

AMERICAN RECOVERY & REINVESTMENT ACT (ARRA): IMPACT ON CITY OF MILWAUKEE

**Presentation to Steering & Rules
Committee**

April 2, 2009

Discussion Topics

1. Formula Awards
2. Competitive Grant Opportunities
3. Budget Implications
4. Accountability

Formula Awards

1. Community Development Block Grant
2. Workforce Investment Act Grant
3. Byrne Justice Assistance Grant
4. Homeless Assistance Grant
5. Public Housing Capital Fund
6. Healthy Homes Grant
7. Energy Block Grant

Community Development Block Grant (CDBG)

1. \$4.52 m total
2. City controls the allocation process
3. Current regulations apply
 - City has requested waiver of public service category restriction
4. Departments have identified \$37 million of projects
5. Coordination with Workforce Investment funds will leverage increased positive impact

Workforce Investment Act

Three formula-based Department of Labor programs:

- Youth: summer/year round employment ; training & support services: \$4.26 million
- Adult job training & placement assistance; support services; priority to persons on public assistance & other low income persons: \$1.6 million
- Dislocated worker job training & placement assistance; support services; funds may be used for higher education to facilitate the training of multiple individuals in high-demand occupations: \$2.21 million

Byrne Justice Assistance Grant (JAG)

1. \$5.7 million must be expended by March 1, 2013
2. JAG provides funds for crime prevention, law enforcement, and prosecution
3. City & County must agree on a proposal

Homeless Assistance Grant

1. \$6.91 million over 3 years
 - Must spend 60% over 2 years and 100% w/in 3 years
2. The assistance is in the form of rent vouchers
 - Funding is not available for the existing shelter system.
 - Funding may be used for preventive activity.

Public Housing Capital Fund

1. \$10.3 million over 2 years
2. Must supplement other funding; operating costs are not eligible
3. Funding will reduce backlog of deferred maintenance projects
4. HACM may be able to supplement this amount through competitive stimulus funding opportunities.

Healthy Homes Grant

1. \$874,000 to Health Department over 3 years
2. Asthma & Lead-abatement related activities
3. 50% must be spent within 2 years

Energy Block Grant

1. Funding of \$5.9 million
 - Funds must be spent by 9-30-2010
2. Wide range of eligible uses
3. Energy efficiency & conservation strategy is required for year 2 funding
4. 20% may be used for a residential revolving loan fund
5. Energy audits needed to establish strategic funding priorities

Competitive Funding Opportunities

1. Supplemental Grants for Highway Investment
2. Byrne JA grants (state competitive program)
3. Department of Justice COPS grant
4. EPA Brownfields Grants (through States)
5. HUD Neighborhood Stabilization
6. Clean Diesel & Alternative Fuel Grants
7. Other Energy Grants
8. Common Fund-National Institutes of Health
9. Health & Social Services Prevention & Wellness Fund

Competitive Funding Opportunities (cont'd)

10. Women's, Infant, & Children Nutrition Program
11. Office of Violence Against Women's programs
12. Grants for training in high growth occupations (including "green jobs")
13. Advanced Broadband Grants
14. Port Security
15. Clean Water Revolving Fund
16. Firefighter Assistance Grants

Supplemental Grants for Highway Investment

1. \$38.7 million is available for Milwaukee Urbanized Area “local projects”
2. \$15.9 million available statewide for transportation enhancements
3. DPW is focusing on local bridges and certain arterials
 - May be able to advance 2010 projects
4. DCD is focusing on development-related transportation enhancement projects

Byrne Justice Assistance Grants (Competitive)

1. \$225 million nationwide available for expenditure through 09/30/2011
2. Department of Justice is seeking proposals for “innovative community policing concepts”
3. Grants available to units of government and non-profit organizations
4. Administered through DOJ-Bureau of Justice Assistance via competitive RFP

Community Oriented Policing Services (COPS)

1. \$1 billion available nationwide
2. No local match, grant funding based on current entry-level salary and benefits
3. Funds 36 months of newly-hired full-time sworn officers, or rehiring of laid off or scheduled-to-be-laid-off officers
4. City must have a plan to retain personnel for 12 months after grant expires

EPA Brownfields Grants

1. \$100 million available nationwide
2. Grant awards likely to be in \$1 million or less increments
3. DCD has a proven track record in obtaining Brownfield grants & leveraging them into redevelopment projects

HUD Neighborhood Stabilization

1. DCD expects to pursue up to \$10 Million
2. Program timeframe
3. The funds would utilize interventions to stabilize neighborhoods negatively affected by high rates of home mortgage foreclosure and sub-prime lending
4. City will build on recommendations of foreclosure task force

Health Related Funds

1. WIC Program

- \$100 Million for WIC state agencies to upgrade management information systems
- \$400 Million will be allocated as deemed necessary to states for increased program participation
 - If Wisconsin's WIC funding is increased, local project grants will be adjusted as needed

2. National Institutes of Health (NIH)/Common Fund

- \$130 Million to be spent in 2009 and 2010 to support scientific research at NIH Institutes and Centers
- \$200 Million (200 \$1M grants) in NIH Challenge grants
 - For areas that address specific scientific and health research challenges in biomedical/behavioral research
 - MHD has applied for 3 Challenge Grants

3. Prevention and Wellness Fund

- \$50 million to HHS for Healthcare-Associated Infections;
- \$650 million to HHS million for evidence based community prevention and wellness programs
- \$300 million to CDC to expand Section 317 immunization program to ensure more under-insured children and adults receive recommended vaccines

Office of Violence Against Women

1. \$225 million of competitive grant funding for five programs
2. Most of the funding is directed to:
 - Services Training Officers Prosecutors (STOP) Formula Grant program (\$180 million; \$2.5 million for Wisconsin entitlement)
 - Transitional Housing Grant program (\$43 million)

Clean Diesel and Alternative Fuel Vehicle Grants

1. \$300 million nationwide for competitive clean diesel and alternative fuel grants
2. DPW would like to purchase compressed natural gas trucks (CNG) and refueling infrastructure

Other Energy Grants

1. Transportation electrification grants (to create infrastructure for plug-ins)
2. Home Weatherization program administered directly by State through local non-profits, but large share for Milwaukee
3. Private sector loan guarantees for renewable energy
4. Research grants, including hybrid battery research, for private sector

Grants for Training in High Growth Occupations

1. \$750 million available nationwide
2. Examples of possible projects:
 - Green collar job training for 30th Street corridor projects
 - Bronzeville residential energy efficiency initiative
 - Bronzeville Redevelopment Initiative

Advanced Broadband Grants

1. \$4.35 billion set aside for advancing “sustainable” broadband access in unserved & underserved communities.
2. Public libraries and community colleges specifically mentioned as areas for expansion.
3. First round of grants announced between April and June 2009. Also rounds in October-December 2009, and April-June 2010.
 - Current program regulations establish a 20% match unless financial need is demonstrated.
4. All money must be spent within 2 years of award.

Port Security Grants - Competitive

1. \$150 million available nationwide
2. Supports enhanced risk management and awareness, training and exercises, and capabilities to prevent, detect, respond to, and recover from attacks
3. City has received Port Security funding in the past

Clean Water Revolving Fund

1. State share \$107.9 million.
2. Funds not subject to cost-share requirements.
 - Low interest & negative interest rate loans; and grants
3. Funds must be contracted or under allocation within 12 months, green infrastructure and “innovative” projects given precedence.
4. May be a funding source for MMSD landfill gas project

Fire Fighter Assistance Grants

1. \$210 m nationwide for construction/renovation of fire houses with \$15 m individual project cap
2. Peer review and grant awards through FEMA
3. Fire Department priority projects include:
 - Fire Repair Shop (\$15 m.)
 - Engine House #17 (\$4.2 m.)
 - Engine House #8 (\$4.2 m.)

City Budget Implications

1. Not a budget windfall
 - Many funds are outside general City purposes
 - Non-supplanting requirements
2. Some opportunities to accelerate capital and technology investments
3. State Stabilization Fund is single biggest City budget impact
 - General School Aid & Shared Revenue funding

Other Opportunities

- Small Business Administration – Loans and tax credits.
- New Market Tax Credit – A tax credit for making qualified equity investments in designated Community Development Entities (CDEs).
 - MEDC & RACM are collaborating on a \$100 million application (ARRA authorizes \$1.5 billion additional NMTCs.)
- Build America Bonds – Uses taxable municipal bonds that would receive a 35% rebate on the interest paid on the debt.

Other Opportunities (Cont.)

- Tax Exempt Recovery Zone Facility Bonds - Provides low cost financing for certain depreciable private property. Borrowing authority allocations will be distributed to states and large municipalities based on relative job losses.
- Taxable Recovery Zone Economic Development Bonds - Provides bond issuers with a 45% rebate on interest payments for projects in distressed areas.

Accountability

- The recipients and uses of all recovery funds are transparent to the public, and that the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Recovery funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse;

Accountability

- Projects funded under the recovery legislation avoid unnecessary delays and cost overruns;
- Programs meet specific goals and targets, and contribute to improved performance on broad economic indicators.

Informational Links

- www.recovery.gov - Federal site with links to agencies.
- www.recovery.wi.gov - State site with links to State agencies.