



## Sustainability Update

# A Look at Obama's Recovery & Reinvestment Act

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**D**uring both the election campaign and his pre-inauguration days, President Obama has promoted the creation of green jobs, renewable energy and energy efficiency as a prominent part of his platform. While Mr. Obama has been inaugurated as the President of the United States, the details of his stimulus package have only recently become available to the extent that they are reflected in the House of Representatives bill, entitled the American Recovery and Reinvestment Act of 2009.

The primary goals of the \$825 billion stimulus are creating jobs and providing stability to our financial markets. To do so, the bill provides funding for dozens of programs, from grants to expand broadband wireless services to capital funding for the Center for Disease Control and Prevention. Additionally, significant portions of the funding will be allocated to local governments and to states, with the intention that the states will allocate it to localities or toward local projects. Despite the broad range of programs funded in the stimulus, one theme is seen again and again – sustainability. This article will provide an overview of the funding proposed in the House stimulus package that will promote local sustainability initiatives in New Jersey.

The effort to create and save jobs is, in part, being done in cooperation with the effort to “green” the existing buildings in this country. This is important for two reasons: first, the construction industry has the Nation’s highest unemployment rate by sector and two, existing buildings are critical to reducing the nation’s carbon footprint since they account for

nearly 40% of the nation’s energy consumption and carbon dioxide emissions.<sup>1</sup>

The following five programs will address the issue of greening existing buildings and will create or save jobs in the construction industry:

- \$1 billion in grants to institutions of public education, local governments, municipal utilities and higher education to identify, design and implement sustainable energy infrastructure projects and energy efficiency projects;
- \$3.5 billion in Energy Efficiency and Conservation Block Grants to assist states and local governments. Eligible activities include, but are not limited to, building energy audits, developing/implementing programs to conserve energy used in transportation and developing, implementing and installing onsite renewable energy technology on or in government buildings;
- \$500 million to institutions of public education, local governments, municipal utilities and higher education for grants for energy efficiency innovative technologies projects and loans to institutions of public education, local governments, municipal utilities and higher education for designing and implementing sustainable energy infrastructure projects;
- \$14 billion to states for school modernization, renovation and repair. Allowable projects include those to improve energy efficiency, among others; and

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<sup>1</sup> “Green Building Facts”. Prepared by the United States Green Building Council, January 2009.  
<http://www.usgbc.org/ShowFile.aspx?DocumentID=3340>

- \$6.2 billion to the states' Weatherization Assistance Program to assist low income families weatherize homes and therefore reduce energy costs.



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To help with these energy efficiency and sustainable energy improvements, the stimulus provides \$500 million for a grant program for job training in energy efficiency and renewable energy careers. These funds could be effective in retraining workers who have lost their manufacturing and construction jobs due to the recession.

Transportation is a major contributor to New Jersey's carbon dioxide emissions, and other forms of air pollution. The Draft New Jersey Global Warming Response Act Recommendation Report calculates that in 2004 transportation accounted for 36% of the State's greenhouse gas emissions, with on-road gasoline consumption representing the vast majority of the emissions. The stimulus package provides a significant amount of funding for programs aimed at reducing greenhouse gas emissions from transportation:

- \$400 million to a variety of entities, including local governments, for the acquisition of alternative fueled vehicles, fuel cell vehicles or hybrid vehicles. The funding will provide for up

to 30 Alternative Fueled Vehicles Pilot Grant Programs;

- \$300 million in grants and loans to states and local governments for projects that reduce diesel emissions, such as but not limited to, retrofitting of emission exhaust systems on old school buses and establishing anti-idling programs. The program will target areas with high air pollution and air toxics from truck stops and ports;
- \$300 million to states for improvements to intercity passenger rail service;
- \$800 million for Amtrak capital grants;
- \$6 billion to urban communities (\$5.4 billion) and transit agencies that serve rural communities (\$600 million) for the purchase of buses and equipment to provide additional public transportation service and to make improvements to intermodal and transit facilities; and
- \$3 billion to improve and expand alternative modes of transportation, such as light rail, heavy rail, commuter rail and bus/high occupancy vehicle (HOV) facilities.



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<sup>2</sup> Workers Installing Solar Panels. Accessed January 19, 2009 from <http://www.ibabuzz.com/education/2008/04/14/do-green-collar-jobs-promise-a-better-future-for-bay-area-youth/#more-580>

<sup>3</sup> NJ TRANSIT's Hudson Bergen Light Rail at the 9th Street Station in Hoboken. Accessed January 19, 2009 from [http://www.fta.dot.gov/about/about\\_FTA\\_5798.html](http://www.fta.dot.gov/about/about_FTA_5798.html)

Despite this nearly \$11 billion in funding for the above, the stimulus package also provides \$30 billion for roads and bridges – nearly three times more funding than that allocated for mass transit and alternative modes of transportation. This raises the question of whether this stimulus package and/or the Obama presidency will follow the same pattern of favoring funding that supports the single occupancy vehicle over alternative modes of transportation.

Significant funds will also be sent to the states for environmental and sustainability initiatives that will improve municipal infrastructure and the environment.

- \$6 billion to the Clean Water Revolving Fund for revolving loans which finance publicly owned wastewater infrastructure improvements;
- \$2 billion to the Drinking Water State Revolving Fund for revolving loans to finance drinking water infrastructure improvements; and
- \$100 million for Brownfields grants to address environmental site assessment and clean-up.



In all, the American Recovery and Reinvestment Act of 2009 provides a significant amount of funding for programs and projects that will make America, and New Jersey, more sustainable. However, as of the time of this writing, we do not yet know how the bill will be altered before it reaches the President's desk or how much funding will be available for New Jersey's State and local governments. Municipalities should monitor State and Federal departments for grant and loan opportunities since many will be competitive and available for a relatively short time only. Additionally, it is important to remember that the stimulus package is primarily aimed at the short term; the Country has yet to see the policies and funding commitments aimed at sustainability initiatives over the long term.

For more information on this topic, sustainable resources, and actions that your town can take to be more sustainable, please utilize the websites cited, look for future columns on sustainability or contact us at [kgrady@cchnj.com](mailto:kgrady@cchnj.com) or [bmcmanus@cchnj.com](mailto:bmcmanus@cchnj.com). We invite readers to submit questions and ideas for future column topics.

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<sup>4</sup> Workers Installing A Wind Turbine. Accessed January 19, 2009 from [http://www.solarwindworks.com/Installation/Installing\\_Wind\\_Turbine/installing\\_wind\\_turbine.htm](http://www.solarwindworks.com/Installation/Installing_Wind_Turbine/installing_wind_turbine.htm)