



The State's Role in the Implementation of the Housing Recovery Act

State Enterprise & Economic Development Section





The Department's Role on Housing:

- Administer 20 programs on construction and rehabilitation
- Administer CDBG

Housing and Economic Recovery Act

■ Provisions

- \$3.9 billion in CDBG funds
- Fund state and local governments
- Purchase abandoned and foreclosed homes



How Funds Can Be Used

- Purchase and rehab homes
- Sell, rent or redevelop homes
- Create land banks
- Demolish blighted structures

Criteria for Funding

- Home foreclosures
- Homes financed by subprime mortgage
- Homes in default or delinquency

Priority Within the State

- Foreclosures
- Homes financed by subprime mortgages
- Rise in rate of foreclosures

Income Requirements

- Up to 120% of Area Median Income
- 25% Threshold for Low Income

Milestones

- 9/29—Funding Formula announced
- 10/30—Funding awarded
- 12/30—Action plans required

Expected Outcome

- \$19.5 million to each state
- California?



Allocation Options

- Direct funding
- State allocations

Secondary Allocations

- 18-month expenditure rule
- Disencumbrances proposed

Options to Expedite

- Disaster Recovery model
- Waivers

State's Proactive Measures

- Convene stakeholders
- Survey for best practices
- Draft NOFA
- Draft Action Plan

Open Questions

- Definitions
- Commitment vs. Expended
- Date Ranges for Data
- 25-Percent Threshold