



OFFICE OF THE MAYOR
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**MAYOR EMANUEL LAUNCHES COMPREHENSIVE PROGRAM TO COMBAT FORECLOSURE
CRISIS IN CITY'S NEIGHBORHOODS**

*Innovative Micro-Market Recovery Program to leverage \$15-20 million from MacArthur Foundation
to preserve, revitalize portions of nine communities*

Mayor Rahm Emanuel today announced the Micro-Market Recovery Program, an innovative new program for Chicago that will address foreclosures and stabilize property values in key neighborhoods throughout the city.

"Through close collaboration with Chicago's non-profit and community organizations the Micro-Market Recovery Program will stabilize and sustain local property values on a community level," said Mayor Emanuel. "This program will move Chicago from a house-by-house approach to a community-focused strategy, which will do a better job of protecting residents from the devastating impact of foreclosures, and will have a positive impact on our neighborhoods."

The program targets small geographic areas that are experiencing higher-than-normal problems with foreclosures. The City will work to foster the reoccupation of the foreclosed or vacant properties by coordinating multiple incentive programs, not-for-profit intermediaries, and for-profit capital sources, and by providing financing to approved developers and end-users.

The program will start in small subsections of Humboldt Park, Chatham, Chicago Lawn, West Woodlawn, Auburn Gresham, West Pullman, Belmont Cragin, Englewood, and Grand Boulevard. The areas are characterized by a significant number of foreclosures and vacancies, meaningful geographic boundaries, reliable property ownership records, and previous investments by program partners, among other factors. Each also still possesses market interest by potential homeowners and residential developers, such as Auburn Gresham, which is hosting a trolley tour of eight of homes rehabilitated through the Neighborhood Stabilization Program on Saturday, Aug. 27.

In 2010, more than 10,500 foreclosures were completed in Chicago, up from 20 percent the year before. An estimated 95 percent of the properties are currently vacant.

The John T. and Catherine D. MacArthur Foundation will provide between \$15 and \$20 million through loan programs that should leverage additional private capital for a total of up to \$50



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million. The MacArthur Foundation will work with the Chicago Department of Housing and Economic Development (HED) to design loan products that specifically address the need to stabilize the targeted communities.

Other not-for-profit financial institutions involved with the micro market Recovery program are Neighborhood Housing Services, LISC, Community Investment Corporation, and the Preservation Compact. Discussions with community organizations are ongoing; strategic plans will be released in mid-September. The first interventions in the communities will take place in October.

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