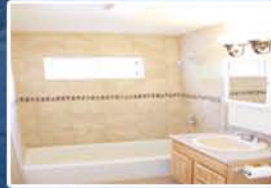


Los Angeles County

NEIGHBORHOOD STABILIZATION PROGRAM



Program Review: After the sudden and unexpected crash of the real estate market, Congress quickly acted to stem the tide of foreclosures by funding the Neighborhood Stabilization Program (NSP). Of the \$3.92 billion made available nationwide under the Housing and Economic Recovery Act of 2008 (HERA), Los Angeles County received \$16.8 million directly from the U.S. Department of Housing and Urban Development (HUD) and successfully competed for an additional \$4.8 million of State allocated NSP funds. To meet the Congressional objective of addressing the economic problems created by the high rate of foreclosures, the Community Development Commission of the County of Los Angeles (CDC) implemented three successful programs: Housing Economic Recovery Ownership (HERO), Housing Economic Recovery Ownership (HERO) State, and Infill Site Rental.



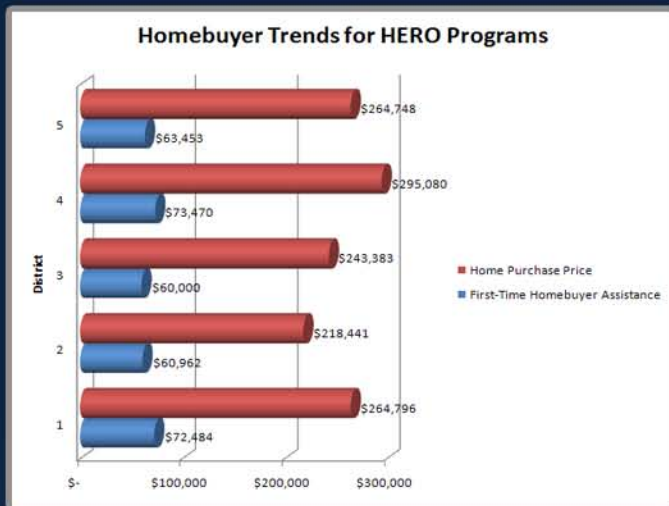
NEIGHBORHOOD STABILIZATION PROGRAM

The NSP-funded programs targeted the unincorporated communities and participating cities hardest hit by the foreclosure crisis by:

HERO and HERO State*

Providing interest-free subordinate loans up to \$75,000, down payment assistance of no more than \$10,000, and rehabilitation grants up to \$25,000 to low- to middle-income first-time homebuyers of foreclosed and abandoned homes in target areas.

**HERO and HERO State programs have the same program guidelines but, serve different communities.*

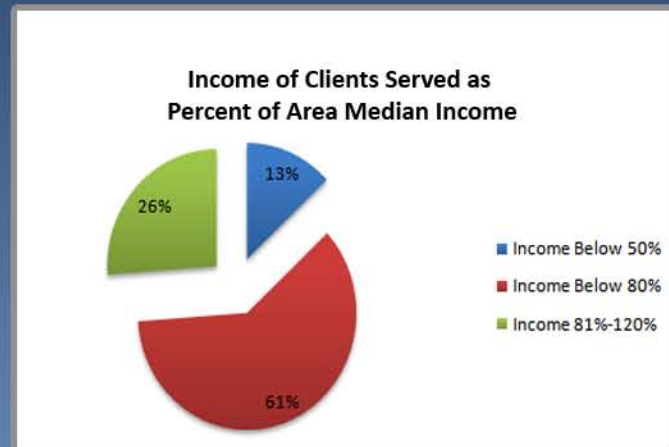


Infill Site Rental

Funding a non-profit developer (Cross Roads Housing) to acquire vacant and foreclosed small multifamily residential units. Additional funding was provided to rehabilitate the units. All units are available at affordable rents to the low- and very low-income populations with an emphasis on serving the special needs population for a minimum of 55 years.



Results: The extraordinary efforts made by the CDC, Cross Roads Housing, and numerous stakeholder lenders resulted in the purchase and rehabilitation of 152 foreclosed housing units, of which 20 units are dedicated to low-income rental housing, since March 2009. These programs also successfully exceeded the Congressional mandate of 1% purchase discount rate, with an average 3% discount rate countywide. In total, 16 participating cities and 18 unincorporated communities have been assisted in curbing the devastating effects of mass foreclosures.



For more information, please contact us at (323) 890-7001