

## Metropolitan Washington Council of Governments

# American Recovery & Reinvestment Act Regional Information Center

November 2009 Update

## **COG** Initiatives

## Neighborhood Stabilization Program Application Submitted

The Metropolitan Washington Area Consortium submitted its regional NSP2 application on July 21, 2009. Funding decisions will be announced in November 2009.

COG took the lead in creating the Consortium and in developing the \$33.9 million joint application. If implemented, the proposal would "combine a new, regional-scale revolving loan fund to help redevelop targeted foreclosed properties for affordable homeownership with local-level flexibility in operating homebuyer assistance programs and running initiatives to acquire and rehab select foreclosed properties as affordable rental unit," according to an overview of COG's proposal by Brookings.

The Consortium is comprised of six local jurisdictions to include: the City of Alexandria, the City of Bowie, Fairfax County, the City of Gaithersburg, Prince George's County, and Prince William County.

As part of its Online Information Center for regional stimulus issues, COG has created a Web site on the NSP2 program. To view the Consortium's application, please visit <a href="http://www.mwcog.org/publications/recovery/nsp2.asp">http://www.mwcog.org/publications/recovery/nsp2.asp</a>. For more information on the Consortium's proposal, please see the attached Consortium overview by Brookings.

## **Contact & Information**

#### Contact

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#### Web

In March, COG launched the Online Information Center to serve as a regional clearinghouse for information on the American Recovery and Reinvestment Act. The site is updated regularly and is located at: http://www.mwcog.org/recovery

## Funding Updates

## COG Funding/Proposal Actions

## **TIGER**

On September 15, 2009, the TPB submitted a \$266,718,500 proposal to the TIGER program for prioirty bus transit in the National Capital Region. TIGER, or Transportation Investment Generating Economic Recovery, is a grant program under the American Recovery and Reinvestment Act (ARRA) that makes \$1.5 billion available on a competitive basis for capital investments in surface transportation infrastructure projects. An overview of the proposal is available at <a href="http://www.mwcog.org/transportation">http://www.mwcog.org/transportation</a>. Decisions on awards will be announced in early 2010. The Washington Post endorsed the TPB's TIGER proposal in a July editorial (a copy is attached).

Priority Bus Corridors would consist of enhanced bus service on new and existing routes throughout the region, including such features as dedicated bus lanes, traffic signal priority, skip stop service, enhanced pedestrian access, real-time passenger information, and enhanced bus stops, among others.

Under the proposal, 1.3 miles of K Street – from Mt. Vernon Square to Washington Circle – in Northwest Washington would also be transformed from its current form to provide for two lanes of bus-only traffic, with the option of a passing lane. Two lanes in each direction would be available to regular traffic. The TPB's proposal also includes an expanded regional bike-sharing program. The program would provide thousands of bicycles at hundreds of bike-sharing stations throughout the region.

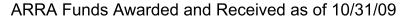
## **EPA Diesel Retrofit Project**

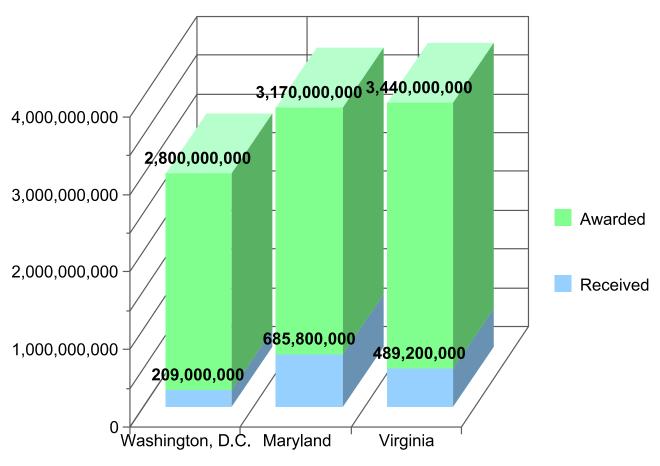
COG is receiving ARRA DERA funds to manage a Diesel Anti-Idling Campaign in the District of Columbia and Maryland. The funds are being received as a subgrant through the District Department of the Environment and the Maryland Department of the Environment. When both subgrants are signed (the Maryland subgrant award has not yet been signed), the total amount of funding for the campaign project will be \$365,732.

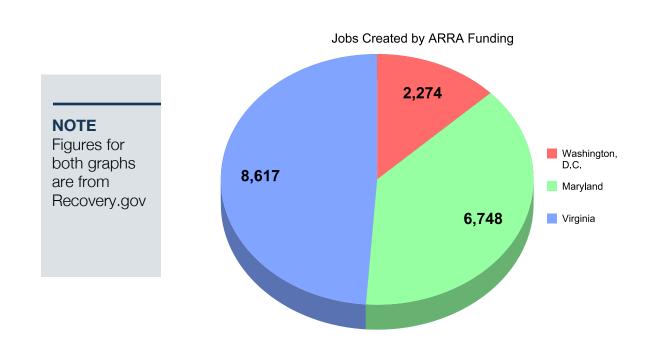
## **Water Pollution**

The District Department of the Environment (DDOE) has received an ARRA grant from the U.S. Environmental Protection Agency to fund projects within the District of Columbia to benefit the waters within it boundaries to attain compliance with the Water Pollution Control Act of 1984. COG has been granted \$50,000 by the DDOE to update the District's existing 1999 Water Pollution Control Contingency Plan for better response, coordination and appropriate remedies for spill events in the District's separate storm sewer system or water bodies.

## **ARRA Funding Graphs**









## Implementing ARRA

Design Snapshot

## Combining Regional Scale and Local Flexibility: NSP2 Plans for Metropolitan Washington D.C.

## August 2009

Six municipal and county governments in suburbs around Washington D.C. formed the Metropolitan Washington Area Consortium to collaboratively pursue ARRA's funding opportunity for the second round of the Neighborhood Stabilization Program. The Metropolitan Washington Council of Governments took the lead in developing the \$33.9 million joint application. The proposal would combine a new, regional-scale revolving loan fund to help redevelop targeted foreclosed properties for affordable homeownership with local-level flexibility in operating homebuyer assistance programs and running initiatives to acquire and rehab select foreclosed properties as affordable rental units.

NSP2 Plans for Metropolitan Washington D.C.		
Purpose:	To support the acquisition, rehab, and resale or rental of foreclosed properties across targeted areas of the region	
Lead entity:	Metropolitan Washington Council of Governments	
Partners:	City and county governments, community development finance organization, research institutions, nonprofits, and private developers	
ARRA focus:	Neighborhood Stabilization Program 2	
Scale:	Region (six cities and counties)	
Strategies:	Adopts multi-jurisdictional and multi- sectoral approaches; catalyzes market and private investment; employs information management, data, and benchmarking	
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In response to ARRA's Neighborhood Stabilization Program 2 (NSP2), six suburban jurisdictions of the metropolitan Washington D.C. region voluntarily came together as the Metropolitan Washington Area Consortium in late May 2009 to craft a joint application. Led by the Metropolitan Washington Council of Governments (MWCOG), the consortium consists of the cities of Alexandria, VA; Bowie, MD; and Gaithersburg, MD and the counties of Fairfax, VA; Prince George's, MD; and Prince William, VA. These six jurisdictions represent roughly half of the region's foreclosures. Prince George's and Prince William's counties, in particular, suffer the most severe foreclosure crises in the region.

While all of the other jurisdictions falling within MWCOG's geography were also invited to participate, the six that joined the consortium had the time and capacity to partner together and met the guidelines for and saw value in a joint

regional application as opposed to state-led or individual proposals. Prince William County and the City of Gaithersburg, specifically, struggle with limited capacity to individually address their foreclosure challenges and saw the consortium as a resource. The consortium's \$33.9 million application calls for

economies of scale at the regional level, while also enabling local governments to target resources and support homeowners at the neighborhood level.

ARRA's NSP2 opportunity prompted an unprecedented degree of inter-jurisdictional cooperation among the six local and county governments of the consortium in planning around housing issues. Each jurisdiction was given the opportunity to identify which census tracts within its boundaries to target for potential ARRA funding, and agreed to select those areas that could stretch federal dollars the furthest in generating broader regional economic recovery. Targeted neighborhoods were screened for assets that would help leverage federal funds, such as proximity to public transportation and major employment centers, and evidence of recent local government investment and functioning real estate markets. Furthermore, to boost the chances of any ARRA dollars to produce positive returns, MWCOG kept the consortium focused primarily on neighborhoods at the "tipping point"—not necessarily the most foreclosure-stricken places, but those on the verge of serious decline where a targeted infusion of public resources could attract additional private investment and stabilize housing markets for local and regional benefit.

In its targeted areas, the consortium plans to bring back on line more than 400 foreclosed and abandoned homes within three years through its activities in acquiring and rehabbing them for resale or rental. The consortium's plan envisions passing through roughly \$21.4 million of NSP2 funding to the six local governments to operate their own down payment and closing cost assistance programs to buyers of foreclosed homes in their respective jurisdictions. Another \$7.5 million of proposed funding is slated for the member jurisdictions to direct their own initiatives for acquiring and rehabilitating foreclosed properties as affordable rental housing. Conducted at the jurisdiction-level, homebuying assistance and rental housing development would be tailored to respond to local market conditions and circumstances. The resale of foreclosed homes, however, would occur at the regional-level with MWCOG taking advantage of economies of scale in establishing a proposed regional revolving loan fund to help finance the acquisition and rehab of foreclosed properties into affordable home ownership opportunities.

Partnerships with the nonprofit and private sector are crucial elements of the consortium's NSP2 plans and would shape the success of any actual implementation. Most notably, the consortium has partnered with the community development finance institution, <a href="Enterprise Community Loan Fund">Enterprise Community Loan Fund (ECLF)</a>, to design and operate the proposed regional fund. The fund will provide loans to qualified developers to help them acquire and rehab foreclosed properties to sell to low-, moderate-, and middle-income homebuyers. If successful in its NSP2 bid, the consortium would provide roughly \$2 million in ARRA funds to ECLF to use as a loan loss reserve. These funds would leverage an additional \$11.3 million in funds from the <a href="National Community Stabilization Trust">National Community Stabilization Trust (NCST)</a> to support the acquisition and rehabilitation of foreclosed homes region-wide. Indeed, COG, on behalf of the consortium, intends to work closely with NCST, to relay information to member jurisdictions and selected developers on strategically important bank-owned properties before they are made available to other investors at-large. Developers—for-profit, nonprofit, local, and national—have already been engaged by the consortium in crafting the NSP2 proposal and a formal forthcoming selection process will identify which groups are best suited to carry out the consortium's planned activities.

To assess the progress of its NSP2 program, the consortium intends to partner with the <u>Urban Institute</u> to track a broad range of indicators related to neighborhood stabilization and development. Key measures include levels of mortgage delinquency and foreclosures; volume, prices, inventory, and turnover rate of home sales; number of vacancies; and volume and type of home loans. Depending on these statistics, the

planned NSP2 program may be adjusted accordingly. As an example, the consortium may shift greater amounts of funding to particular local markets to help improve any weak areas of performance.

MWCOG anticipates that the inter-jurisdictional collaboration that consortium members have experienced working together around NSP2 will advance and strengthen implementation of the region's broader housing goals. A prime example is the expansion of the supply of affordable homes across the region, as laid out by the Greater Washington 2050 vision and the work conducted by the Washington Area Housing Partnership—a MWCOG-created entity. In fact, MWCOG hopes that enthusiasm for collaborative approaches to doing business spills over to other issue areas, such as health and human services.

## **The Implementing ARRA Series**

America's current economic crisis is not only a national crisis. It is also a metropolitan crisis. Therefore, it is critical to monitor the progress of creative metropolitan leaders who are leveraging the myriad resources provided by the \$787 billion American Recovery and Reinvestment Act of 2009 (ARRA). To that end, the Metropolitan Policy Program's Implementing ARRA Series is tracking the implementation work of metropolitan leaders, assessing their progress and struggles, and extracting from the innovators' experiences ideas for short- and long-term federal policy reforms. Ultimately it is hoped the series will serve as a resource for best-practice exchange among regions and a source of ideas for designing the next generation of metro-friendly federal policies.

#### **For More Information**

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TODAY'S NEWSPAPER





#### Get on the Bus

A promising way to speed commutes

Sunday, July 19, 2009

WITH A FEW notable exceptions, such as Los Angeles, urban America has been late to the party when it comes to making buses fast and reliable enough to coax commuters out of their cars. By contrast, dozens of major world cities, such as Sao Paulo, Brazil; Brisbane, Australia; and Ottawa, the Canadian capital, have extensive networks of buses that offer enhanced speed, convenience and comfort. A fresh proposal by regional leaders gives hope that the Washington area -whose traffic is the second-worst in the nation -- may join the big leagues of rapid bus service.

Lured by the incentive of new federal stimulus dollars earmarked for transportation, a regional group, the Metropolitan Washington Council of Governments, is seeking \$276 million to build an extensive system of priority and dedicated bus corridors in the city and surrounding areas. The centerpiece would be a 1.3-mile transitway along K Street between Washington Circle and Mount Vernon Square that would eliminate parking and provide three lanes exclusively for buses. Dedicated lanes, signal priority and bus stops that are

more like full-fledged stations would be used there and

elsewhere to transform humdrum bus service to something akin to surface subways. The K Street bus corridor would hook up with dedicated lanes to whisk buses across bridges onto interstates 395 and 66 in Virginia.

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The proposal is ambitious in terms of time and cost, maybe excessively so; transportation planers are trying to whittle it down to a more realistic scope. The project as envisioned would require \$676 million, meaning that other federal, state, local and possibly private funding sources would have to be tapped in addition to the stimulus money. What's more, under the Obama administration's guidelines, work would have to begin almost immediately and be completed by 2012.

That's a very fast timetable for a major transit project, but not impossible. In Los Angeles, two demonstration corridors totaling 42 miles and engineered for fast bus service were completed in 18 months a decade or so ago. Today the city has more than 400 miles of roadways set aside for the rapid buses, which have been "branded" by their distinctive red paint.

The Washington area has made a few concessions to speedier buses, but the investment has been modest and amounts to nothing resembling a network. In general, buses are burdened by a bad reputation, especially for getting stuck in traffic, despite the enormous



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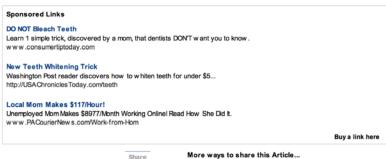
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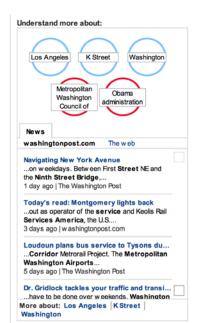
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burdened by a bad reputation, especially for getting stuck in traffic, despite the enormous number of passengers they serve. Anything to speed service by giving buses priority will lure passengers, ease traffic and cut pollution. That's just the sort of prudent mass transit strategy that's been lacking in too many American cities.



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