



Mayor Mark Mallory

City of Cincinnati

801 Plum Street, Room 150, Cincinnati, Ohio 45202

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Contact: Jason Barron, 513-352-5356 or 614-554-5952 (cell)

Mayor Mallory Announces \$8.3 Million in Federal Funding for Foreclosure Assistance

Cincinnati – Mayor Mark Mallory announced today that Cincinnati was awarded \$8.3 million from the US Department of Housing and Urban Development as part of the Neighborhood Stabilization Program. The program is designed to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

“The HUD funding will provide the City with much needed resources to help citizens and neighborhoods deal with the strain of foreclosures,” Mayor Mark Mallory said. “Our communities are struggling to deal with this national problem, and the new funding will go a long way to help pump energy back into our city.”

The federal funds will allow the city to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The funding can be used for down-payment and closing cost assistance to low- to moderate-income homebuyers (household incomes not exceed 120 percent of area median income). To receive the assistance, homebuyers must receive housing counseling and obtain a mortgage loan from a lender who agrees to comply with sound lending practices. Cities can also use the funding to create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment.

"This federal assistance is an important tool to use as we look to bring all of the resources we can to help improve our neighborhoods," said City Manager Milton Dohoney. "As we look to address the foreclosure issues here in Cincinnati, we know stable neighborhoods are key to the city's success."

The funding is provided through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. HUD requires the city to use the funding within 18 months. HUD regulations require the funds be targeted to areas where the need is demonstrated to be the greatest. HUD will be release federal guidelines later today to govern how the funds can be utilized.

The City's Department of Community Development and Department of City Planning will develop a targeted strategy based on local foreclosures statistics. The City will also be assessing how existing programs can be used to target the new resources effectively and get help to people faster.

The Funding is based on a formula that takes into account the city's foreclosure rate. Of the 13 Ohio cities that will receive funding, Cincinnati's foreclosure rate is the 2nd lowest at 7.1%, trailing Columbus (6.9%) by only tenths of a percentage point.

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