

Denver awarded \$29.3 million to boost foreclosure recovery

Federal stimulus funds to expand efforts underway to acquire, redevelop and resell foreclosed properties through Neighborhood Stabilization Program



The U.S. Department of Housing and Urban Development today announced \$29.3 million in Neighborhood Stabilization Program (NSP) funding to benefit Denver. The Denver Office of Economic Development will receive \$18,994,444 and Chicanos Por La Causa, Inc. will receive \$10,263,440 to address residential foreclosure and to spur the revitalization of Denver neighborhoods heavily impacted by foreclosure.

“The City’s foreclosure recovery efforts will see a significant boost thanks to this increase in funding,” said Mayor John Hickenlooper. “We look forward to using these new funds to build upon the City’s Neighborhood Stabilization Program efforts that were launched last year. We’re putting families back into foreclosed homes, while supporting Denver’s neighborhoods and creating jobs.”

Provided through the American Recovery and Reinvestment Act, the new round of funding complements \$9.6 million in NSP funding that was awarded to Denver in 2009. Originally created through the Housing and Economic Recovery Act of 2008, the Neighborhood Stabilization Program is enabling Denver to acquire, redevelop and resell foreclosed properties that might otherwise become sources of abandonment and blight.

The Denver Office of Economic Development will use the new round of funding in targeted areas across 12 neighborhoods to address foreclosures and vacancies causing destabilization. The funding enables Denver to return 325 abandoned or foreclosed properties back to productive use to create affordable housing for households whose income does not exceed 120 percent of the area median income, with 25 percent of funds directed toward households at or below 50 percent of the area median income. Denver will acquire and rehabilitate 245 abandoned or foreclosed homes; land bank 15 properties; demolish 50 vacant properties; and redevelop 35 vacant or demolished properties as housing. Additionally, 195 households will receive loan assistance to ensure that low- and moderate-income households will be able to purchase affordable homes near public transit lines. The goal of these activities is to increase sales of residential properties and raise median values in targeted neighborhoods while supporting local business development, creating jobs, and ensuring better public transit.

“Over the past year, the City has assembled an incredible team of nonprofit and community organizations to ease the impact of residential foreclosures in Denver,” said André Pettigrew, executive director of the Denver Office of Economic Development. “The additional funding allows us to continue this important work and further revitalize impacted neighborhoods.”

The Denver Office of Economic Development, endorsed Chicanos Por La Causa’s application for NSP funding. Chicanos Por La Causa has been awarded \$137 million to administer NSP activities in eight states. The award includes \$23,433,236 for Colorado activities, which will benefit eight Denver neighborhoods with approximately \$10 million in NSP activities.

Last year, the City contracted with two separate partnerships, led by the Denver Housing Authority and the Denver Urban Renewal Authority, to administer the NSP throughout the following neighborhoods that have experienced the greatest incidents of foreclosure: Montbello, Green Valley Ranch, Northeast Park Hill, Elyria Swansea, Skyland, West Colfax, Villa Park, Barnum, Athmar Park, Westwood and Mar Lee. To date, 12 properties have closed using NSP assistance, including a foreclosed-upon 36 unit apartment complex. The first single family home is currently under contract for sale.

The Denver Housing Authority and Denver Urban Renewal Authority teams include a wide range of partner agencies with experience in rehabilitation and development, including Habitat for Humanity, Colorado Housing Assistance Corporation, Colorado Coalition for the Homeless, NEWSED, Northeast Denver Housing Center, Del Norte and the Urban Land Conservancy.

The Denver Office of Economic Development is dedicated to advancing economic prosperity for the City of Denver, its businesses, neighborhoods and residents. Working with a wide variety of community partners, OED operates to create a local environment that stimulates balanced growth through job creation, business assistance, housing options, neighborhood redevelopment and the development of a skilled workforce.

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