



The United States Conference of Mayors

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HOUSING BILL: U.S. CONFERENCE OF MAYORS PRESIDENT MIAMI MAYOR MANNY DIAZ DEMANDS PRESIDENT BUSH AND CONGRESS INCLUDE \$4 BILLION CDBG NEIGHBORHOOD STABILIZATION PACKAGE TO RESTORE ECONOMIC DAMAGE

Foreclosure Crisis is A National Problem Demanding a National Investment

Washington, D.C. – “When Congress returns from the July 4th recess, the Senate and House are expected to take action on a major bill (HR 3221) that proposes \$300 billion in loan guarantees to help families who face losing their homes to foreclosure. Included in this bill is a \$4 billion measure for neighborhood stabilization that would help cities and localities to deal with the growing number of vacant and abandoned properties left behind from foreclosures. The media has extensively covered the impact of these properties on communities all over the country, and from all accounts, it appears that this is becoming a major national crisis.

“The White House and Congress must recognize that this is a national problem – not a local problem -- that demands national investment. This devastation was caused by Washington, and Washington is obligated to do what is right to fix it. Cities and Americans send trillions of dollars to Washington. It is time for Washington to recognize and meet its obligation by sending these funds back to us to stabilize our neighborhoods.

“As members of Congress return to their respective districts, the nation’s mayors believe it will be impossible for our legislators to avoid the impact of foreclosures and the resulting vacant properties on their communities. Vacant properties create real challenges. Overgrown grass, abandoned houses requiring maintenance and the increased police presence necessary in many of these neighborhoods are a constant drain on city budgets which are losing revenue due to a decline in property tax revenues. All of this creates unstable neighborhoods and a loss in the quality of life for homeowners. In addition, the damage this does to our neighborhoods stunts economic growth and is detrimental to the resurgence that many communities were experiencing.

“While we believe that \$300 billion for loan guarantees and \$150 million for counseling are both necessary to address the problem, we are appalled at what this mortgage crisis has done to destroy neighborhoods in cities and metropolitan areas across the country. According to a recent Conference of Mayors survey of vacant and abandoned properties in cities, the problem is already severe and is only expected to worsen in the coming months. The audacity of Congress to pass legislation without an acknowledgment of the deterioration of American neighborhoods is simply unconscionable.

“The nation’s mayors hope when our federal legislators return to Washington, that they do so with a renewed resolve to help American families who are struggling daily to keep their heads above water. We strongly urge Congress to enact this critical legislation leaving intact the \$4 billion for neighborhood stabilization. To do anything less would be a grave disservice to the people we serve.”