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HACEP Receives \$8.25 Million In Competitive Stimulus Funds For Green Communities

EL PASO – On October 2, 2009, Congressman Silvestre Reyes, Mayor John Cook and HACEP CEO Gerald Cichon collectively announced the successful acquisition of an \$8.25 million competitive grant from the American Recovery and Reinvestment Act. The funds are specifically designated for the creation of “green” communities through substantial rehabilitation or new construction of public housing developments. HACEP is one of 36 public housing authorities in the country, and the only one in Texas, to receive these competitive funds.

“Thanks to the efforts of Congressman Silvestre Reyes, Mayor John Cook, City Council and my staff, HACEP is now positioned to redevelop Paisano and infuse \$10 million into the local economy,” said Chief Executive Officer Gerald Cichon. “Not only will we provide additional affordable housing units at a time when they are most needed to low-income residents, this project will be the first green community of its kind in the State of Texas.”

The \$8.25 million will finance the “Paisano Green Project.” This project will redevelop a 46-unit community into a vibrant, energy-efficient, and sustainable 64-unit community to serve very-low income public housing families and seniors. The Paisano Community was originally built in 1952 and now sits on a 4.2 acre parcel adjacent to the County Coliseum and the Zoo on Paisano Drive. It has been vacant for approximately 10 years. Total construction costs are estimated at \$10.3 million, which will include \$2.1 million in leveraged funds, including a \$500,000 loan from the City of El Paso. This project will create and/or sustain 147 local jobs and will have a \$21.2 million impact on the local economy over the next 36 months.

“The development of green public housing is particularly important here in El Paso,” said Congressman Silvestre Reyes. “Energy-efficient housing will not only reduce energy and water consumption but will also save on costs. This is yet another significant investment in our community made possible by the American Recovery Act that will help our local economy to weather the current recession by creating and saving jobs.”

“Every federal dollar the Housing Authority spends through its various projects will generate approximately \$2 in local economic activity,” said Mayor John Cook. “This will

increase job opportunities, update the aging public housing infrastructure, and greatly improve the quality of life for all El Paso residents.”

The requirements of this green Recovery Act initiative include, but are not limited to, development of connections to neighborhoods and green space; site improvements that provide surface water management techniques that capture, retain, infiltrate and/or harvest rainfall; water conservation through the use of water-conserving appliances, fixtures and efficient irrigation; energy efficiency that meets Energy Star standards for new construction; and use of renewable energy resources.

HACEP must obligate 100 percent of those funds within one year of the date on which the funds become available. HACEP must also expend at least 60 percent of the grant within two years of the effective date and 100 percent must be expended within three years. Furthermore, HACEP must comply with the reporting requirements the Buy American provisions of the Recovery Act, as outlined in the Office of Management and Budget and HUD guidance.

In February, just eight days after President Obama signed the Recovery Act into law, HUD allocated \$3 billion in Recovery Act funding to 3,100 public housing authorities across the country using a formula-based process. At that time, HACEP received \$12.7 million in Capital Funds and promised to apply for the remaining \$1 billion in Public Housing Capital Funds designated for competitive grants to build on the President’s priorities to promote green jobs and mitigate the destabilizing effects of foreclosures. That promise is now becoming a reality.