

# Chesapeake, Beach Land Funds to Rehab Distressed Properties

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Chesapeake and Virginia Beach are the latest Hampton Roads recipients of federal funding to help localities and nonprofit groups buy and rehabilitate vacant houses in neighborhoods that have been plagued by foreclosure.

Officials in Chesapeake say they will use \$1.5 million in neighborhood stabilization money to buy and repair at least 12 homes in South Norfolk and Western Branch.

The Virginia Beach Community Development Corp., a nonprofit agency, will use a \$1.2 million grant in the neighborhoods of Aragona Village, Princess Anne Plaza and Green Run.

Gov. Timothy M. Kaine announced the awards Monday as part of

\$9.4 million in neighborhood stabilization grants given to nine organizations and localities across Virginia.

Chesapeake and Virginia Beach were the only two South Hampton Roads localities to receive money Monday. Norfolk was awarded nearly

\$1.8 million in neighborhood stabilization funds in June. Portsmouth got

\$2 million at the same time, and Suffolk received \$971,000.

"It's very much needed," said Chesapeake Councilman C.E. "Cliff" Hayes Jr.

More than 16,000 foreclosed homes are vacant across the commonwealth, according to a release from Kaine.

Critics say that because of state restrictions on the money, the effect will amount to a small dent in the foreclosure problem.

In the South Norfolk borough of Chesapeake, there were nearly 150 foreclosed and abandoned properties between January and June, although that number has decreased, said Dewayne Alford, deputy executive director of the city's housing authority. In Western Branch, there were more than 130 foreclosed and abandoned properties in that same time frame, Alford said.

Alford said the city is looking to acquire, repair and sell at least seven homes in South Norfolk and five in Western Branch. He said the state allows each city to spend up to \$25,000 to repair homes built after 1978, even though some of the homes require fixes that cost much more. The city can spend up to \$45,000 on repairs to homes built before then.

Virginia Beach received less than the \$1.5 million it applied for, but with the rehabilitation and sale of each foreclosed home, more money will be added into the pot, said Mary Kay Horoszewski, the executive director of the development corporation.

Andrew Friedman, the director of the city's Department of Housing and Neighborhood Preservation, said the program will reduce the number of unoccupied properties in Virginia Beach, improve the condition of these homes and increase the inventory of affordable homes.

"It's a triple win," he said.

Still, Friedman expects that it will take some time before the homes are rehabbed and sold, because of the complexity of buying foreclosed homes and dealing with large mortgage companies that are reviewing foreclosures nationwide.

"It's not a simple program to do," he said.