

# Implementing Neighborhood Stabilization Grants

On July 30, 2008, the President of the United States signed the Housing and Economic Recovery Act of 2008 into law. The President's signature approved several new initiatives and substantial reforms to address the nation's current housing situation. One key element of the new law important to State and local governments is nearly \$4 billion in new funds made available for "the redevelopment of abandoned and foreclosed upon homes and residential properties."

Congress provided that these funds "be treated as though such funds were CDBG", and established aggressive timelines at the federal and state/local levels for taking action with these new Neighborhood Stabilization funds.

- Within 60 days of enactment, HUD must establish the formula for allocating the funds to CDBG recipients. (Before September 30, 2008)
- Within 30 days of establishing the formula, HUD must distribute the funds to the State and local governments. (Before October 30, 2008)
- Within 18 months of receipt, the State and local governments must "use such amounts to purchase and redevelop abandoned and foreclosed homes and residential properties."

## The Challenges on the Ground

This infusion of capital presents real opportunities for many State and local governments to address the impacts of abandoned and foreclosed homes and residential properties in their communities. While effective use and management of these funds may appear to be an extension of the State or local government's current CDBG program, there are complex and interrelated questions that agencies will need to ask and act upon in short order, including:

- How can we determine where and when foreclosures are happening? What sources of data should be used?
- We don't normally fund housing acquisition, rehabilitation, or disposition activities. How can we adjust our allocation process, network of partners, and management and information systems to get these funds out quickly?
- We don't have the legal authority to acquire, rehabilitate, and resell property. What are our best options for using these grants within the timeframes required by Congress?
- We have done occasional acquisitions and dispositions, but are not currently staffed to handle the volume of negotiations and transactions that these new grants can generate. How can we ramp-up in time to use these funds effectively?
- Acquiring, holding, and/or renting properties means they need to be managed well so they do not become blighting influences, but our programs and partners have not dealt with a large volume of scattered-site properties before. Who can help us?
- What is the highest and best eventual use of the properties we acquire, within the program's rules and given the needs of our communities?
- We are currently in a hiring freeze, but even so don't think that hiring new staff makes sense for using these grants. What are our options?



## Key Elements

\$4 Billion in New Funds

Treated as CDBG

Aggressive Timelines

Redevelopment of Housing

Complex Questions

## ICF International

Real-World Experience

Proven Track Record

## How ICF International Can Help

The housing and community development professionals at ICF International can help tackle these issues and many more, with our real-world experience and in-depth capacity to assist state and local governments and their partners to use the Neighborhood Stabilization funding quickly and effectively.

- ICF can collect, analyze, and present relevant data to help agencies and their partners act quickly and decisively.
- ICF can complete housing market analyses and create comprehensive redevelopment plans.
- ICF can conduct research, facilitate meetings, and write text for the required Action Plans.
- ICF can design and execute outreach and marketing campaigns, for citizen participation as well as program announcement and implementation.
- ICF can create program design, implementation and management strategies based on decades of knowledge and experience working closely with state and local agencies.
- ICF can evaluate regulatory requirements and community needs to help agencies strategically determine and implement appropriate options, including waiver requests.
- ICF can assess and modify management and information systems and processes, and help keep systems responsive to changes in funding, priorities, and/or activities.
- ICF can develop program implementation guidance, including program policies, procedures, and operational manuals.
- ICF can identify property ownership, and work with lenders, lawyers, brokers, and agents on transactions.
- ICF can coordinate with planning and zoning agencies, and facilitate terms for memoranda of understanding, interagency agreements, intercreditor agreements, and other relevant documents.
- ICF can augment staffing for agencies or their partners, providing managerial, information technology, operations, production, and other staff needs in various combinations.
- ICF can provide training and/or technical assistance on topics including program design, subsidy layering, program management, financial management, regulatory compliance, long-term monitoring, and others.



## Getting Started

ICF literally “wrote the books” on using CDBG and other funding sources to implement these types of housing activities, and we continue to support a large number of state and local government agencies in their efforts to develop and maintain viable and robust communities. ICF’s proven track record of mobilizing rapidly to help design, execute, and demonstrate the outcomes of state and local programs can help you succeed in using the new Neighborhood Stabilization funding quickly and effectively in coordination with your existing community development efforts. For more information or to get started, please contact:



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## About ICF International

ICF International (NASDAQ: ICFI) partners with government and commercial clients to deliver consulting services and technology solutions in the energy, climate change, environment, transportation, social programs, health, defense, and emergency management markets. The firm combines passion for its work with industry expertise and innovative analytics to produce compelling results throughout the entire program life cycle, from analysis and design through implementation and improvement. Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. More than 3,000 employees serve these clients worldwide. ICF’s Web site is [www.icfi.com](http://www.icfi.com).

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