

New tactic for affordable housing

HUD to help convert foreclosed sites

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The U.S. Department of Housing and Urban Development has allocated more than \$2 million to Bergen County to convert foreclosed homes into affordable housing.

The funding – which comes through HUD's Neighborhood Stabilization Program – is intended for communities where vacant homes could potentially cause neighborhoods to become blighted.

“Congress intended this to be used by state and local communities to purchase those houses and make them homes again,” said Brian Sullivan, a HUD spokesman. “Properties become sources of crime and communities become blighted. That's what this money is to mitigate against.”

The funds have not yet been released to the county though, pending HUD review of the county's proposal.

According to a report released by the county's Division of Community Development, the three Bergen County towns hardest hit by the foreclosure crisis are Englewood, Garfield and Hackensack.

Joseph Rutch, the director of the Division of Community Development, said “very high risk” areas in those towns would be given priority when distributing the federal aid.

He also noted that the federal funding would not be enough to address the need.

“Other high-risk areas have been identified in the same mu-

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nicipalities, however, we do not believe the approximate \$2.1 million will be sufficient to address opportunities in the identified very-high-risk and high-risk areas,” he said in an e-mail message.

Foreclosures have risen substantially in Bergen County during the past three months. But compared with the rate of foreclosure in other parts of the country, the Bergen rate is relatively low, according to Sullivan.

Figures released by HUD reveal that Bergen County's foreclosure rate is 2.5 percent. In Newark, the rate exceeds 10 percent, and in Youngstown, Ohio, the rate is nearly 15 percent.

Tom Toronto, the executive director of the Bergen County United Way, said that since September, the number of calls to his organization regarding foreclosures has skyrocketed. One-fourth of them were about foreclosures before September, he said. Now, about half of the calls have to do with foreclosures.

“The other day, we had 19 foreclosure cases in one day,” Toronto said. “We're in triage mode. You try to buy time. You try to give a little something to the mortgage company. ... We're not telling people to give up when there might be a solution around the corner.”

According to the number of calls received by Bergen County United Way, the foreclosure problem is being most acutely felt in Englewood, Teaneck and Bergenfield.

County Executive Dennis McEnerney said he is hopeful the federal government will continue to help in addressing the foreclosure issue on a local level.

“The county is really limited in being the main problem solver with all these foreclosures,” he said. “Hopefully, this is a good start, and hopefully, the federal government will do some more pass-throughs in the future.”



Federal breakdown for New Jersey

The U.S. Department of Housing and Urban Development has allocated funding to these entities that have been particularly hard-hit by the mortgage crisis:

Community	NSP allocation	Local foreclosure rate	Local abandonment risk	Statewide foreclosure rate	Statewide abandonment risk
New Jersey state program	\$51,470,620	3.8%	Medium	4%	Low
Bergen County	\$2,096,194	2.5%	Low	4%	Low
Jersey City	\$2,153,431	6.0%	Medium	4%	Low
Newark	\$3,406,849	10.6%	Medium	4%	Low
Paterson	\$2,266,641	10.1%	High	4%	Low
Union County	\$2,601,755	4.8%	Medium	4%	Low

Note: Foreclosure start rate is sum of foreclosure starts over 18 months; estimated for local areas. Risk score based on vacancies in Census Tracts with high rates of high cost loans.

Source: U.S. Department of Housing and Urban Development

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