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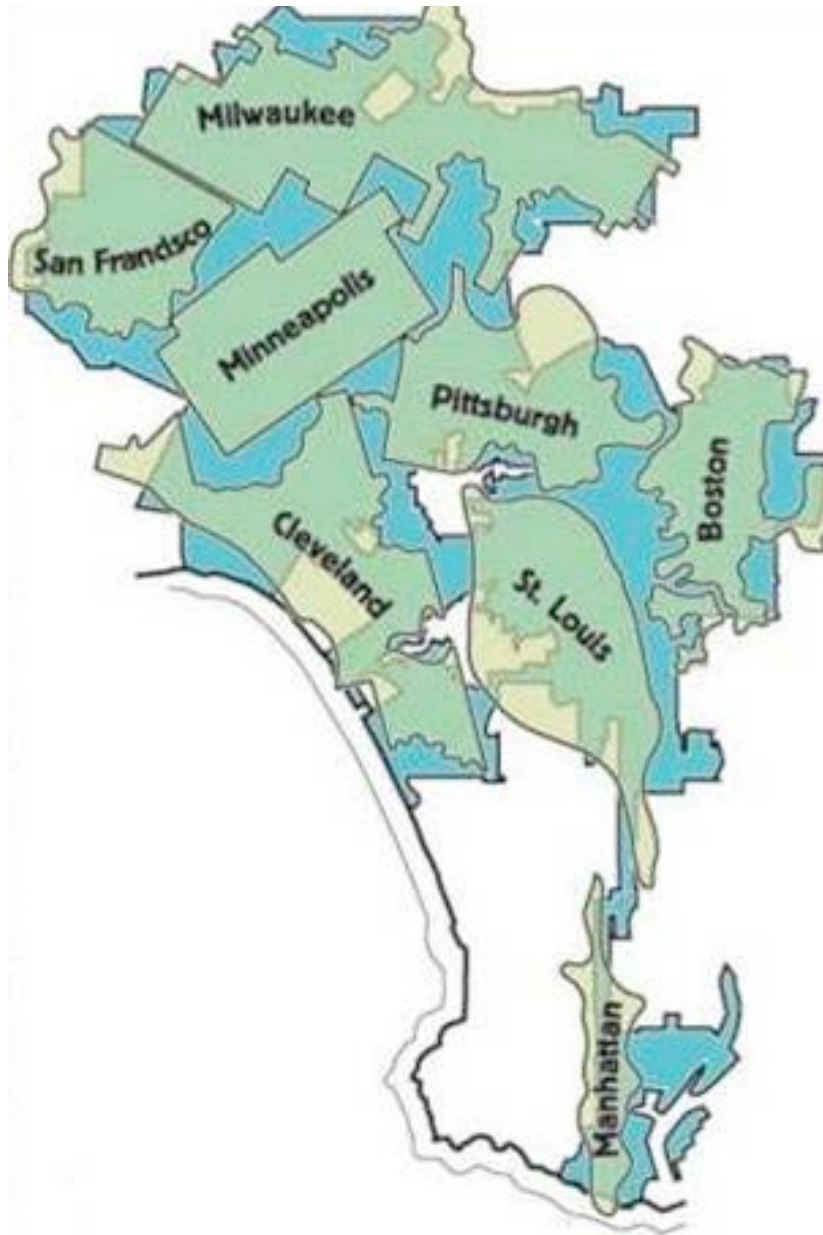
Federal Reserve Board's

Confronting the Neighborhood Impacts of Foreclosure:

Models of Vacant Property Disposition

Mercedes Márquez, General Manager

October 20, 2008



How Big is L.A.?

Los Angeles could easily contain the combined physical areas of:

- Boston
- Cleveland
- St. Louis
- Pittsburgh
- Minneapolis
- Milwaukee
- San Francisco
- Manhattan

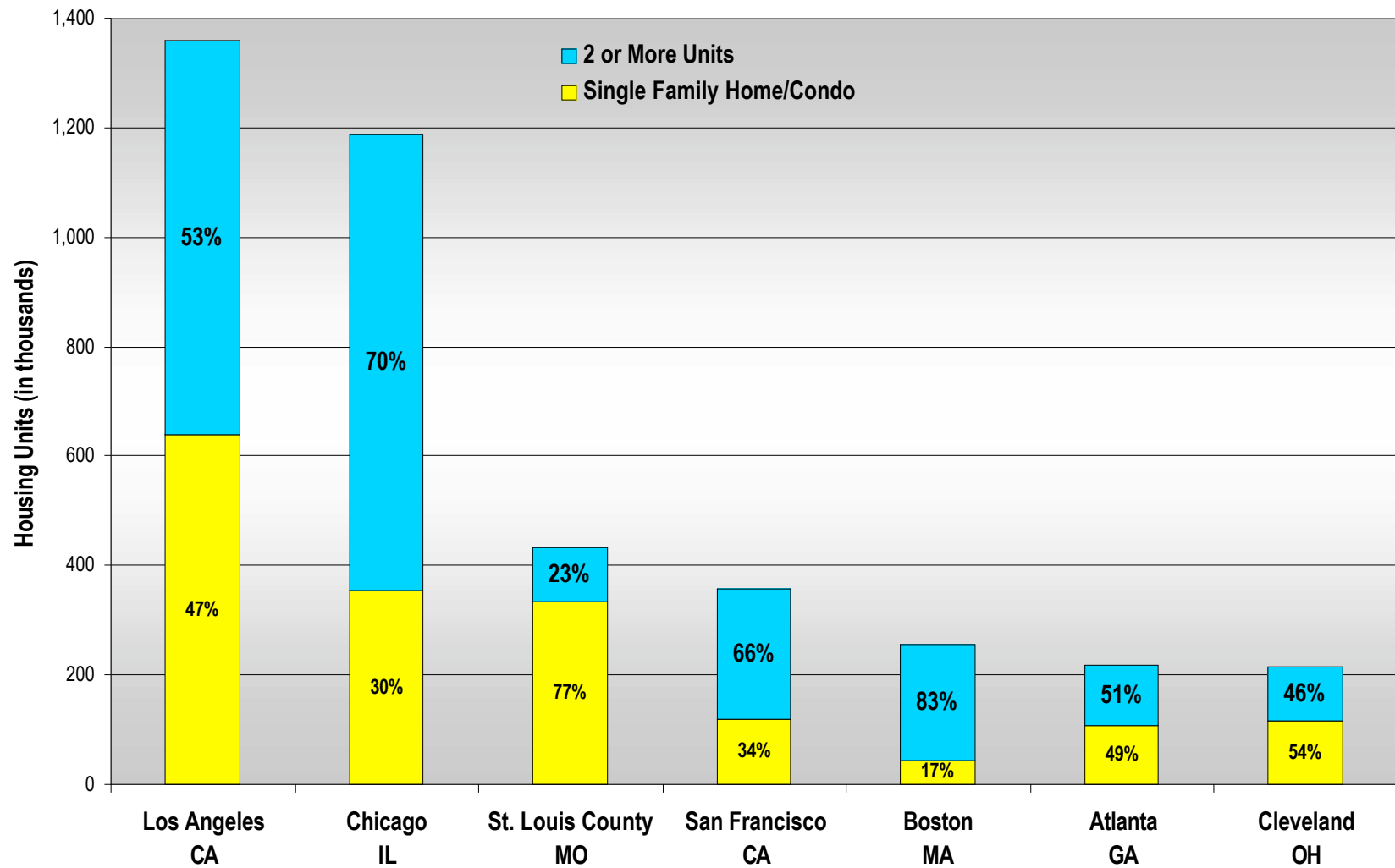
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Housing Stock Comparison



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NSP: Data Drives the Strategy

- To develop a Neighborhood Stabilization Program, the LAHD has:
 - analyzed and mapped foreclosure data
 - convened a data-focused working group of experts, academics and the Federal Reserve
 - mapped 18 months of foreclosure data (January 2007 - June 2008)
- Mapping foreclosures city-wide has revealed:
 - scale, location and income (up to 120% AMI)
 - hardest hit areas are: South Los Angeles and neighborhoods in the Valley
 - housing types varies by region, i.e. multifamily foreclosures are clustered in South LA; single-family foreclosures are concentrated in the Valley

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All Foreclosures January 2007 - June 2008 City of Los Angeles: by Address, Council District & 120% AMI or Below

Foreclosures (FCs)

- Single Family Home or Condo
- ⊙ Multi-Unit Building

Total SFH/Condos	9,125
Total Multi-Unit Buildings	1,298
Total Units in Multi-Unit Buildings	3,798
Grand Total Units	12,923

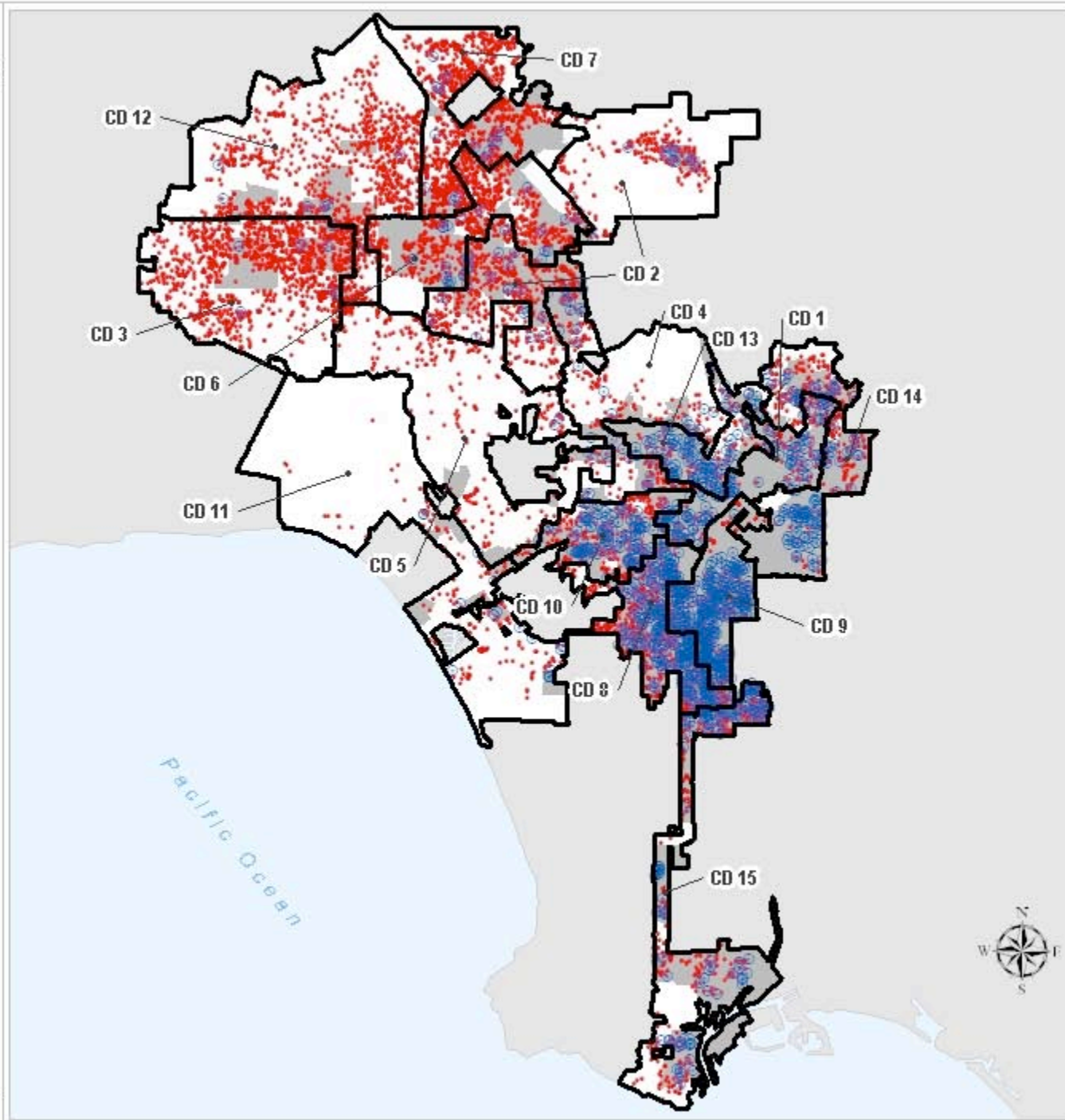
120% AMI or Below

City Council Districts



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LAHD Policy & Planning Unit [a] September 4, 2008
Source: DataQuick Information Systems; 2000 Census, SF3



LA's Neighborhood Stabilization Program

- LA's Neighborhood Stabilization Program will employ multiple strategies:
 1. Holding Company: acquire, rehab and dispose of foreclosed properties
 - Single-family and multi-family properties
 2. Walk-In Program: down payment and rehab assistance
 - Single-family properties
- LA will receive a direct allocation of \$33 million HERA's NSP funds
- These new foreclosure resources will help the City achieve multiple goals, including:
 - Neighborhood stabilization
 - Preservation of affordability
 - TOD targeting

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Maximizing Our Resources

- Use HERA NSP funds to support local neighborhood stabilization efforts by leveraging:
 - the New Generation Fund
 - existing local (Affordable Housing Trust Fund) and state resources (Prop 1C, tax credits)
 - HUD lead abatement grant funds
- LA will apply for additional HERA NSP funds from state

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Holding Company

- The Holding Company will:
 - Acquire foreclosed properties
 - Oversee competitive process
 - Oversee rehabilitation of foreclosed properties
 - Make properties available for sale
- LAHD will underwrite the purchase assistance and rehab loans
- The Holding Company will employ disposition strategies for both single- and multi-family properties

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Holding Company: Multi-family Disposition Program

- Disposition of Multi-family Properties
 - In priority target areas, bid out for scattered site acquisition through the holding company
 - Leverage tax credits and bonds for rehabilitation
- Analyzing multi-family housing stock
 - To further identify multi-family purchase opportunities, the LAHD will use:
 - code enforcement,
 - buildings referred to the City Attorney for nuisance abatement, and
 - properties in the Rent Escrow Account Program (REAP)
 - Analysis will better direct the preservation of rent stabilized units and help avoid tenant displacement
- LAHD will perform underwriting for these loans

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Multi-Unit Building Foreclosures January 2007 - June 2008 City of Los Angeles: by Address, Council District & 120% AMI or Below

Multi-Unit Building Foreclosures

	Total Buildings
▲ 2007: 2 - 4 units	529
▲ 2008 - 1st Quarter: 2 - 4 units	280
▲ 2008 - 2nd Quarter: 2 - 4 units	440
□ 2007: 5 units or more	20
□ 2008 - 1st Quarter: 5 units or more	13
□ 2008 - 2nd Quarter: 5 units or more	16
Total Units	3,798

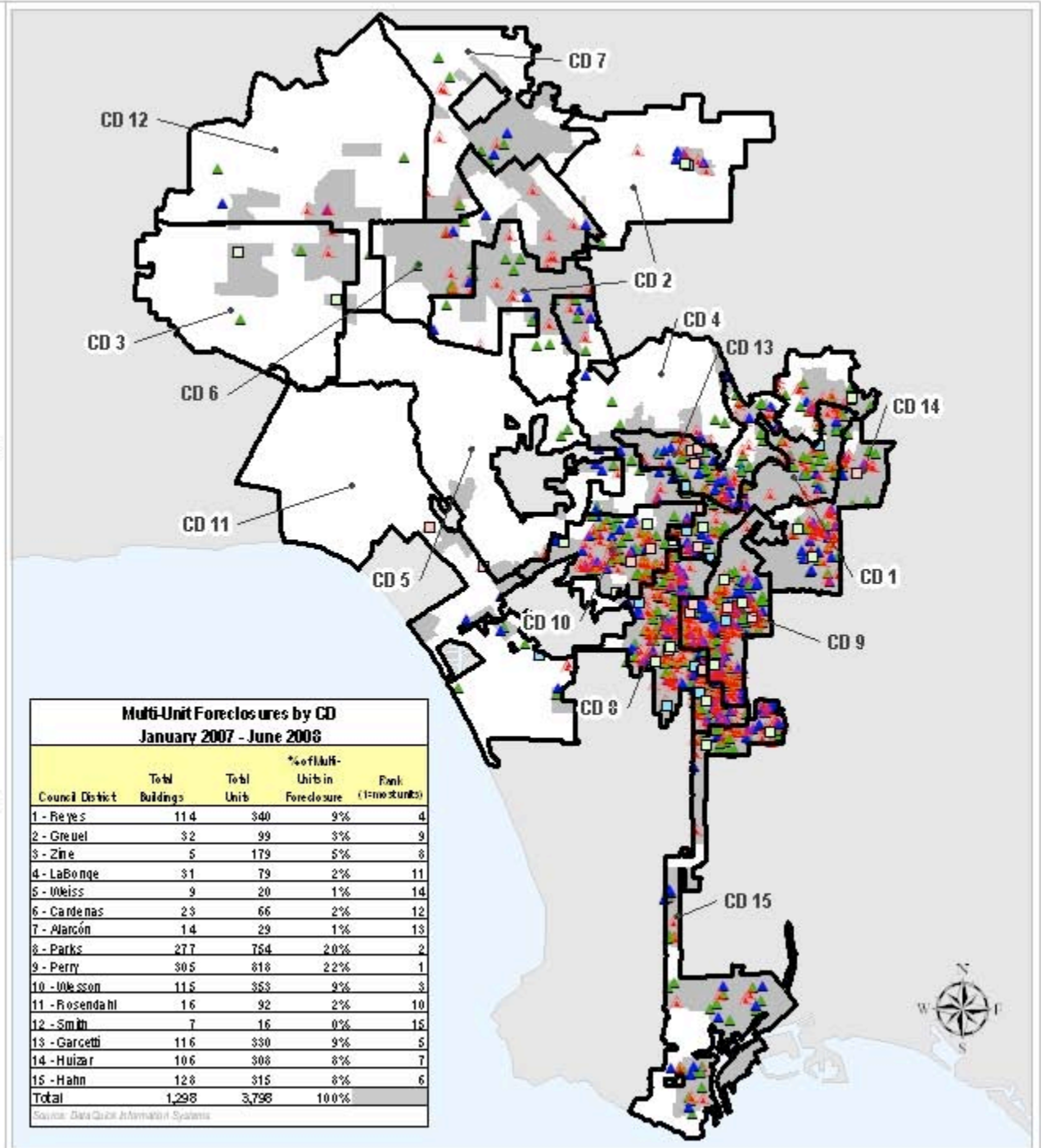
Income by Census Tract: 120% AMI or Below

City Council Districts



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LAHD Policy & Planning Unit (a) August 13, 2008
Source: DataQuick Information Systems; 2000 Census S, SP3



Council District 8 City of Los Angeles Foreclosures January 2007 - June 2008

Foreclosures

	Bldgs	Units
• Single Family Home or Condo	797	797
▲ 2 - 4 Units	267	689
■ 5 Units or More	10	65
Grand Total:	1,074	1,551

Median Income by Census Tract (as percent of AMI)

	Total Units
50% or below	78
51 - 80%	1,002
\$1 - 120%	409
120% or above	62

CRA/LA Project Areas

- Broadway Manchester
- CD9 Corridors
- Crenshaw / Slauson
- Crenshaw Amended
- Exposition / University Park
- Normandie 5
- Vermont Manchester
- Watts Corridors
- Western / Slauson
- City Council Districts
- Streets
- Outside City of Los Angeles



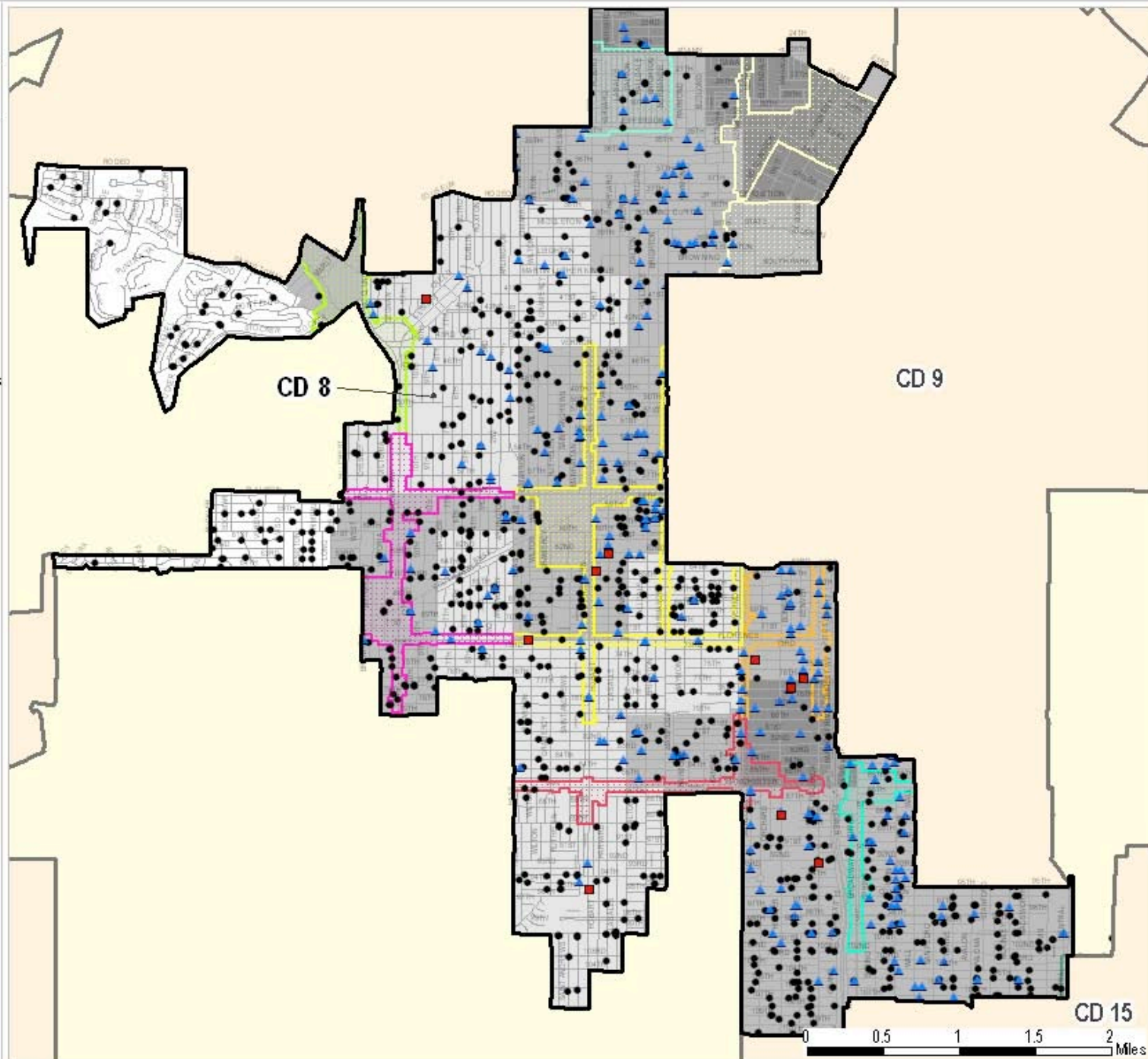
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LAHD Policy & Planning Unit [a] October 8, 2008

Source: DataQuick Information Systems; 2000 Census, SP3



Holding Company: Single-family Disposition Program

- Disposition of Single-family properties programs:
 - Single-family dwellings target area program:
 - Discounted properties from servicers/lenders' portfolios will be rehabbed and re-sold to qualified buyers (up to 120% of AMI)
 - Homebuyer education
 - Single-family dwellings “right sizing” program:
 - In priority target areas, properties will be “right sized” (i.e. one bedroom and one bathroom will be added to small homes)
- LAHD will perform the underwriting for these loans

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Single Family Home* Foreclosures January 2007 - June 2008 City of Los Angeles: by Address, Council District & 120% AMI or Below

SFH and Condo Foreclosures

- 2007
- 2008 - 1st Quarter
- 2008 - 2nd Quarter

**Total Units
9,125**

Income by Census Tract 120% AMI or Below

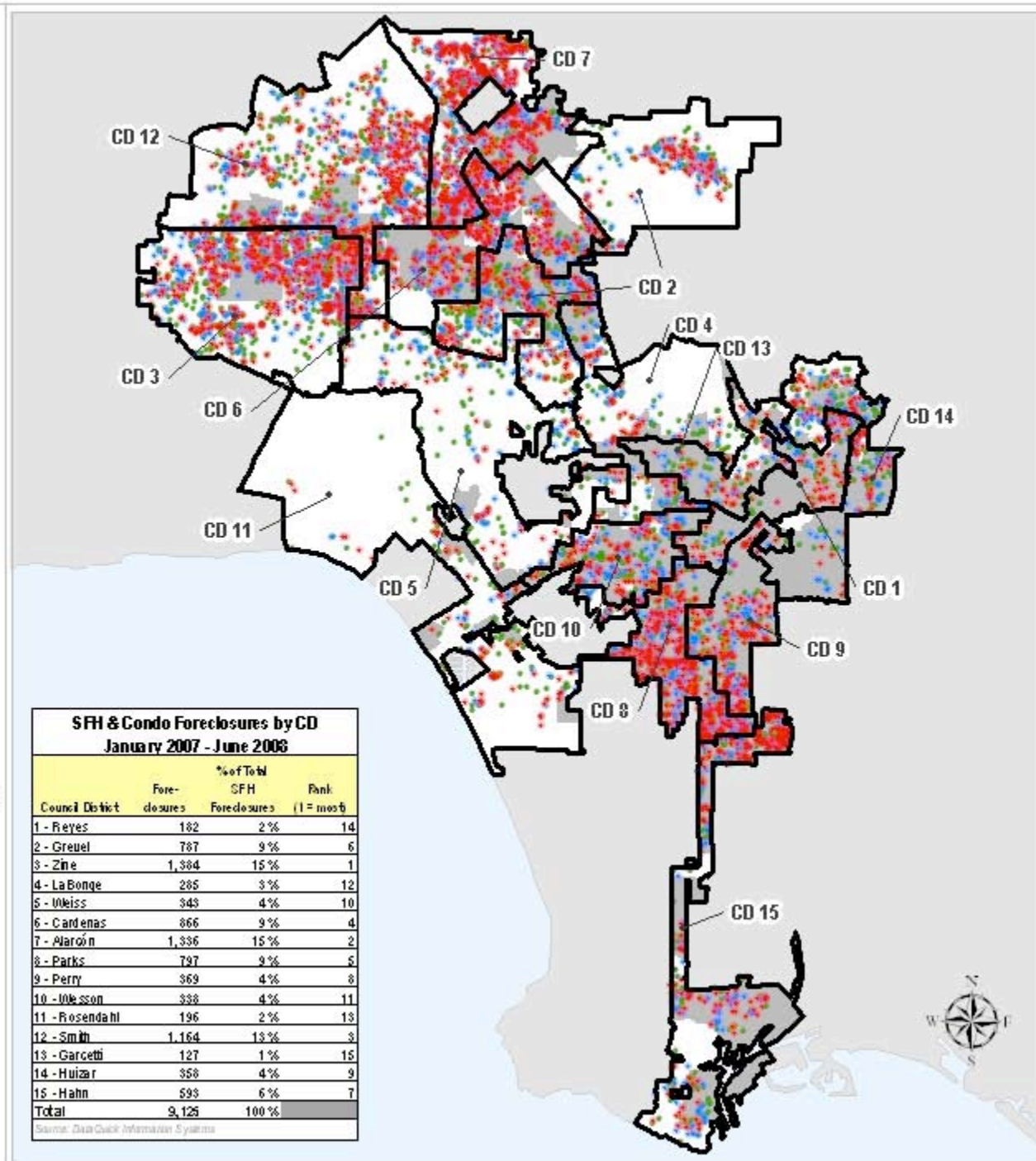
City Council Districts

*Single units, including condos.



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LAHD Policy & Planning Unit (ta) August 13, 2008
Source: DataQuick Information Systems; 2000 Census, SF3



Council District 7 **City of Los Angeles** **Foreclosures:** **January 2007 - June 2008**





Foreclosures

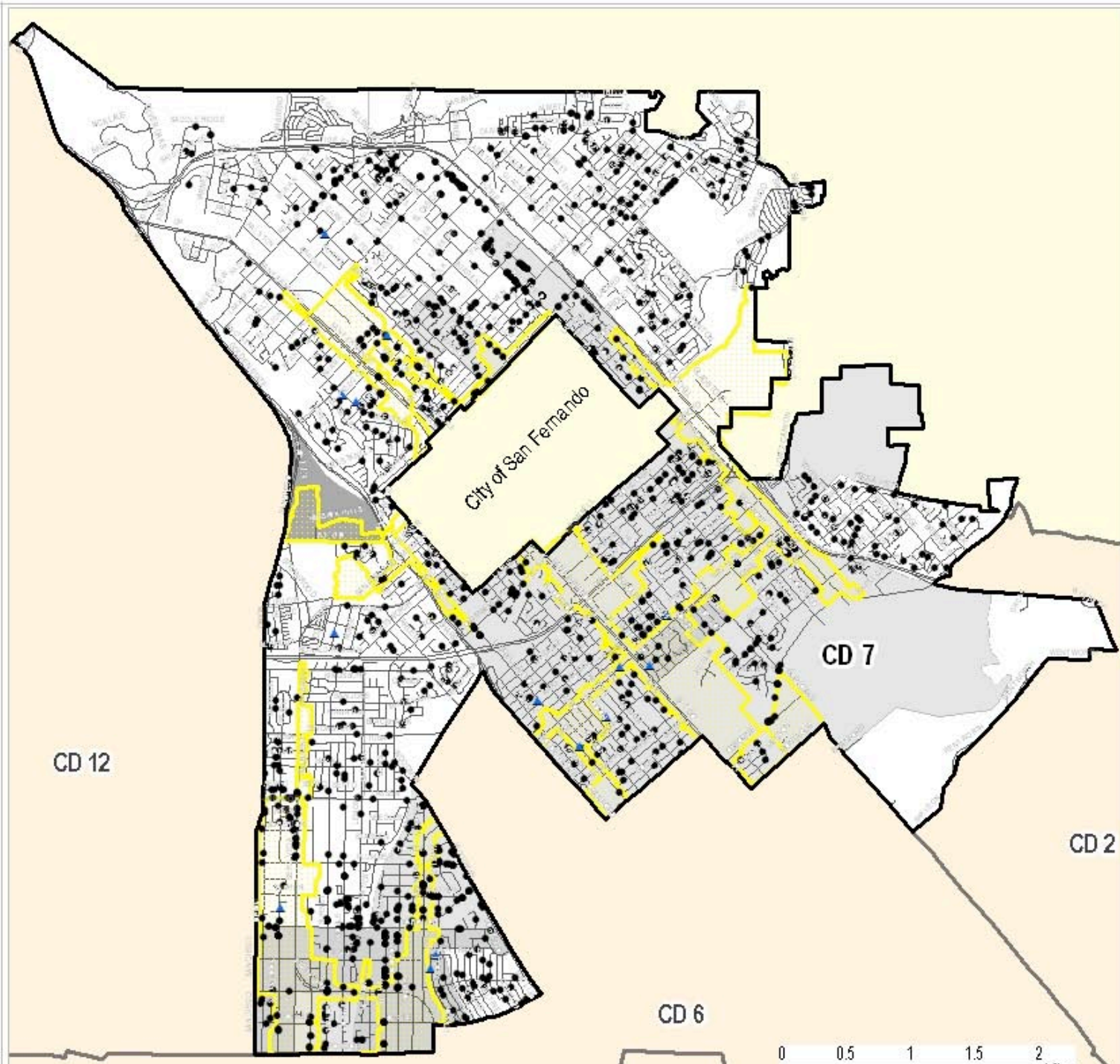
	Bldgs	Units
• Single Family Home or Condo	1,336	1,336
▲ 2 - 4 Units	14	29
■ 5 Units or More	0	0
Grand Total:	1,350	1,365

Median Income by Census Tract (as percent of AMI)

	Total Units
50% or below	0
51 - 80%	153
81 - 120%	517
120% or above	695

CRA/LA Project Area

-  Pacoima/Panorama City
-  City Council Districts
-  Streets
-  Outside City of Los Angeles



Pacoima **City of Los Angeles** **Foreclosures:** **January 2007 - June 2008**

Foreclosures	Total Bldgs	Total Units
● Single Family Home*	329	329
▲ 2 - 4 Unit Building	6	13
Grand Total:	335	342

Median Income
 by Census Tract
 (as percent of AMI)

51 - 80%	32	33
\$1 - 120%	303	309

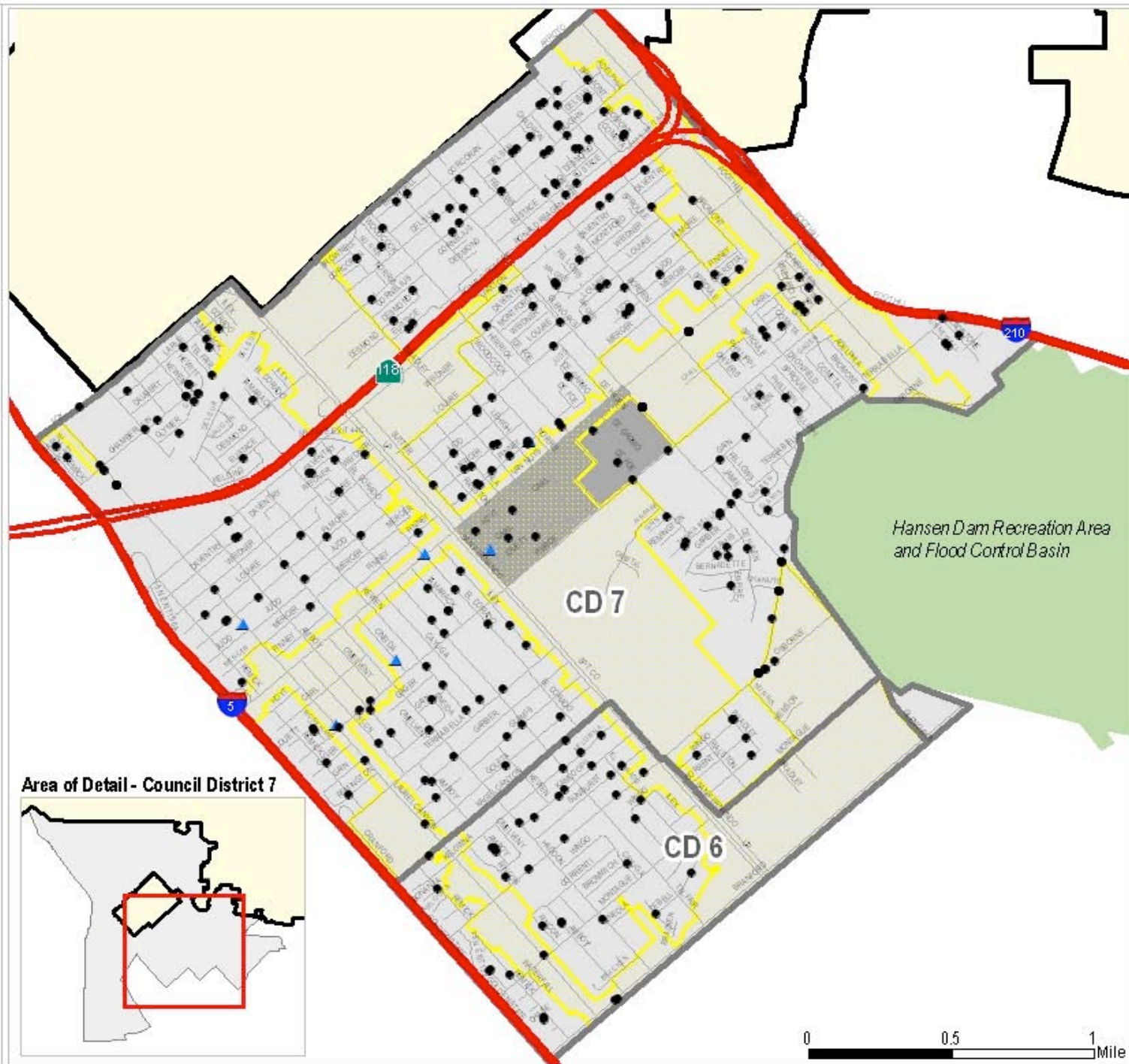
CRA/LA Project Area

- Pacoima/Panorama City
- City Council Districts
- City of Los Angeles
- Park Area
- Outside City of Los Angeles

*Includes Condos.



LAHD Policy & Planning Unit [a] October 17, 2008
 Source: DataQuick Information Systems; 2000 Census, SP3



Walk-In Homeownership Program

Walk-in Program – In Target Areas:

- Purchase and rehab assistance for low/mod families earning up to 120%AMI (\$90,960 for a family of four)
 - Total amount of assistance: no more than \$100,000 for any combination of purchase and rehab assistance (approximately \$30,000 per unit for rehab)
 - Health and safety rehab standard will be used; only actual code items will be repaired, major systems, and exterior painting.

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Conclusion of Presentation

Mercedes Márquez, General Manager

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