



NEWS RELEASE

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FOR IMMEDIATE RELEASE
October 21, 2008

SACRAMENTO OFFICIALS APPROVE REDEVELOPMENT AGENCY PLAN FOR FUNDS TO ADDRESS FORECLOSURE IMPACT

*SHRA plans to buy bank-owned homes; partner with others to fix up,
sell or rent foreclosed housing*

Sacramento, Calif. – The Sacramento Board of Supervisors and City Council unanimously supported recommendations by the Sacramento Housing and Redevelopment Agency (SHRA) to accept a total of \$32 million in Community Development Block Grant funds (CDBG) to address the impact of foreclosures in Sacramento neighborhoods.

The award from the U.S. Department of Housing and Urban Development (HUD) allocates \$18.6 million to unincorporated Sacramento County (which will also be used in Galt), and \$13.3 million to the City of Sacramento under the Neighborhood Stabilization Program (NSP) as part of the Housing and Economic Recovery Act of 2008 (HERA) which Congress passed in July. The State of California and jurisdictions with the state were awarded \$530 million or 16 percent of the federal grant. Unincorporated Sacramento received the third largest allocation for a county after Riverside and San Bernardino counties. The City of Sacramento was awarded the second largest amount for a city in the state behind the city of Los Angeles.

NSP funds are specifically focused on recovery and redevelopment of vacant, abandoned foreclosed homes for the purpose of stabilizing neighborhoods impacted by foreclosure, removing significant blight from neighborhoods, and providing housing for low- to moderate-income households. State and local governments may use the funds to purchase abandoned and foreclosed homes and residential properties to stabilize neighborhoods hardest hit by the foreclosure crisis. The funds were awarded based on state and local need measured by such factors as the number and proportion of homes in foreclosure, subprime loans, and homes in default or delinquency.

Sacramento's will apply the funds to programs that strive to achieve three goals:

1. Return vacant foreclosed or abandoned residential properties to occupancy as quickly as possible;

SHRA (www.shra.org) is a Joint Powers Agency created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The Agency serves as the Housing Authority for the City and County of Sacramento and is the leading public developer of affordable housing and oversees residential and commercial revitalization activities in 15 redevelopment areas throughout the City and County. SHRA has a FY 2008 budget of \$276.7 million and approximately 291 employees. The Agency owns and manages 3,144 units of public housing and is one of the largest landlords in Sacramento. SHRA also administers approximately 11,000 rental assisted vouchers per month.

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2. Revitalize neighborhoods through strategic redevelopment, rehabilitation and reuse of vacant properties; and
3. Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

SHRA's strategy will apply geographical targeting in neighborhoods that are most impacted by foreclosures. The strategy aims to assist recovery in weaker housing markets and target funds for a more visible impact.

SHRA will apply funds to three programs to address the impact of foreclosure. The Vacant Properties Program is designed to return vacant and blighted homes and properties to owner occupancy. The program will operate in partnership with local contractors and developers and will provide a developer an incentive fee to be paid after homes are rehabilitated or constructed and sold to owner occupants.

Under the Block Acquisition/Rehabilitation Program, SHRA will seek partnerships with private developers willing to acquire, rehabilitate, demolish or rebuild and maintain units in designated areas as common rental property.

The Property Recycling Entity (PRE) Program envisions a government, affiliate or private entity that can quickly acquire foreclosed properties and adjacent parcels, perform necessary rehab or demolish, rent or sell and engage in redevelopment.

SHRA must submit its application to HUD by December 1. NSP funds must be committed to projects for specific properties within 18 months. A line of credit for NSP projects will be available January 2, 2009.

For more information, contact Angela Jones, Public Information Officer, at (916) 440-1355 or ajones@shra.org.

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