

Counties Spend to Revitalize Communities

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As Fort Washington resident Pauline Brown took in the warm evening air from her porch Thursday, an eyesore marred her view: Tall weeds, three feet high in some places, covered the lawn across the street, and overgrown vines blocked the front door. Around back, a rotting deck was separating from the vacant house.

"It's like a jungle right now," said Brown, 71. If someone were to buy the house and fix it up, "it'd be nice. It'd be a relief."

Thanks to a federally funded program, Brown might get her wish.

Counties throughout the Washington area have begun rolling out millions of dollars received under the Neighborhood Stabilization Program, part of a massive \$3.92 billion housing bill passed by Congress last summer. The program aims to address the fallout of the foreclosure crisis -- vacant properties that have brought blight, vandalism and crime to their neighborhoods -- by helping localities purchase and repair some of the homes and provide financial help to home buyers.

The federal dollars went to some of the hardest-hit localities, including Prince George's and Prince William counties, and to state governments, which then dispersed the money to local jurisdictions.

Prince George's received a \$10.8 million federal grant, the largest of any local jurisdiction in the region, and \$2 million from the state's share.

Last week, the county announced its Down Payment on Your Dream program, which will help first-time home buyers with down payments and closing costs on vacant, foreclosed houses in 33 Zip codes in the county. Officials said about \$9 million will go toward assisting at least 700 buyers; about \$2.3 million will be used by the county to buy and fix an estimated 30 houses, which will then be resold; about \$483,000 will go to housing counseling for home buyers; and about \$1 million will pay for administrative costs.

Participants in Prince George's must have a household income that does not exceed 120 percent of the area's median household income, adjusted for family size. For example, the maximum income for a family of four to be able to participate is \$123,700. For a family of five, the limit is \$133,600. Home buyers can receive up to \$20,000 through a no-interest, deferred-payment loan. If the buyer stays in the home for 10 years, the loan is forgiven; if he or she moves out before then, part of the money must be repaid.

"We're going to get these houses back on the market," County Executive Jack B. Johnson (D) said at a news conference announcing the program Wednesday, adding that he wanted residents to know that "the American dream of homeownership is within their reach."

The county's plan was approved by the U.S. Department of Housing and Urban Development in March, which started an 18-month clock on committing the funds. Counties have four years to spend the money, said Rosalyn Clemens, who manages the program in Prince George's. Johnson said the county has more than 6,000 homes in some stage of foreclosure.

Last week, Larry and Naisha Dinkins of Greenbelt became the first home buyers to have a loan approved for the program. They plan to use the \$20,000 to help buy a \$345,000 Upper Marlboro townhouse. The house is in one of 12 targeted Zip codes, the hardest-hit areas in the county, which made the Dinkinses eligible for the maximum amount.

"I probably wouldn't be able to buy that house" without the additional funds, said Larry Dinkins, 34, a heating and air-conditioning technician. "It's a real nice house, for a foreclosure."

Not all vacant homes have been kept in such great shape, having been subject to vandalism -- sometimes by angry departing residents -- theft and the ravages of time. That's why Prince William, which has a similar program in place, is offering up to \$30,000 to home buyers for rehabilitation and energy improvements. Residents must stay in the home for 30 years for their loans to be forgiven, said Teresa Giesting, housing finance and development program manager with the county's Office of Housing and Community Development.

Prince William received \$4.1 million in federal money. Between Jan. 1 and May 5, there were 1,276 foreclosures in the county, said Liz Bahrns, a Prince William spokeswoman.

In Montgomery County, officials said they will use their \$4.5 million to rehabilitate and rent about 20 homes to low-to-middle-income residents.

Richard Y. Nelson Jr., director of the county's Department of Housing and Community Affairs, said the county decided to rent out the properties instead of sell them because of a federal stipulation that new homeowners would have to give the federal government any profit made on the house if it is sold within 20 years.

Nelson noted that the county already funds nonprofit agencies that provide residents with housing opportunities. He said the county has provided more than \$5 million to rehabilitate and sell 22 homes in Wheaton, Glenmont and Germantown.

He added that he is realistic about what the Neighborhood Stabilization Program offers. "I'm not saying that buying 10 houses will solve all the problems, but it's a help," he said. "The more vacant houses you have, the more negative impact it has on the neighborhood."

In Fairfax County, housing officials have used the federal money to enhance a homeownership program known as the Silver Lining Initiative. Officials said they have found 61 families who qualified to purchase a foreclosed home under the program.

Fairfax received \$2.8 million. More than \$1 million is designated for residents to purchase homes, another \$1 million is set aside for nonprofit housing organizations to purchase homes to manage as affordable rental housing, and \$200,000 is reserved for administrative costs.

Loudoun County received \$2 million in Neighborhood Stabilization Program funds from the state and plans to buy and rehabilitate up to 12 houses in the first year of the program in Sterling Park and Sugarland Run.

The District is using its \$2.8 million to help double the homeownership rate in the Northeast neighborhood of Ivy City, officials said.

Angelita Colon-Francia, spokeswoman for the D.C. Department of Housing and Community Development, said the city is working with four nonprofit organizations that are redeveloping a six-block area. It will provide 50 units of housing to low-income residents.

"Ward 5 had the highest number of foreclosures and vacant housing, and we want to save a lot of that area," Colon-Francia said. The program "has boosted our efforts in Ivy City, making it a safer environment for those that live there."