



AMERICAN RESCUE PLAN

Accelerating Investments in the Future of our Communities

The [American Rescue Plan Act of 2021](#) (ARP), signed into legislation on March 11, opens the doors to investments in the future of our communities. Social equity, resiliency, economic opportunity, and sustainability lie at the core of the plan, which was designed to elevate those most adversely affected by the COVID-19 pandemic, and make certain that our communities have the critical resources and infrastructure in place to serve residents. The ARP provides \$1.9 trillion in funding that will be directed to families, struggling industries, housing, educational institutions, healthcare, transit, states, counties, and cities to help mitigate the health and economic crisis. An overview of ARP funding can be found on pages 5-6. In addition, the USDOT recently announced \$1 billion in infrastructure funding in FY 2021 through the [RAISE Discretionary Grant program](#) to modernize and create new infrastructure.

VHB approaches every project with a mindset towards creating positive impacts and outcomes for our clients and the communities in which we live, work, and play. As we continue to follow the ARP, RAISE, and the American Jobs Plan, we are having future-focused conversations centered around opportunities to create more sustainable, resilient, and equitable communities. Conversations and topics include:

- » How will the American Rescue Plan improve the quality of life in communities and accelerate economic development—public investment to leverage private investment, jobs, and tax revenue to communities?
- » How will communities assess developments that may have the greatest impact on the health and well-being of the community?
- » How will funds be allocated or prioritized within communities?
- » How can we strengthen partnerships between the public and private sector, federal, state, and local protocols to accelerate new economic development?

We are considering synergies that could be created between public agencies and private entities that will lead to strategic investments and accelerate economic development. Now more than ever, partnerships will be critical to achieving our nation's goals.



Affordable and Low-Income Housing

VHB works with state and local housing authorities, as well as private developers, to deliver affordable, low income, and market rate housing. As affordable housing takes center stage, we are exploring ways to accelerate developments within communities. Many of our private clients tap into state-managed Low-Income Housing Tax Credit (LIHTC) programs and tax-exempt multifamily housing revenue bonds, and public housing and redevelopment authorities often turn to the U.S. Department of Housing and Urban Development (HUD) for grants, such as the Choice Neighborhoods Implementation Grants to support the financing and delivery of new units to the market.



AMERICAN RESCUE PLAN

Accelerating Investments in the Future of our Communities

For example, in New York State, the federal LIHTC program is frequently used in conjunction with New York State Housing Finance Agency or New York City Department of Housing Preservation and Development (HPD) financing. When combined, these programs offer developers tax credits and federally tax-exempt bond financing. With the onset of the pandemic, bonds were initially frozen, and the development pipeline stalled. An increase in the bond cap and tax credits will unlock additional investment capital and the development of new units for underserved populations—accelerating social equity and economic recovery.



VHB worked closely with Trinity Financial and the New York City Department of Housing Preservation and Development (HPD) on the Phase I Environmental Site Assessment and CEQR and NEPA environmental reviews for this mixed-use building in the Bronx, New York. 425 Grand Concourse is designed to meet Passive House standards and once complete will contain 277 units of affordable housing for low and moderate income households, including formerly homeless families, along with education, health and cultural spaces.

Infrastructure investments could also accelerate private investment. If cities and municipalities absorb or offset some of the costs of infrastructure, including demolition, utility infrastructure, environmental clean-up, open space, and amenities to create more resilient communities, this could help manage the developer's risks associated with bringing new units to the market. Right now, impact fees and the rising costs of building materials are driving up construction costs and the cost per housing unit. If municipalities invest in infrastructure, they can get more value from the land, and developers can focus on producing higher quality housing units. Affordable housing could be accelerated with new funding and stronger partnerships.



AMERICAN RESCUE PLAN

Accelerating Investments in the Future of our Communities



Commercial Development

Private investment will bring much needed jobs and tax revenue to communities. Real estate developers continue to invest in industrial, commercial, and office space to meet market demand. States and municipalities can help accelerate investments by addressing infrastructure upgrades that will impact neighborhoods, districts, and regions. Infrastructure upgrades serve as enabling projects that open up the potential for future development. Key infrastructure upgrades that could serve as a catalyst for development include:

- » Roadway improvements and traffic signals to improve levels-of-service and enhance mobility in rapidly expanding geographic corridors
- » Parking decks that support increased density
- » Bridges that serve as connections to communities and sites
- » Transit stations that enhance mobility, accessibility, and equity, as well as provide sites for denser transit-oriented housing development
- » Electrical substations to solve district wide energy demands
- » Resiliency solutions that elevate neighborhoods and protect them from sea level rise
- » The creation of pad ready sites for industrial facilities to spur investment

Another key area of necessary investment is upgrades to wastewater, water, and stormwater management systems. VHB works with mall owners to reposition retail centers, and it's often the outdated municipal systems that prevent the re-tenanting of big box anchors. Wastewater capacity upgrades would facilitate re-tenanting and unlock the potential of the real estate assets, bringing additional revenue and jobs to the community. Overall, investments in wastewater systems will create additional capacity within a municipality to induce new development where there is market demand.



The redevelopment of the Artegon Marketplace in Orlando, Florida, into a vibrant, mixed-use residential sanctuary, required long-term improvements to the wastewater collection system. VHB worked with the City of Orlando to meet future capacity and demand through phased investments.



AMERICAN RESCUE PLAN

Accelerating Investments in the Future of our Communities



Repositioning Institutional Assets

Institutional landowners, such as colleges, religious institutions, or trusts, are evaluating their real estate assets and considering the repositioning of properties and distressed assets. Economic Development Agencies can partner with these landowners to evaluate the highest and best use of a site, and the necessary steps to accelerate an economic development project. Institutional landholdings can be redeployed for the betterment of a community to meet social equity goals, provide special needs housing, increase the tax base, improve open space and recreation, and bring in new jobs.

The Opportunity

The American Rescue Plan is providing communities with capital for stabilization and growth. With funding in place, municipalities and state agencies can work together with local stakeholders on planning and prioritizing investments that will have the greatest impact on the health and well-being of their community. There may be opportunities to reposition distressed neighborhoods and prioritize redevelopment projects that impact underserved populations.



VHB is here to help understand and navigate evolving funding and regulations.

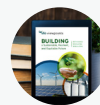
The American Rescue Plan prioritizes investments in the future of our communities and also focuses on sustainability, resiliency, and equity—key areas that are always top of mind for VHB. We have deep relationships with economic development agencies, developers, municipalities, state, and federal agencies that allow us to advance the infrastructure required to support economic growth and development goals. With a deep understanding of the development process, we work with clients to accelerate their investments and deliver much needed housing, life science, industrial, retail and office space. Partnerships between public agencies and the private sector are critical to leveraging resources necessary to build and strengthen infrastructure, which will serve as a strong foundation for the vitality of our communities.

VHB is here to help. Contact Steve Thomas to learn more about our future-focused infrastructure solutions to create a more sustainable, resilient, and equitable communities.



Steve Thomas

*Senior Vice President
Real Estate Market Leader*
sthomas@vhb.com



Click [here](#) to learn more about VHB's thought leadership on sustainability, resiliency, equity and technology.



KEY TO UNDERSTANDING

The American Rescue Plan

The [American Rescue Plan Act of 2021](#) is a step forward towards helping our communities, small businesses, individuals, and families, who were adversely affected by COVID-19 pandemic. The funds being allocated will provide our communities with additional resources necessary to invest in the future, developing the critical infrastructure that will lay the foundation for economic growth.



State & Local Fiscal Recovery Fund \$350 billion in emergency funding

- » \$195B state fiscal recovery fund to offset rising costs and falling revenues
- » \$130B to local governments, including counties and cities
- » Funding for infrastructure, including water and sewer
- » Aid for tourism, travel, and hospitality industries



Capital Projects Fund \$10 billion for enabling work

- » Supports investments in high-quality, modern broadband infrastructure in low- and moderate-income communities
- » Enables critical capital projects to support the infrastructure necessary for work, education, and health monitoring during COVID-19



Transportation & Infrastructure

- » \$30.5B for public transit agencies operating expenses
- » \$8B for airports and airport concessions
- » \$1.7B available for Amtrak through FY 2024



Small Businesses

Supports small businesses and hardest hit sectors, including retail and hospitality

- » \$15B for targeted Economic Injury Disaster Loan (EIDL) advance payments; funding for businesses in low-income communities
- » \$25B for restaurants
- » \$1.25B for shuttered venue operators



Environmental Funds

- » \$100M to the Environmental Protection Agency to address pollution, health outcome disparities, and the impacts of COVID-19
- » \$95M to the Fish and Wildlife Service for wildlife inspections, care of captive endangered species, and research related to wildlife disease outbreaks



Economic Impact Payments \$242 billion relief funds

- » \$1,400 for individuals
- » \$2,800 for joint filers
- » Provides immediate relief through direct payments
- » Additional information can be found on the [Internal Revenue Service site](#)



KEY TO UNDERSTANDING

The American Rescue Plan



Homeowner Assistance Fund

\$10 billion to support homeowners

- » Aids vulnerable homeowners and prioritizes socially disadvantaged households that have experienced hardships
- » Provides for household stabilization, minimizes foreclosures and the need for emergency shelters



Emergency Rental Assistance

\$21.6 billion to support renters

- » Assists households that are unable to pay rent and utilities due to the COVID-19 crisis
- » \$5B to HUD for homeless prevention and supportive services through the HOME Investment Partnerships program formula



Energy & Utility

- » \$4.5B to assist low-income households with heating and cooling energy costs
- » \$500M to assist low-income households with payments for drinking water and wastewater



Agriculture

\$4 billion to the U.S. Department of Agriculture (USDA), to support the food supply chain

- » Grants and loans for small to mid-size processors; seafood processing facilities; farmers markets, producers and other organizations responding to COVID
- » Assistance to maintain and improve food and agricultural supply chain resiliency



Health Services

\$92.2 billion to improve public health

- » \$20B to establish a National COVID-19 Vaccination Program
- » \$7.66B for state, local, and territorial public health departments to establish, expand, and sustain their public health workforce
- » Funding for facility enhancements and public communications



Education & Child Care Stabilization

\$123 billion in emergency funds

- » Supports safe reopening of K-12 schools
- » \$1.25B for summer enrichment
- » \$3B for education technology



Homeland Security

- » \$50B to the Disaster Relief Fund for COVID-19 and other disaster assistance under FEMA, which will support vaccine rollouts
- » \$400M Emergency Food and Shelter Program
- » \$300M for assistance to firefighter grants



Veterans

- » \$14.4B for the Veterans Health Administration (VA) to provide healthcare services and support
- » \$750M for construction funds for the VA to allocate to states to enhance the safety and operation of facilities
- » \$386M for retraining to assist veterans who are unemployed