

Beyond the Recovery Act: Green Housing Rehab and Job Creation

By Shaun Donovan

Over the last several months, I have been privileged to attend groundbreakings in communities across the country and see how work funded by President Obama's Recovery Act is putting thousands of people to work to meet America's affordable housing needs. Of the \$13.6 billion HUD received under the Recovery Act, more than \$10 billion is funding for construction work meeting Davis-Bacon requirements, putting people to work greening HUD's housing stock, reviving stalled affordable housing projects and stabilizing neighborhoods wracked by foreclosures.

The results are clear: by Labor Day, HUD will have constructed or rehabilitated 230,000 affordable housing units in communities across the country.

These successes reflect President Obama's commitment to making green building an engine of economic growth, jobs and opportunity in communities across the country – creating a new generation of professionals, ready to build, install, repair and maintain these technologies, from mechanics and electricians to plumbers and construction workers.

HUD shares that commitment – and is promoting the expanded use of apprenticeship programs, encouraging the use of Project Labor Agreements (PLA) in cooperation with the White House PLA Working Group and increasing our Section 3 reporting by 55 percent, which helps to ensure low-income individuals have the same access to employment from businesses receiving Recovery Act contracts as anyone else. Indeed, recently, HUD hosted a workshop on PLAs and Section 3 at our National Fair Housing Conference in New Orleans.

One of the most important Recovery Act investments was the \$4 billion in public housing capital funds provided to over 3,000 public housing authorities throughout the nation – creating jobs, redeveloping blighted properties, renovating and weatherizing affordable apartments and making homes energy efficient. The latest numbers show that this program created or saved more than 10,000 jobs in 2010 alone.

With the Recovery Act, we proved that green affordable housing construction and rehab can be a powerful engine for job creation.

The question is: where do we go from here? With buildings responsible for 40 percent of our greenhouse gases, the job of greening America's homes is far from over. But the Recovery Act was a one-time investment. And today—even after six straight months of private sector job

creation—too many families across the country are still struggling as a result of the 8 million jobs we lost in this crisis.

We need look no further than our public housing system, which faces between \$20 and \$30 billion in capital needs. No one seriously believes Congress will be able to provide these funds in the current fiscal climate – and yet we estimate there is \$25 billion of private and other public capital sitting on the sidelines, waiting to be invested in these properties. Antiquated rules developed nearly a half century ago prevent anyone but the Federal government from financing improvements to public housing.

That's one big reason that the Obama Administration is proposing the Transforming Rental Assistance initiative (TRA), which would bring public housing into the 21st century and create hundreds of thousands of jobs – good jobs that can't be outsourced.

HUD estimates that in the first year alone TRA would create nearly 90,000 construction jobs – 312,000 jobs in all, and in the communities that need them most.

At the same time TRA would create jobs, it would link public housing to investments in neighborhood schools, local businesses and other community anchors. Instead of being a problem for neighborhoods, this housing can be an asset to our communities that preserves affordable housing and increases property values in surrounding neighborhoods.

From Pueblo, Colorado to Pittsburgh, Pennsylvania, the Recovery Act has shown that at the same time we put people to work, we can create more sustainable communities. By Transforming Rental Assistance, we can build on those successes. We can change the way we do business and create more than 300,000 of the good paying jobs we need to lay a new foundation for a 21st century economy. Let's get started today.

Shaun Donovan is Secretary of the U.S. Department of Housing and Urban Development. You can learn more about HUD's efforts to create jobs through its "Transforming Rental Assistance" initiative at www.hud.gov/tra