

**OFFICE OF THE LT. GOVERNOR
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**Sue Ellspermann
LT. GOVERNOR**

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**Lt. Governor Joins City and State Officials for Gary Kickoff of
Blight Elimination Program**

*Funds were awarded to City of Gary to improve hundreds of local blighted
properties*

Indianapolis – Lt. Governor Sue Ellspermann joined Mayor Karen Freeman Wilson and other local officials today to watch the first blighted property in Gary be demolished as a result of the Indiana Hardest Hit Fund Blight Elimination Program. The properties were located at 832 and 836 Virginia Street on Gary’s east side.

“We are proud the elimination of a projected 4,000 blighted properties in the state of Indiana has officially begun,” said Lt. Governor Sue Ellspermann. “The Blight Elimination Program is a collaborative effort of federal, state and municipal government agencies that provides funds to remove these abandoned and dilapidated houses that are a detriment to neighborhoods in large cities and small towns throughout the state. The program encourages the productive re-use of the property that will benefit surrounding property owners and residents.”

Today’s demolition is the first of many resulting from a \$6.65 million award received by the City of Gary on May 22, 2014. These funds will be used to demolish, green, and maintain approximately 379 blighted properties in Gary. The program will make a total of \$75 million available statewide for blight elimination to reduce foreclosures and stabilize property values.

“The City of Gary and other areas of Indiana have been struggling with the damaging effects caused by vacant and blighted properties and will soon see the benefits of these federal funds,” said Sarah Bloom Raskin, Treasury Deputy Secretary. “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.”

The goal of the program is not simply to demolish abandoned homes and improve the resulting lots, but to prevent avoidable foreclosures and stabilize property values in Indiana communities. Today’s project is one of the first of what the Indiana Housing and Community Development Authority (IHCDA), who administers the program, estimates to be close to 4,000 blighted and/or abandoned homes that will be eliminated through the Blight Elimination Program.

"Today marks another leap forward for the city and citizens of Gary," said Mayor Karen Freeman-Wilson. "Blight elimination is key to our progress and makes room for all of the growth and economic development projects we have in store."

The adjacent properties, which have been neighborhood eyesores and targets for fire and crime, have been abandoned since 2007. Currently, side lot programs that embrace green space for neighborhood use are being considered to replace the demolished structures, though infrastructure improvements are also part of the conversation.

"I am beyond pleased the Hardest Hit Fund demolition will commence in my district," said Councilwoman Mildred Shannon. "Residents deserve to live in safe neighborhoods that are free of blight and ripe for development."

The Blight Elimination Program provides opportunity for local units of government in all 92 Indiana counties to compete for funding to prevent avoidable foreclosures through the elimination of blighted and abandoned homes. The 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 IHEDA for successful Blight Elimination Program applicants. The partnership between IHEDA and Treasury allows for funding to eliminate blighted properties and offer a variety of end uses for the newly cleared parcels, such as green space or redevelopment in order to stabilize property values.

To date over \$38 million has been allocated from the original \$75 million earmarked for the Blight Elimination Program. The State of Indiana has been divided into six funding divisions. Applicants apply for funds from the funding division in which their county is located. The application deadlines for divisions one, two, three, four and five have passed. In addition to the division one awards announced on May 22, Lt. Governor Ellspermann announced awards for successful applicants in division two on June 26, division three on July 24 and division four on August 28. Division five awards will be announced in late September.

For more information on the Indiana's Hardest Hit Fund Blight Elimination Program, visit www.877GetHope.org/blight.

Background

Blighted, vacant and abandoned homes are a serious issue for Hoosier homeowners, neighborhoods and communities as 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 quickly fall into a state of blight and attract undesirable or unlawful activity, thereby negatively impacting 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 July 31, 2014, nearly 3,800 homeowners in 91 of 92 counties have received approximately \$45.8 million in Hardest Hit Fund mortgage payment assistance; and \$95.4 million has been reserved to make mortgage payments for the approved homeowners currently enrolled in the program. 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: The Indiana Housing and Community Development Authority (IHCDA), chaired by Lt. Governor Sue Ellspermann, creates housing opportunity, generates and preserves assets and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana. IHCDA believes that growing Indiana's economy starts at home. For more information, go to www.ihcda.in.gov or www.in.gov/myihcda.

The Lieutenant Governor manages the following agencies of State government: 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 the Indiana Housing and Community Development Authority.

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