



The United States Conference of Mayors

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FORECLOSURE CRISIS ADDS TO EXISTING VACANT AND ABANDONED PROPERTY PROBLEMS IN CITIES

More than 70 Percent of Mayors In Survey Expect Problems to Increase

Miami, FL - Led by U.S. Conference of Mayors (USCM) President Trenton Mayor Douglas Palmer, the nation's mayors today released a study that assesses the extent to which already-severe property problems in many cities have been exacerbated by the foreclosure crisis. The study also examines the impact of vacant and abandoned properties on local budgets.

The 42 cities that participated in the survey reported having an estimated 79,186 vacant and abandoned properties. Estimates ranged from about 16,400 in Baltimore, 10,000 in Buffalo, 8,000 in Las Vegas, and 4,900 in Columbus (OH) to a dozen or less in smaller cities such as New Berlin (WI), Santee (CA) and Linden (NJ).

Mayors in 71 percent of the responding cities say that the number of vacant and abandoned properties in their locales has increased as a result of the nation's current mortgage foreclosure crisis. More than half the mayors responding (53 percent) say the crisis is a serious or very serious problem for them; and another 29 percent rate the problem as moderately serious.

Further, well over half (55 percent) of the survey cities report that the foreclosure crisis has affected their efforts to address problem properties, and 28 percent say these efforts have actually lost ground since the crisis began. In fact, survey responses indicate that as a result of the crisis, 38 percent of the cities have been required to allocate more money for the upkeep of problem properties, and 45 percent have had to change local ordinances and/or policies to respond to problems resulting from the crisis.

The mayors' outlook is decidedly negative: Seventy-one percent anticipate that, over the next year, their mortgage foreclosure problem will increase; 24 percent anticipate the problem will stay the same. Only two of the cities expect the situation will improve.

Asked how additional federal resources would be used to mitigate the impact of the mortgage foreclosures on their vacant and abandoned properties, most mayors (61 percent) said they would use the funds to acquire these properties; many (56 percent) said they would use it to clean up the land and to rehabilitate structures on the properties, and many (54 percent) said they would use it to demolish structures on the properties.

"Vacant and abandoned properties, whether residential or commercial, have always created costly problems for cities," says Tom Cochran, Executive Director and CEO of the Conference of Mayors. "They are a drain on city budgets, on neighbors' quality of life, on neighborhood redevelopment. This survey confirms what we have been hearing from individual mayors for the past several months: In most cities, the nation's foreclosure crisis is making existing property problems even more severe - and the need for Congressional action on the crisis even more critical."

The survey also includes 27 examples of "best practices" from cities employing numerous remedies and strategies to attack some aspect of the foreclosure problem. The report containing both the survey results and the best practices is available on the Conference of Mayors Web site, www.usmayors.org <<https://mail.usmayors.org/exchweb/bin/redir.asp?URL=http://www.usmayors.org/>> .

The Conference of Mayors has been on the forefront of the mortgage foreclosure issue since November of 2007 when the mayors met with mortgage industry representatives in Detroit. Mayors were very frank with the industry about the need for them to modify loans. In conjunction with that meeting, the Conference released a report on the Mortgage Crisis,

which received significant national attention and helped to galvanize action on the issue. That report also paid particular attention to the ripple effects of the crisis on public safety in cities, as well as property values and tax revenues. Then, during its January Winter Meeting in Washington, D.C., the Conference of Mayors called on Congress to move quickly on legislation to help the growing number of people who are in danger of losing their homes.

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The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today, each represented in the Conference by its chief elected official, the Mayor.