Foreclosures –
The Fall and Rise of Neighborhoods in Counties across the Country

An Issue Brief for County Officials

NACo National Association of Counties®

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Background – Housing Crisis

As housing markets across the country continue to struggle to bounce back from the recent housing crisis, ever-increasing instances of foreclosures remain a daunting problem. Particularly problematic is the fact that today's foreclosures impose significant costs not only on borrowers and lenders, but also on local and county governments, neighboring homeowners and others with a financial interest in nearby properties. Though the problem continues today, it is important that county officials and housing specialists are aware of the various resources that are available to assist them in reducing foreclosures and assisting their communities and neighborhoods in recovering from the foreclosure crisis.

On January 14, 2009, *Bloomburg BusinessWeek* reported a 63 percent rise in foreclosures in 2008, with a total of about 1 million throughout the year. The foreclosure process was begun on approximately 2 million homes during the year of 2008. Of those, 1.6 million were in the southern and western states. [1]

More than 2.8 million U.S. properties received foreclosure filings in both 2009 and 2010 combined. The 2010 total — representing 2.21 percent of all U.S. housing units, or one in every 45 housing units — was up 23 percent from 2008 and up more than 120 percent from 2007. "Since the beginning of 2007, more than 3.5 million U.S. homeowners have lost their homes to foreclosure," said Darin Blomquist, of Realty Trac.

Though much has been made of the foreclosure crisis in 2008/2009, very little has been reported on the impact on local and county governments. In June of 2008, NACo conducted a survey of large urban counties to determine the extent of foreclosures in large counties across the country and the impact that foreclosures and the economic downturn was having on their local economies. Surveys were sent to 112 counties with populations of 500,000 or more and over 22% of the counties responded.

Not surprisingly, approximately 96 percent of the county officials who responded to the survey reported an increase of home foreclosures during the last year. Only one county official reported that the foreclosure rate has remained the same. Approximately 36 percent reported that they had experienced increases in foreclosures of 50 percent or more. Over half of the respondents anticipated that foreclosures would continue to increase.

What are the ramifications of this? From the same survey, approximately 56 percent of the respondents reported that housing values in their counties had declined as a result of foreclosures. Fifty-two percent of the responding officials indicate that they are experiencing revenue shortfalls as a result of either foreclosures or declining housing values.

Impacts of Home Foreclosures on Communities

The negative impacts of foreclosure on communities are far-reaching. Although little formal data exists on this subject, local news accounts and reports from local officials paint a multifaceted picture. Not only are people losing homes, but also communities are suffering economically, physically and socially. Some documented effects of foreclosure on both homeowners and communities are summarized below. Given the immense diversity of home foreclosure's harmful effects, the issues discussed below are by no means exhaustive. Awareness of these pervasive, negative effects of foreclosure is a crucial first step in resident support, community recovery and rehabilitation.

Fiscal Impacts on Local Government

Individual homeowners are not the only ones suffering financially from the foreclosure crisis. Communities and local governments experience spillover effects that result in a reduction of their annual budgets. The lower property values caused by foreclosed homes lead to a smaller tax base.

According to the Center for Responsible Lending, "Foreclosures cost neighbors $223 Billion." The Center also cites that "Over 44 million homes in the United States will experience property devaluation as a result of foreclosures in their neighborhoods. Forty-two counties in the United States can expect to see their property tax base erode by more than $1 billion. And households located in proximity to lost properties could see the value of their property decrease by $5,000, on average."

Unfortunately, social programs and public services are often first to be cut from local budgets. This is a vicious cycle, because the programs that are removed are the same programs that help many residents who are suffering from the crisis. [2]

Most of the revenue generated from county governments comes from property taxes, sales taxes, fees and charges or, less commonly, income taxes. A combination of foreclosures and an economic slowdown affected most if not all these components of county revenue.

As a result of the foreclosure crisis, counties are facing a range of challenges — not least of which is declining property tax revenue, leading to budget shortfalls. In 2009, Collier County, Fla. reported it had seen as much as a 20 percent decrease in property tax value.[3]

Housing Values and Blight

When homes are abandoned because of foreclosure, the properties and communities begin to deteriorate. Garbage, unmowed lawns, pests and dilapidated roofs and porches are eyesores. The lack of care can change the entire atmosphere in a community. The people who remain may have feelings of loneliness, fear and frustration. To make matters worse, potential buyers find conditions like these unattractive, turning them away and leaving empty homes remaining.[4]

In Nassau County, N.Y. four out of five high-foreclosure neighborhoods had an increase in crime; there was no increase in eight low-foreclosure areas. In Charlotte-Mecklenburg County, N.C., the police department (CMPD) analyzed rates of violent crime, property crime and 911 service calls from 2003 to 2006. It found a consistent increase in violent crimes during the period in the high-foreclosure neighborhoods (except in 2004), but crime was significantly lower in the low-foreclosure neighborhoods.[7]

The high number of foreclosures is not only starving county budgets, it is compromising communities. In Washoe County, Nev. for example, environmental health officials are concerned about foreclosed properties becoming breeding grounds for West Nile virus-causing mosquitoes.

Animal shelters have been seeing a major increase in the number of animals that are being dropped off. The most common scenario is one where owners can no longer afford to feed and care for their pets. In another scenario, people who have lost their homes due to foreclosure move away and abandon their pets to fend for themselves, often leaving them locked inside yards or in the homes.[5]

Abandoned homes and the blight from the foreclosure crisis have a direct effect on the rise in crime in communities as well. Thieves are breaking into houses and stripping them of valuables. Copper wire, air conditioning units, water heaters, refrigerators and even toilets are hot commodities. Destruction of property and vandalism is making the homes even more difficult to sell. Often, it takes more money to fix these homes than for what they would sell on the market.

Theft is not the only type of crime in communities with highly concentrated foreclosure. According to a recent study by Dan Immergluck of the Georgia Institute of Technology in Atlanta and Geoff Smith of the Woodstock Institute in Chicago, "when the foreclosure rate increases one percentage point, neighborhood violent crime rises 2.33 percent."[6] In addition, squatters seem to be a big issue for many communities. As a result, these homes often become magnets for drug use and the drug trade.

Mental and Physical Health

Related exposures to foreclosure have been linked with increased risk for several mental and physical health conditions. Combined with the fact that home ownership has largely positive associations with health and well being, foreclosure is a health threat.

A study was conducted in 2008 through the University of Pennsylvania with the objective of assessing the health status of people undergoing mortgage foreclosures in the Philadelphia region to determine if there was a relationship between foreclosure and health conditions. Results indicated that individuals going through a foreclosure were significantly more likely to not have insurance coverage and to not have filled necessary prescriptions because of cost. Approximately 9 percent of the participants reported that their own or a family member's medical condition was the primary reason they were undergoing foreclosure. More than a quarter of those in foreclosure stated that they owed money to medical creditors.

The results seem to indicate that that foreclosure may exacerbate current disparities in health. Many of the participants cited poor health as the primary cause of their foreclosure; nearly a quarter had high medical bills and owed money to medical creditors. Medical conditions and bills may worsen the emotional and financial stress faced by households undergoing mortgage foreclosure, and this increased stress may in turn exacerbate ill health (and may discourage people from obtaining further necessary medical care).[8]

The same study conducted by researchers at the University Of Pennsylvania School Of Medicine found that these homeowners may be experiencing a significant psychological toll as well. The researchers recruited 250 homeowners in Philadelphia who were undergoing foreclosure and half of them reported having experienced symptoms of depression. Also 37 percent met the clinical criteria for major depression. The study also found that people undergoing foreclosure were more likely to be uninsured, to skip meals, and to skip filling medical prescriptions, all of which could adversely affect health.[9]

Another disturbing development is the impact of foreclosures on children and their mental health. Research has shown that almost 2 million youths are affected by foreclosure. Foreclosure produces a negative environment for raising children since in many cases they are highly unstable environments and are more likely to experience developmental difficulties.

Changing lifestyles is stressful and difficult for many youth, which can lead to falling grades and low self-esteem. Behavioral issues are also a common problem with uprooted kids because they feel that they don't belong in their new setting. Frequently, families cannot afford to move into housing of equal value as before. New neighborhoods may have more crime, worse school systems and fewer activities for youths.

Homelessness

High unemployment, foreclosures, and other factors are creating a new face of the nation's homeless. The current economic downturn is hurting not just those who were already at risk for homelessness, but also people who were once considered middle class. With unemployment rising, many families considered middle class are losing their homes to foreclosure and have no place to live.

U.S. Interagency Council on Homelessness estimates more than half-a-million individuals in families were in need of shelter or housing during 2009. For many of these families, this was the first time seeking shelter. In addition to two-parent households, many families experiencing homelessness are headed by a single woman with children, which makes recovering from the downturn even more difficult.[10]

When thousands of people are losing their homes, where do they move? According to the National Coalition for the Homeless, "76 percent of displaced homeowners and renters are moving in with relatives and friends. About 54 percent are moving to emergency shelters. About 40 percent are already on the streets. Nearly 61 percent of local and state homeless coalitions say they've seen a rise in homelessness since the foreclosure crisis began in 2007."[11]

Many previous homeowners turn to renting when their homes are foreclosed. The increased demand for rental properties has caused prices to rise. Foreclosure victims are having a tough time both paying and qualifying for the rental housing due to their damaged credit scores.

Though the mortgage crisis resulting in a dramatic rise in homeowners' losing their homes has been well documented, less attention has been paid to the plight of the tenants of rental properties that have been foreclosed. Many tenants, even those who are current in their rent payments and in compliance with their leases, face an increased risk of homelessness in the wake of foreclosure proceedings.

Impacts to Minorities

Although all ethnic groups have been affected by foreclosure and subprime lending, minority communities have been hit particularly hard. Research shows that the foreclosure crisis will result in the greatest loss of wealth for blacks and Hispanics in recent U.S. history.

The report estimates that borrowers in these two groups have lost funds in the billions of dollars. Unfortunately, many minority and poor communities do not have the same resources or options as more affluent areas, such as access to prime lenders. Countless numbers of people were pushed into subprime loans, even though they could have qualified for better prime loans.

Another reason for the hard strike on minority communities is the disproportionate amount of wealth assets. It's been estimated that African Americans and Hispanics earn approximately two-thirds as much as whites, but wealth holdings for the typical nonwhite family are not close to that. Therefore, if a minority family goes into foreclosure, they lose proportionately much more of their wealth than a white family.[12]

Foreclosure Prevention Strategies

The importance of preventing and/or mitigating home foreclosure's harmful effects cannot be over-emphasized. Exploring options that can keep homeowners in their homes may be one of the best ways to mitigate financial losses for lenders, to maintain safe and stable neighborhoods, and to minimize financial impact on the broader community.

Homeowners who currently have, or expect to have, difficulty making their payments should seek assistance immediately. While foreclosure prevention resources may be available, many residents are often unaware of their options. Connecting these residents to needed programs and resources is crucial to assisting both homeowners and communities to successfully progress through the continuing foreclosure crisis.

Despite great efforts, mortgage servicers are often unable to reach delinquent borrowers. In fact, it is not uncommon for delinquent nonprime loans to go to foreclosure without the borrower ever speaking to a servicer or learning that workout opportunities are available.

Providing general information to homeowners that helps them reduce the risk of having to face foreclosures should include three basic steps:

- Raise awareness of foreclosure threat in the county
- Identify local foreclosure prevention resources for homeowners
- Help connect residents to prevention support services

Counseling and Education

It is important to counties to make it clear to homeowners that they should contact their lender to discuss options that may be available. Avoiding communication with a lender is the biggest mistake they can make. If the homeowner has trouble reaching the lender, the county can advise them to contact a local U.S. Department of Housing and Urban Development (HUD)-approved housing counseling agency for help working with the lender or they can contact the appropriate county agency.

Many distressed borrowers could save their loans, homes, and credit standing if they knew where to turn for help. Effective counseling can make the difference between saving and losing their homes. Counseling may involve providing other options to the homeowner including short sales or locating alternative housing.

In many cases, the county can establish partnerships with stakeholder groups and technical assistance providers and work with them to get the word out to homeowners what their options are and who they should be contacting to work out a solution. For instance in Fairfax County, Va. the county's Department of Housing and Community Development work with other agencies and non-

The Miami-Dade County Foreclosure Prevention Now Web site has a comprehensive list of the assistance available through various county agencies as well as private organizations and the state and federal government. The site gives a short description of each program and service, and directs residents to the program's Web site as well as the agency's contact information.[13]

The Collier County, Fla. Task Force, a cooperative effort between the Legal Aid Service of Collier County and the Collier County Bar Association formed to promote foreclosure prevention, maintains a blog about foreclosure news in the county. Not only does the blog keep residents updated on upcoming events, but it also hosts videos and materials from previous workshops and forums.[14]

profit groups to provide counseling to homeowners in danger of losing their homes. They also collaborate with the Virginia Housing Development Authority, as well as local attorneys and paralegals to help create a workable solution. Basically the county works with its partners to connect the homeowner to their lender with the goal of reducing the chance of foreclosure. [15]

Loan Modification
(may include assistance for refinancing)

As defined by HUD, a loan modification is a permanent change in one or more of the terms of a mortgagor's loan, allows the loan to be reinstated, and results in a payment the mortgagor can afford. The purpose is to help homeowners achieve more affordable or stable payment with the hope of protecting the homeowners from unnecessary and costly foreclosure actions. This also provides support to the homeowner unable to refinance due to declining property values. The likely result of a successful loan modification may include:

- Replacing adjustable-rate mortgages with fixed-rate
- Reducing amortization term in order to build equity

The key point behind loan modification is that the lender will modify the existing loan or loans in order to work with the homeowner because of a hardship. The earlier the homeowner addresses the issue, the better the chances are of negotiating a lower fixed rate and a payment that is manageable. If the household can afford the home, but not their current mortgage, then they may be eligible for a loan modification. A key factor that is required in every loan modification submission is the existence of some type of a hardship. The hardship can be temporary in nature or permanent, but the borrower must be able to prove the hardship. They may include the adjustable-rate mortgage being re-set (causing an increase in the monthly payments), reduction of income, loss of job or changing of jobs, etc.

It is important that the county work with homeowners to identify, if necessary, housing experts to resolve their situation with the best available options as soon as possible. In addition, the county can help homeowners identify federal resources that are available, especially for those who have recently become unemployed. Many of the federally funded programs assist income-eligible homeowners avoid foreclosures either through short-term subsidized mortgage payments or one time arrears payment.

Government sites such as ***www.makinghomeaffordable.gov*** can help homeowners as well. The site provides:

- Self-assessment
- Mortgage reduction calculator
- Checklist for foreclosure documents
- How to find a free HUD-approved housing counselor

Making Home Affordable includes opportunities for homeowners to modify or refinance their mortgage to make their payments more affordable. The program has recently been expanded to help homeowners who are unemployed or "underwater" (they owe more on their mortgage than their home is worth). It also provides options for homeowners who can no longer afford their home and are interested in a short sale or deed in lieu of foreclosure.

There is no charge to apply for the Making Home Affordable Program. Homeowners who are struggling to pay their mortgage are encouraged to contact their mortgage provider to determine if they qualify for the program. A HUD-approved housing counselor can also work with the homeowner and help them determine if they are eligible and help them apply for the program.[19]

Another site, ***http://findaforeclosurecounselor.org*** helps homeowners locate a counseling agency funded through the National Foreclosure Mitigation Counseling Program. In addition, counties should be aware of mortgage modification scams and how to help homeowners avoid them. More information is available at ***www.loanscamalert.org***.

Case Studies

Washtenaw, Mich.

In 1999 in order to prevent tax foreclosure, the elected County Treasurer initiated partnerships with private and nonprofit organizations and hired a social worker on staff. (This program won a NACo award.) In 2005, the Treasurer expanded the program to include mortgage foreclosure prevention offered through the county's extension program with Michigan State University and the county authorized the hiring and training of Housing Counselors certified by HUD. A program partner, Legal Services of South Central Michigan provides legal assistance when necessary. The program received 1241 calls last year, more than 60 percent of all foreclosures initiated. Nearly 500 customers received full counseling and the county successfully prevented foreclosure for 57 percent of those families that completed work-out mortgage modifications.[16]

St. Johns County, Fla.

By contracting with local stakeholder organizations, the county has implemented comprehensive, programs for all citizens facing financial crisis. This includes the Foreclosure Prevention Program through which the St. Johns County Housing & Community Services Division joined forces with the University of Florida Extension Office, local lenders and non-profit organizations to develop resources to assist local homeowners who are experiencing difficulty making their monthly mortgage payments. [17]

Case Study

In Boulder County, Colo. Housing Authority's Volunteer Foreclosure Housing Prevention Counseling Program offers classes and one-on-one counseling by trained volunteers to help guide home owners through the legalese of loan terms, retool their budgets and mediate with lenders to make loan terms more manageable.

Due to changes in adjustable mortgage rates or employment status, homeowners often find themselves unable to afford their homes. Therefore, it is important that the homeowners consult with the county before a problem takes place to talk about options to stay in their homes.[18]

Rehabilitation for Communities

As counties across the country are experiencing, communities hardest hit by foreclosures suffer long after homeowners leave their residences. Neighborhoods are blighted by neglect. As discussed earlier, increased crime plagues these communities: vacant properties are a magnet for theft and other illicit activities. Property values deteriorate in tandem with these blighted neighborhoods, leading to a significant, negative financial impact on the community at large.

Neighborhood stabilization programs help mitigate home foreclosures' pervasive community impacts, restoring these neighborhoods to a healthy condition. Many of the most harmful impacts on neighborhoods blighted by foreclosures are a direct result of vacancies. Therefore, many neighborhood stabilization programs focus on minimizing vacancies and their effects. Making these neighborhoods once again desirable prospects for homebuyers and renters will encourage the successful recovery and rehabilitation of the communities hardest hit by home foreclosures.

The first step counties and their partners need to take is to secure the property and make it available for sale as fast as feasibly possible. It's important that access into the house is restricted except for those directly involved in the resale of the property. Make sure locks are sufficient to keep unwanted people out and that the windows and other vulnerable areas are secured. Many communities are also using creative board-up techniques, such as painting windows and doors, to give the appearance from the street that the properties are occupied.

In addition, periodic monitoring of the property is a good idea. The county should make sure that the property is adequately maintained; this could require constant pressure on the current owners of the property which may be a challenge especially if the owner is either a bank or an absentee owner.

The implementation of an improvement campaign that recruits citizens or civic organizations to volunteer in the fix-up of the property is an important step forward in improving the marketability of the property. Neighbors can also be encouraged to assist by mowing the lawns or parking in the driveway of vacant properties

The next step is to expedite the sale of the property. This may involve streamlining the process of sale including authorizing the appropriate number of permits and conducting adequate inspection of the property. The county should investigate opportunities to provide technical and financial assistance, working in partnership with nonprofit groups, to support rehabilitation of the property to a condition that improves the chance for resale.

Neighborhood Stabilization Program

A key federal program that provides support to communities for the redevelopment and sale of abandoned and/or foreclosed properties is the Neighborhood Stabilization Program (NSP) being offered through HUD. NSP provides the opportunities for grantees (such as counties) to develop their own programs and set their own priorities within established program requirements.

NSP, approved in three different rounds under three different stimulus bills, is a component of the Community Development Block Grant (CDBG). One strong advantage is that the grantees develop their own programs and funding priorities. However, NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individu-

Case Study

Fauquier County, Va. used NSP funds to acquire, rehab and sell foreclosed homes in target neighborhoods. The county established a promotional brochure sent to potential home buyers which informed them that Fauquier County has received an NSP grant from the Virginia Department of Housing and Community Development (DHCD) and the purpose of the grant is to stabilize neighborhoods with the highest foreclosure rates in Fauquier County, through the acquisition, rehabilitation, and resale of approximately 9 residential homes in key areas. The brochure includes the following information along with a Sample Loan Application Form which will provide necessary information to the homeowner's lender:

- Program Brochure:
- Steps to Home Purchase
- NSP Homeownership Application
- How to Check your Credit Rating
- NSP Income and Subsidy Guidelines
- What are NSP and VHDA?
- The Buyers' Bill of Rights
- Vacating a Rental Unit
- VHDA-approved local lenders
- Other Resources [22]

- **NSP1 established in July 2008 by Housing and Economic Recovery Act (HERA)**
  – $3.92 billion with 307 formula grantees
- **NSP2 funded by American Recovery and Reinvestment Act of 2009**
  – $2 billion with 56 competitive awards
- **NSP3 funded by Dodd-Frank Act in July 2010**
  – $1 billion with up to 283 formula grantees

als or families whose incomes do not exceed 50 percent of the area median income.

In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income. Activities may not qualify under NSP using the "prevent or eliminate slums and blight" or "address urgent community development needs" objectives of CDBG.

NSP funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties [20]

The flexibility behind the program has been a strong advantage to counties over the past few years. In Palm Beach County Fla., foreclosures in the county rose 113 percent from 2007 to 2008. The county used part of the NSP funds to provide first-mortgage loans to homebuyers of foreclosed properties. With additional funds, the county intends to provide second-mortgage subsidy assistance and also awards some of the money to nonprofits to purchase foreclosed residential properties to rent to clients who meet HUD guidelines.

During that same time, Maricopa County, Ariz. received NSP monies and used a portion of that amount to acquire and rehabilitate foreclosed properties for resale. With excess of good housing, they don't plan to do a lot of demolition but renovate existing housing units, many being quite new. The county took the opportunity to use the NSP funds to do as much renewable energy-type improvements as possible. The intention was to improve the energy efficiency of the houses through installing low-flow faucets and toilets, extra insulation and double-paned windows. [21]

Conclusion/What the Future Holds

With all that has happened over the past several years, what is to be expected over the next several years. Have we learned anything from the increase of foreclosures over that period?

Case Study

Pinellas receives $17.8 Million for Neighborhood Stabilization

Pinellas County will receive $17.8 million from the U.S. Department of Housing and Urban Development for the Neighborhood Stabilization Program. The funding is part of a $50 million award to Florida Suncoast Partners, a consortium consisting of Neighborhood Lending Partners, Pasco County, and Pinellas County. The cities of Clearwater and Largo also partnered with the consortium to prepare the grant. Pinellas County's share will be used in eligible neighborhoods throughout unincorporated Pinellas, Largo, Clearwater, Safety Harbor, Dunedin, Tarpon Springs and Oldsmar that represent a high number of foreclosures.

The money will be used to help halt the decline of property values in neighborhoods that have been heavily impacted by the foreclosure crisis. Single-family and multi-family properties in physical decline will be purchased and renovated. Once properties have been refurbished they will be sold or rented to income qualified households. We are very excited about this new opportunity," said Cheryl Coller Reed, assistant director for the Pinellas County Community Development Department. "This program will greatly assist in our efforts to stabilize neighborhoods that have been adversely affected by significant foreclosure activity and assist in the creation and preservation of affordable housing."Help with down payment and closing costs will also be available under the new program.[23]

Newton County, Ga.

County used a portion of NSP funds to buy an undeveloped phase of a subdivision and convert it into a passive public park. Instead of approximately an additional 100 lots within the subdivision, the public has a park with a playground, benches, a pavilion and a walking trial. Construction of the park is anticipated to begin in September or October of 2010.[24]

Housing experts from RealtyTrac project the following scenario:
- Foreclosures will continue at historically high levels until at least 2014, and longer in some states
- It is estimated that another 2 million homeowners will lose their homes to foreclosure between now and 2014 (in addition to the 3.5 million who have already lost their homes to foreclosure since the beginning of 2007).
- Nationwide there were 873,000 bank-owned properties as of the end of April. At the current sales pace it will take 24 months to clear the inventory of those bank-owned properties alone, not including the properties in foreclosure (1 million in the RealtyTrac database as of the end of April, 2011) and the approximately 4 million delinquent home loans that have not even entered the foreclosure process yet.

Many believe that there are important lessons learned for all parties involved including lenders, homeowners, and county governments. There is evidence that all of those parties are changing their behavior to actually budget within their means, use reasonable loan products and save money so that when the bad times hit there is a reserve to fall back on. One silver lining here is that individuals who were previously priced out of the market may now be able to capitalize on the new market. This may be due to some of the county-level programs that are currently providing assistance to foreclosure buyers.

Since there is a certain portion of homeowners who cannot or will not qualify for foreclosure prevention programs, these program may be becoming less relevant. What is needed now is a quicker disposition of foreclosed properties, so that fewer of these abandoned (in disrepair) properties bring down neighborhoods. The initiatives currently enacted by counties through the Neighborhood Stabilization Program, and other programs, are helping in this effort of reducing the number of vacant properties in these communities.

At the federal level, HUD is beginning to promote targeted approaches for neighborhood stabilization efforts. The community development approach is becoming more focused on comprehensive, placed-based approaches to revitalizing communities that have been impacted by foreclosures and the resulting economic crisis.

According to Sarah Greenberg of NeighborWorks America, "HUD has been more deliberate about reviewing requests to amend NSP grants as well, and taken a less favorable stance toward adding census tracts for NSP2 grantees to avoid diminishing the original targeting in the application. I think it shows how they've learned from NSP, and we will see the results of that development in future funding opportunities." In addition, it is important to note the technical assistance that is available through the NSP program which will assist grantees with the program requirements and implementation. Federal agencies are also exploring how they can better support these efforts through the White House Neighborhood Revitalization Initiative.

Endnotes

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