding available to nonprofits as well as government bodies;
2. \$100 million for the FEMA emergency food and shelter program;
3. \$6.3 billion for energy efficiency for federally assisted housing. This includes public housing assistance on which the House and Senate each had \$5 billion for in their respective bills. Details need to come out regarding the breadth of improvements eligible under this new funding;
4. \$5 billion for the Department of Energy home weatherization program; and
5. Extends tax credits for energy efficient investments in homes, enhances the marketability of state and federal bonds, and removes the repayment requirement for a \$8,000 credit for first time homebuyer purchase of homes (this amount is up from the former \$7,500 credit and is still considerably lower than the \$15,000 credit in the Senate bill).

MHP will also be looking for word on any changes that would increase marketability of Low Income Housing Tax Credits - the House and Senate have taken very different approaches. MHP will provide more details in the next day or two as they become available.

The Minnesota Housing Partnership is a statewide nonprofit organization that advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing, in addition to advocating and educating people on sound housing policies. MHP's work in Greater Minnesota is primarily supported by The McKnight Foundation.

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