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Federal Stimulus Incentivizes the Greening of Affordable Housing

by Jared Eigerman and Elizabeth Lintz

Affordable housing owners seeking to make green investments in their properties have long been constrained by a lack of financing opportunities and appropriate economic incentives, due in large part to legal and regulatory barriers. The American Recovery and Reinvestment Act (ARRA), passed by the House of Representatives on January 28, 2009, is a significant step toward making it possible for owners to realize the financial and environmental benefits of green affordable housing. ARRA marks a watershed in the federal government's vision for affordable housing's potential role in reducing the nation's energy consumption and creating green construction jobs.

Within ARRA's \$275 billion in tax cuts and incentives and \$550 billion in supplemental appropriations is approximately \$10 billion in appropriations targeted at promoting energy efficiency or other green improvements in privately and publicly owned affordable housing. An additional \$1.5 billion is appropriated for the HOME Investment Partnerships program, which can be used toward energy efficiency improvements, and another \$3.5 billion is appropriated for the Energy Efficiency and Conservation Block Grant program. The Senate is working on similar legislation, which would have to be harmonized with ARRA. Final legislation is expected before the Presidents' Day recess.

If ultimately enacted, ARRA's green housing provisions will need a significant amount of implementation, which would be worked out through regulations and guidances. Goulston & Storrs is working with the recently formed Council for Energy Friendly Affordable Housing (CEFAH), an independent council within the National Housing & Rehabilitation Association, and other industry groups to help shape regulatory outcomes and maximize the practi-

cal utility of these new federal funds. Certain approaches to regulatory reform that would help spur the greening of affordable housing are outlined in a proposal released in December by the Center for American Progress (http://www.americanprogress.org/issues/2008/12/green_housing_report.html).

G&S is monitoring the legal and regulatory landscape for green affordable housing as it changes by the hour, and will advise its clients on new opportunities for realizing the benefits of green investments.

The authors are members of the Real Estate Group and can be reached at jeigerman@goulstonstorrs.com and llintz@goulstonstorrs.com.

For questions regarding the information contained in this alert, please contact:

David Abromowitz 617.574.4016
dabromowitz@goulstonstorrs.com

George Weidenfeller 202.721.1133
gweidenfeller@goulstonstorrs.com

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