

ERIE COUNTY TESTIMONY
November 19, 2009
Ms. Kim Green, Director
Economic and Community Development for the City of Erie

Good Morning. Chairman Thomas and Distinguished Members of the Intergovernmental Affairs Committee welcome to the great Northwest and more specifically on behalf of Mayor Joe Sinnott and the Citizens of Erie welcome to our beautiful city on the Bay. I trust you are enjoying your time with us. I thank you for your commitment to the Northwest Region of this great Commonwealth. Because we are so far removed from Harrisburg and we typically get a bit of snow this time of year, Erie often does not get this kind of attention and we are so pleased that you have provided this public forum for our community to comment on the American Recovery and Reinvestment Act.

As you said, I am Kim Green, Director of Economic and Community Development for the City of Erie and I would like to share with you this morning some of my thoughts on this important funding.

We are a federal entitlement community for Community Development Block Grant funds and for the Emergency Shelter Block Grant Program and for the Home Partnership funding. As such we received additional Community Development Block Grant funds through ARRA in the amount of \$953,386. We were able to put this money to work in our community very quickly by resurfacing streets and install handicapped curb cuts in areas of the City that qualified as low-to- moderate income. We had this work accomplished by the end of September and reported out at the government website www.federalreporting.gov.

As a result of this funding 5 construction jobs were retained for a period of 9 weeks. I should also add that the City, though allowed 10% for administrative costs, did not take any administrative dollars from our allocation, but instead made the decision to put all of the funding into these much needed construction jobs.

In addition to the CDBG-R funds, we also received nearly \$1.5 million in Housing Prevention and Rapid Re-housing funds. We have contracted with the Erie County Department of Human Services, Office of Mental Health and Mental Retardation to administer this program. They will subcontract with four agencies to perform the specific tasks of the program.

Community Shelter Services will be responsible for Case Management and will assist clients with housing searches for the rapid-rehousing and ensure that all housing units meet the habitability standards. Their case management services will include acting as a brokerage service to connect the clients with resources including mental health services, substance abuse services, budgeting and financial literacy, employment and education services, DPW, Social Security benefits, child care and life-skills and parenting classes.

Erie United Methodist Alliance's Project Hope for the Homeless will act as the Homeless management Information System to collect all homeless data and provide quality reports.

Additionally we will contract with Greater Erie Community Action Council and St. Martin's Center to conduct income and landlord verifications, provide first months' rent and security deposits for people who are homeless, rent assistance for people who are in danger of becoming homeless and in arrears on their rent. Also we can provide utility assistance of up to six months for the homeless and near homeless population. Of course these funds must be used for individuals and families meeting the income guidelines --our priority will be families, especially single head of household with children. The adults that are assisted with short-term rent assistance will be required to attend one-on-one budget counseling and participate in a group financial literacy class. All clients must first meet with a case manager for intake and assessment. We estimate this funding will allow us to assist approximately 8,282 households.

In regards to economic impact-- this funding will create 3 new jobs and retain 1.

We have also received \$164,380 of ARRA funding through the Pennsylvania Department of Health for a HUD sponsored Healthy Homes Grants. This grant is designed to reduce health and safety hazards in foster Homes through out the City of Erie. This grant will work very well to improve housing as we already administers a \$3 million Lead Hazard Control Grant and our Redevelopment Authority recently was notified that they will receive a \$4million Lead Demonstration Grant through HUD. With these combined funds we will be able to drastically improve the pre-1978 housing stock within our Community.

I would be remiss if I did not mention the funding we are receiving for our Neighborhood Stabilization Program through the Pennsylvania Department of Community and Economic Development. While these funds were not authorized by ARRA they were part of the Housing and Economic Recovery Act or HERA and will provide further stabilization to our communities affected by foreclosure and abandonment.

Our total allocation is close to \$2.1 million. With these funds we plan to rehabilitate a 6-unit apartment building to provide housing for people below 50 % of median income. We also plan to demolish 15 blighted and abandoned residential units, acquire and landbank an additional 5 units for future development. We will also construct six new single family homes that will be available for buyers below 120% of median income. We will partner with the Erie Redevelopment Authority, St. Martin's Center, Housing and Neighborhood Development Services and the Bayfront Eastside Taskforce to accomplish these goals.

We are very pleased to have this funding coming into our community to help stabilize and improve neighborhoods, but the timeline for these funds, as well as much of the ARRA money, is very tight. For instance in the case of our NSP program, 75% of our allocation must be under contract by March of 2010. This has become an enormous issue for Pennsylvania because of the budget impasse we recently experienced. Most states were able to get this funding under contract last March, but due to the budget hold up we just recently received our contract with the state. That delay has put us at least 6 months behind the rest of the country. Keep in mind we must complete appraisals, environmental and historic reviews, advertise, sign sub-recipient agreements with several partnering agencies and only

then can we begin to draw down any of these funds. Add to that the difficult construction season we experience here and we are truly behind the eight ball. I am certain other communities across the Commonwealth are faced with this same dilemma. The troubling part is that if we don't have these funds under contract they will have to be returned to the federal government. I would ask that each of you work with Pennsylvania's federal legislators to get some sort of an extension from HUD for Pennsylvania, or we may end up losing a great deal of this federal funding.

While NSP presents the most urgent problem, the American Recovery Act has some very tight spending deadlines as well. While I understand the urgency of getting these funds "on the street" so to speak, I am troubled that we were forced to design programs and projects based on "shovel ready" criteria rather than on what may have been the best plan for an individual community. Program parameters that allow us to stretch our creativity and incorporate economic development are often what communities our size need. It is difficult to have a one-size fits all approach to address the various need across our country.

Again I want to thank you for your interest today. While perhaps not perfect, these funds couldn't have come at a better time for Erie. The latest US Census figures released last month show that Erie now has a higher poverty rate than Pennsylvania's two largest cities, Pittsburgh and Philadelphia. Some of this funding will help us provide direct services to those in need, and that is very important. But to address poverty we must look beyond programs that offer temporary assistance. We must look at education and begin to address workforce development issues. This is not only Erie's problem or Pennsylvania's problem. In 2008 our nation had its highest level of poverty in 12 years. The American Recovery and Reinvestment Act has been a good start, but we must look further and dig deeper to figure out how to help our businesses, entrepreneurs and manufacturers succeed in these difficult times. Without them there will be no jobs, no growth and no future.