

Lt. Governor Sue Ellspermann Announces Blight Elimination Program Awards

Applicants in 23 counties to share more than \$12 million to address blighted homes

INDIANAPOLIS – Lt. Governor Sue Ellspermann today announced two rounds of awards from Indiana’s Hardest Hit Fund Blight Elimination Program (BEP). The 23 successful Indiana applicants from Divisions Five and Six received a combined total of nearly \$12 million to help prevent avoidable foreclosures by eliminating blighted and abandoned homes in those communities through the BEP.

DIVISION FIVE APPLICANTS (\$8.2M TOTAL)

Cass County: Logansport (\$925k), Walton (\$25k)
Clay County: Brazil (\$215k)
Daviess County: Washington (\$459k)
DeKalb County: Auburn (\$100k), Garrett (\$75k), Waterloo (\$236k)
Henry County: City of New Castle (\$700,000)
Jackson County: Seymour (\$72k)
Knox County: Bicknell (\$415k), Vincennes (\$390k)
Miami County: Peru (\$813k)
Shelby County: Shelbyville (\$304k)
Greene County: \$945,000
Gibson County: \$1,440,000
Posey County: \$617,000
Noble County: Kendallville (\$487k)

DIVISION SIX APPLICANTS (\$3.7M TOTAL)

Blackford County: Dunkirk (\$176k), Hartford City (\$507k), Montpelier (\$61k)
Carroll County: Delphi (\$68k)
Fayette County: Connersville (\$125k)
Ohio County: Rising Sun (\$161k)
Rush County: Rushville (\$230k)
Spencer County: Richland City (\$144k)
Starke County: Knox (\$187k)
Pulaski County: \$147,000
Sullivan County: \$1,914,000

“The cities and towns receiving nearly \$12 million in BEP funds for Divisions Five and Six will be able to demolish over 550 blighted properties, which will stabilize property values and help prevent foreclosures for neighboring homeowners. The recipients, with the help of their program partners, will be able to provide much needed revitalization in their communities.”

— Lt. Governor Sue Ellspermann

These local governments and their non-profit partners are the successful applicants in the fifth and sixth rounds of the BEP. The BEP provides an opportunity for local units of government in all 92 Indiana counties to compete for a total of \$75 million available for blight elimination funding to prevent avoidable foreclosures through the removal of blighted, vacant and abandoned homes.

“Cities across Indiana have been struggling with the damaging effects caused by vacant and blighted properties and will soon see the benefits of these federal funds. Removing blighted properties is important in the fight to reduce foreclosures and we look forward to continuing our partnership with the State of Indiana to help stabilize hardest hit communities.”

— Sarah Bloom Raskin, U.S. Treasury Deputy Secretary

The BEP funds are drawn from the \$221.7 million in Hardest Hit Funds allocated to Indiana. In February 2014, the U.S. Department of the Treasury approved the use of \$75 million of Indiana’s Hardest Hit Funds by the Indiana Housing and Community Development Authority (IHCDA) for successful BEP applicants. The partnership between

“We’re excited about the neighborhood-enhancing projects scheduled to take place around the state. This program will assist scores of Indiana communities in their efforts to prevent avoidable foreclosures and keep property values stable for many years to come.”

— Mark Neyland, IHCD Director of Asset Preservation

The State of Indiana is divided into six funding divisions. The first round application deadlines have closed for all six divisions. Second rounds are currently open in Divisions Three through Six. Lt. Governor Ellspermann previously announced awards for successful applicants in Division One on May 22, 2014, Division Two applicants on June 26, Division Three applicants on July 24 and Division Four on August 28.

IHCDA estimates that approximately 4,000 blighted and/or abandoned homes in Indiana will be eliminated through the Blight Elimination Program. Visit 877GetHope.org/blight to learn more.

BACKGROUND & CONTEXT

Blighted, vacant and abandoned homes are a serious issue for Hoosier homeowners, neighborhoods and communities because Indiana has the highest percentage of abandoned foreclosed homes in the country. RealtyTrac and 24/7 Wall Street have reported that roughly 30 percent of Indiana’s foreclosed homes are abandoned. Many of these properties fall quickly into a state of blight and attract undesirable or unlawful activity, which can negatively impact Indiana homeowners and neighborhoods by reducing property values and draining local government resources. Many Indiana communities simply lack the resources necessary to combat this problem alone.

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets (Hardest Hit Fund) to provide financial assistance to families in the states most impacted by the downturn of the housing market. The U.S. Department of the Treasury designed the overall program to give each participating state the flexibility to tailor its program to the unique factors contributing to its state’s foreclosure problems. Eighteen states and the District of Columbia administer Hardest Hit Fund assistance to qualified homeowners struggling to make their mortgage payments.

IHCDA’s announcement that it was exploring the use of Hardest Hit Funds to eliminate blighted and abandoned properties has not detracted from the mission of helping struggling homeowners avoid foreclosure. The Blight Elimination Program is simply one more instrument in the foreclosure prevention tool kit. As of September 30, 2014, over 4,000 homeowners in 91 counties have received more than \$50 million in Hardest Hit Fund mortgage payment assistance. Mortgage payment assistance programs are expected to continue through December 31, 2017. For more information on Indiana’s Hardest Hit Fund, visit www.877GetHope.org.

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About the Indiana Housing and Community Development Authority (IHCDA):

Chaired by Lt. Governor Ellspermann, IHCDA provides housing opportunities, promotes self-sufficiency, and strengthens communities in order to build an Indiana with a sustainable quality of life for all Hoosiers in the community of their choice. For more information, visit www.ihcda.in.gov or www.in.gov/myihcda.

Executive Oversight:

The Lieutenant Governor manages the following state agencies: Office of Defense Development, Office of Community and Rural Affairs, Indiana State Department of Agriculture, Office of Tourism Development, Office of Small Business and Entrepreneurship, and IHCDA. Learn more at www.lg.in.gov.

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