



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
HARRISBURG, PA 17120

April 30, 2009

OFFICE OF SECRETARY

Dear Fellow Pennsylvanian:

The big topic around the state is the federal stimulus bill (the American Recovery and Reinvestment Act [ARRA])—more specifically, what money is available and how can I or my agency or company participate? We thought it might be helpful to summarize the type and amount of funds coming into or passing through the Department of Community and Economic Development (DCED) so you can determine whether any of those funds could be used by you or your constituents.

DCED will receive, or be responsible for monitoring or disbursing, the following ARRA funds:

Weatherization – DCED will be responsible for administering \$252.8 million of weatherization funds pursuant to a state plan based on existing Department of Energy weatherization guidelines. A draft of the state plan has been posted on our web site and is available for comment through May 5. Funds will be allocated initially within the current weatherization network, which consists of local governments and non-profits. Eligible clients are low income (less than or equal to 200 percent of federal poverty income guidelines). It is anticipated that approximately 25,000 residential units may be weatherized throughout Pennsylvania with these funds. If you have any questions about this program or the proposed plan, please contact JamesEtta Reed (DCED) at (717) 787-1984.

Community Development Block Grant (CDBG) - \$46.4 million of ARRA funds have been allocated to “federal entitlement communities,” with project approval directly by the U.S. Department of Housing and Urban Development (HUD). \$10.6 million have been allocated to “state entitlement communities” through DCED, and \$1.6 million will be disbursed by DCED on a competitive basis per existing DCED guidelines to non-state entitlement and state entitlement communities with populations under 10,000 *if* 75 percent of their entitlement funds are being used for the project for which discretionary funds are sought. The uses of these funds include infrastructure, community facilities, rehab of low/moderate income housing, demolition of blighted structures, job training and placement, housing counseling, food pantries, meals-on-wheels and nutrition education. Final guidance from HUD is anticipated by early May. Feel free to contact Donna Enrico (DCED) at (717) 787-5327 for additional information. If you have a specific project proposal, please contact your local municipal officials.

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Neighborhood Stabilization Program - \$2 billion are to be awarded nationally on a competitive basis. There is no funding guaranteed for Pennsylvania, but we are hopeful of being successful in securing some of these funds through the competitive process. Moreover, it is assumed that the NSP direct allocation communities of Philadelphia, Allentown, Pittsburgh, and Allegheny and York counties will receive NSP allocations. Permitted uses include the purchase, rehabilitation and financing of foreclosed properties. HUD anticipates issuing selection criteria very soon. Please contact Donna Enrico (DCED) at (717) 787-5327 for additional information.

Homelessness Prevention and Rapid Re-housing Program - \$66.6 million are to be disbursed to communities receiving a direct allocation from HUD, and \$23.4 million are to be disbursed by DCED pursuant to guidelines that are being developed. The permitted uses for the funds are short and medium-term rental assistance, housing relocation, credit repair, security and utility deposits, homelessness prevention, rapid re-housing assistance for homeless people and data collection/evaluation. Final guidance is anticipated by early May. Please contact Mary J. (M.J.) Smith (DCED) at (717) 787-5327 for additional information.

Community Services Block Grant - \$41.5 million have been allocated to the existing Community Action Agency network, with a focus on employment-related services and activities that create and sustain economic growth. ARRA funds also may be used to support the regular CSBG program to provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services and/or health to combat the central causes of poverty. For further information, please contact JamesEtta Reed (DCED) at (717) 787-1984.

Broadband – Broadband Technology Opportunities Program (BTOP). \$4.7 billion are to be awarded nationally on a competitive basis, with a 20 percent match required. Permitted used include infrastructure deployment and technical assistance, development and maintenance of broadband industry map, construction of broadband infrastructure (shovel-ready), broadband education, and expansion of public computer center capacity.

Broadband – Distance Learning, Telemedicine and Broadband Program. \$2.5 billion are to be awarded nationally on a competitive basis. Permitted uses include infrastructure deployment and technical assistance, benefiting areas where at least 75 percent of the area served is rural and lacking sufficient access to high speed broadband service to facilitate rural economic development, as determined by the U.S. Secretary of Agriculture.

The Pennsylvania Office of Administration (OA) is spearheading, with DCED involvement, our state's strategy and federal application for both broadband programs. OA and DCED are in the process of identifying un-served and under-served areas, planning public meetings around the state for input on broadband initiatives, and holding individual meetings with providers and industry association members. You may contact Tony Marsico (DCED) at (717) 214-5828 for additional information.

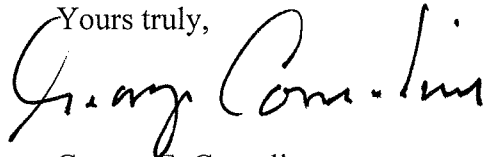
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We appreciate the interest in ARRA and will work to provide you with the most current information as we receive it. Please continue to access our website www.newpa.com and the Governor's website at www.recovery.state.pa.us for updates. If you have specific questions that do not fall under one of the categories above, please contact DCED's ARRA Coordinator, Bryce Maretzki, at (717) 787-3003.

Our objective is to make the process simple and straight-forward and to disburse ARRA funds into qualified applicants' hands as quickly as possible so that, hopefully, we can jumpstart our economy. If there is any uncertainty in your mind about your eligibility or any other aspect of the programs, please don't hesitate to reach out to us.

Yours truly,

A handwritten signature in cursive script that reads "George E. Cornelius". The signature is written in black ink and is positioned above the printed name and title.

George E. Cornelius
Acting Secretary