



Providing
help & hope
in hard times



**Neighborhood Housing Services
of Los Angeles County**

(formerly Los Angeles Neighborhood Housing Services)

2010 -2011 ANNUAL REPORT

How Your Support Gives Help and Hope

Every 15 to 18 minutes a family in Los Angeles County loses their home to foreclosure.

Foreclosures create crises. Families are thrown into chaos and vacated houses quickly turn into troubled neighborhoods.

A significant number of our clients are ethnic minority families of modest means who are working hard to achieve the American Dream but who do not have a full understanding of credit and financial preparedness. These families are more likely to obtain sub-prime loans and borrow more money than financially feasible in order to purchase their homes. Financially jeopardized homes clustered together are the “foreclosure hot spots” within our target neighborhoods.

Homeownership rates have fallen most sharply for African Americans and Latinos than for the rest of the population.

In order to avoid future crises like the one we are in now, we are promoting asset building by helping families learn to establish, preserve and protect their financial well-being and investments. When self-reliant families are able to invest in homes they can afford, they can remain financially healthy, build generational wealth, reinvest in the community and create strong, stable neighborhoods of choice.

Your support helps Neighborhood Housing Services of Los Angeles County play a critical role in ending this terrible foreclosure trend.

Your ongoing funding translates directly into help and hope for thousands of families. Your support enables families to stay in their current homes or purchase homes of their own. Learn more about the programs and services of Neighborhood Housing Services of LA County and how you can support makes a real difference in our community.

To make a donation or learn more, visit our website www.nhslacounty.org



Dear Friends,

2010 will be remembered as a year of economic challenge that really hit home.

Household incomes declined while prices rose. The unemployment rate surpassed 9%. And against this somber backdrop, families lost their homes through foreclosure in record numbers. The need for our services in homeowner education, foreclosure prevention, and neighborhood preservation was great and continues to grow.

That's why after 25 years of building our reputation in the community as Los Angeles Neighborhood Housing Services or LA NHS, we are defying the brand managers and changing our name. We want people to know that the homeownership services they need are available beyond city boundaries. Our new name Neighborhood Housing Services of Los Angeles County makes it clear that we are here to serve families throughout the entire county.

Reflecting on the past year, I am proud of the help and hope we were able to provide every day through Neighborhood Housing Services. In 2010 our significant accomplishments included:

Providing critical services to over 9,500 families facing foreclosure;

Reinvesting nearly \$134.5 million into Los Angeles neighborhoods, supporting the Los Angeles economy; and

Helping families become first-time homeowners at a rate of one family every other day.

Although we are changing our name just a bit, the most important thing remains unchanged – our strong commitment to helping families reach their financial goals and build neighborhoods of choice.

With the continued help of our partners in the community we look forward to another year of championing change, preserving neighborhoods, building wealth and renewing a sense of hope for future generations.



(s i g n a t u r e s h e r e)

Lori R. Gay
President & CEO

Sal Mendoza
Chairman of the Board



On average, families facing foreclosure go into mortgage default because of a \$3,000 to \$10,000 financial gap.

Mission

To serve as a catalyst for local residents, business and government representatives to work together to build stronger neighborhoods, improve the quality of life for families of modest means and to revitalize communities into neighborhoods of choice.

Neighborhood Housing Services of Los Angeles County strengthens communities through the development and maintenance of quality affordable housing, creation and preservation of affordable homeownership opportunities, support of local leaders, providing financial education and increasing the financial independence of families and people in need.



2011 Priorities

Help with Foreclosure

We will continue to help families in financial distress by providing free foreclosure prevention education and counseling. Our range of services in this area will include:

- Counseling Certification and Training
- Revolving Loan Fund
- Pre and Post Foreclosure Counseling
- Legal Assistance Partners
- Los Angeles County NeighborWorks®
- Refinancing Assistance Center for Foreclosure Solutions
- Relocation Assistance

Hope for the Neighborhood

We will prepare more families to become homeowners. We will build upon our progress of stabilizing neighborhoods through the purchase, rehabilitation and sale of foreclosed homes in target neighborhoods complemented by partnership building, organizing and training of local residents leaders. Our range of services in this area will include:

- Acquisition of Foreclosed properties
- Affordable Lending & Downpayment Assistance
- Construction Management
- Neighborhood Revitalization and Advocacy
- Mission-driven Real Estate

“It was a long journey but I wasn’t giving up.”

—JAQUELINE DAVIS

Help Saves a Home

Ms. Mary Warren and her daughter Ms. Jaqueline Davis worked hard and pulled their savings together to purchase their first home in 2007. But just two years later their adjustable loan payment skyrocketed, Ms. Davis’ hours at work were cut and they could no longer make their full mortgage payment. They fell behind in their payments and stood to lose the home they had worked so long to own.

Their first attempts to seek help were discouraging. An agency that advertised loan modification did not make good on their promises. An attorney who “guaranteed” a loan modification took their money without delivering results.

Our HELP & HOPE Fairs help families prevent foreclosure, and provide hope to families who dream of purchasing a home.

But Ms. Davis continued to seek help and finally found it at a Neighborhood Housing Services foreclosure prevention clinic. Encouraged by her NHS homeownership counselor, Ms. Davis again gathered the necessary documentation and applied for a loan modification. This time her persistence paid off. She and her mother were approved for a significant and permanent loan modification. Their mortgage was reduced from \$3,079 a month to \$1,801 a month – a savings of 42% or \$1,278 a month! The affordable new mortgage payment enabled them to stay in their home. Commenting on her experience with NHS, Ms. Warren said simply, “It’s been a blessing.”



Affordable Lending

We assisted 2,500 families to submit their loans for modification or refinance and assisted 250 potential buyers submit loans for new homes through the year ending June 30, 2011. As a Community Development Financial Institution (CDFI), we were able to finance certain borrowers directly through our revolving loan fund.

Financial Education & Counseling

We reached more than 2,674 families through our English and Spanish homeownership education workshops through the year ending June 30, 2011. We hosted 26 homebuyer workshops and 209 foreclosure prevention clinics at our NeighborWorks® Homeownership Centers and at local workplaces.

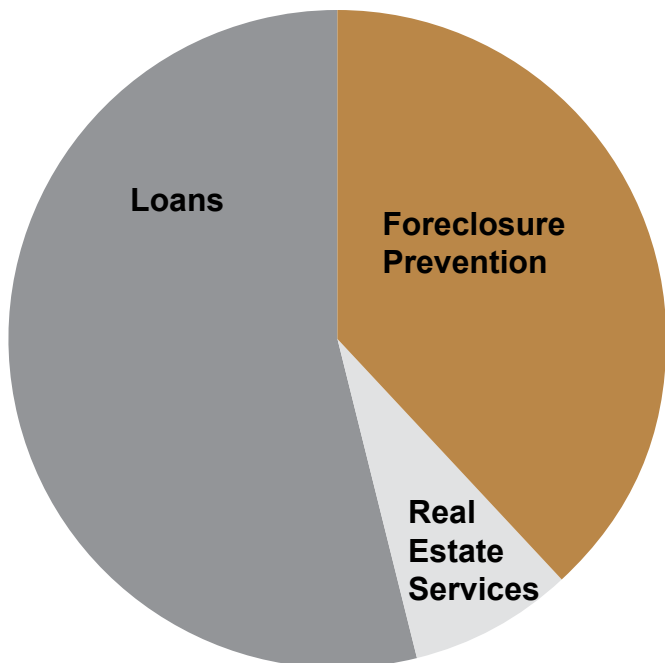
Mother and daughter homeowners Mary Warren and Jaqueline Davis reduced their monthly mortgage payment by 42%.



2010 Achievements & Milestones

Neighborhood Housing Services (NHS) of Los Angeles County and its affiliates, NHS Neighborhood Redevelopment Corporation and NHS Neighborhood Lending Services, touched the lives of more than **one million households** as a Community Development Financial Institution (CDFI) during the fiscal year. We are proud to have achieved the following:

- Reinvested **\$82.7 million** to help over **17,000 families** prevent foreclosures through educational clinics, fairs and workshops conducted throughout the county
- Facilitated loans of more than **\$58.9 million** to help working families make down payments and refinance mortgages
- Reinvested **\$12.1 million** to provide real estate services to assist low and moderate income buyers purchase home, directly resulting in one family every other day becoming new homeowners
- Responded to over **100,000 calls** to our Center for Foreclosure Solutions (**400 calls a day!**) from families needing financial counseling and help with loss mitigation



Reinvested \$134.5 million into Los Angeles Neighborhoods

Loans: \$58.9 million

Real Estate Services: \$12.1 million

Foreclosure Prevention: \$82.7 million

- Educated and counseled over **300 families** in budgeting, credit repair, home maintenance and insurance to prepare them for homeownership
- Coordinated over **200 volunteers** who contributed over **1,700 service hours** in foreclosure prevention events
- Completed **16 community projects** to green and sustain local neighborhoods
- Obtained a **\$60 million award** of federal recovery funds for the Neighborhood Stabilization Program in partnership with a consortium that included: Asian American Drug Abuse Program, ANR Industries, City of Carson, City of Compton, City of Inglewood, GRID Alternatives, Vermont Village CDC, Search to Involve Pilipino Americans, Vermont Slauson EDC and Watts Century Latino Organization



Neighborhood Housing Services of Los Angeles County (NHS)
(formerly known as Los Angeles Neighborhood Housing Services – LA NHS)
and Affiliated Organizations

Statement of Financial Position

At December 31, 2010

ASSETS

CURRENT ASSETS

| | |
|---|-------------------|
| Cash and cash equivalents | \$737,731 |
| Grants receivable | 59,194,004 |
| Accounts receivable | 134,878 |
| Prepaid expemses | 7,122 |
| Loand receivable active and deferred current portion-net | 72,480 |
| Investment properties | 2,071,602 |
| Total current assets | 62,217,817 |

PROPERTY AND EQUIPMENT

| | |
|---------------------------|-----------|
| Poperty and equipment-net | 3,331,038 |
|---------------------------|-----------|

OTHER ASSETS

| | |
|---|-----------|
| Loans receivable active and deferred- net of current portion | 3,477,425 |
|---|-----------|

| | |
|---------------------|---------------------|
| Total assets | \$69,026,280 |
|---------------------|---------------------|



LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---|-------------------|
| Accounts payable and accrued expenses | \$231,239 |
| Deferred revenue | 56,927,587 |
| NRC escrow-S. Beacon | 17,137 |
| Accounts held for others | 112,566 |
| Notes payable-current portion | 404,229 |
| Lines of credit-current portion | 315,145 |
| Certificates of deposit-current portion | - |
| Total current liabilities | 58,007,913 |

LONG-TERM LIABILITIES

| | |
|--|------------------|
| Security deposits | 5,495 |
| Notes payable-net of current portion | 6,570,055 |
| Lines of credit-net of current portion | 1,125,000 |
| Certificates of deposit | 450,000 |
| Total long-term liabilities | 8,150,550 |

| | |
|--------------------------|-------------------|
| Total liabilities | 66,158,463 |
|--------------------------|-------------------|

NET ASSETS

| | |
|--|--------------------|
| Unrestricted-(deficit) | (1990,402) |
| Unrestricted-invested in property and equipment | 920,599 |
| Total unrestricted net assets | (1,069,803) |

| | |
|------------------------|-----------|
| Temporarily restricted | 1,763,575 |
| Permanently restricted | 2,174,045 |

| | |
|-------------------------|------------------|
| Total net assets | 2,867,817 |
|-------------------------|------------------|

| | |
|---|---------------------|
| Total liabilities and net assets | \$69,026,280 |
|---|---------------------|



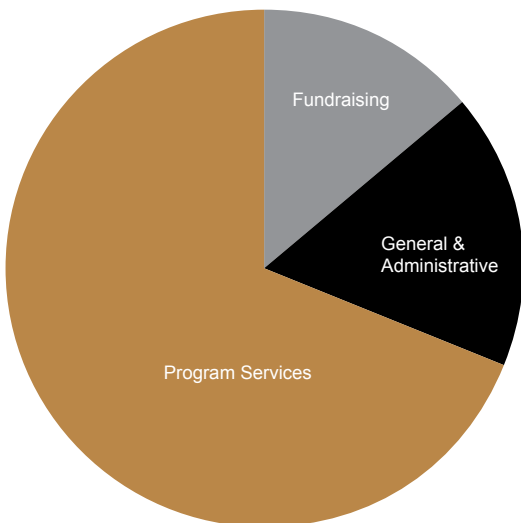
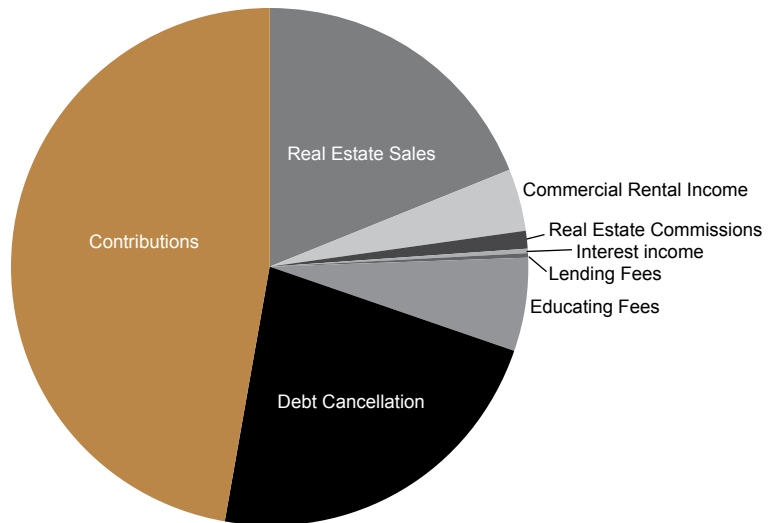
Neighborhood Housing Services of Los Angeles County (NHS)
 (formerly known as Los Angeles Neighborhood Housing Services – LA NHS)
 and Affiliated Organizations

Statement of Activities

Statement of Activities for the period ending December 31, 2010

Support and Revenue

| | |
|--------------------------|-------------|
| Contributions | \$2,549,752 |
| Education fees | 307,094 |
| Lending fees | 15,022 |
| Interest Income | 17,553 |
| Real Estate Commissions | 60,084 |
| Commercial Rental Income | 210,465 |
| Real Estate Sales | 1,015,945 |
| Debt Cancellation | 1,221,437 |



Expenses

| | |
|---------------------------|-------------|
| Program Services Delivery | \$1,380,639 |
| General & Administrative | 344,331 |
| Fundraising | 274,538 |



We gratefully acknowledge our donors.

You have provided help and hope to thousands of families.

2010 Donors

| | |
|---|--|
| 94.7 The Wave | KNX 1070 |
| Amalgamated Bank | KROQ 106.7 |
| Andrew Haugh | KTYM AM 1460 |
| Arrowhead Mountain Spring Water | Liliana Arguello |
| Baldwin Park Adult & Community Education Center | Long Beach Unified School District |
| Bank Leumi | Lorena Rodriguez |
| Bank of America | Bob & Lori Gay |
| Bank of the Orient | Los Angeles Unified School District |
| Bank of the West | Luis Sahagun |
| Bruce Karatz Foundation | Luther Burbank Savings |
| California Association of Realtors | Maggiano's Italian Restaurant |
| California Bank & Trust | Manufacturers Bank |
| California Fair Plan Association | Marilyn Selena Davis |
| California United Bank | Maury Gentile |
| Cathay Bank Foundation | Michael Manigault |
| Center Bank | Mizrahi Tefahot Bank |
| CitiGroup | Mizuho USA Foundation |
| City National Bank | NeighborWorks America |
| Clear Channel , Inc. | Nina Kihlman |
| Comerica Bank | Northern Trust Bank |
| Community Bank | OneWest Bank, FSB |
| El Camino College Compton Center | Opus Community Foundation |
| Ester Cadavid | Original Tommy's Hamburgers |
| Fannie Mae Foundation | Owen N. Duffy |
| Federal Deposit Insurance Corporation | Pacific Coast Regional SBDC |
| Federal Home Loan Bank of San Francisco | Pizzamania |
| Federal Reserve Bank of San Francisco | Ronald Martinez |
| Francisco Jorge Vera | Rural Community Assistance Corporation |
| Frank I. Igwealor | S.H. Cowell Foundation |
| Global Giving Foundation | Southbay Pavilion Mall |
| Graciela Sanchez | Steve Herman |
| Greg Williams | Subway Restaurant |
| Guide Star | Syreeta Bastiste |
| Habib American Bank | The Home Depot Foundation |
| HSBC Bank USA | Union Bank Foundation |
| In-N-Out Burger Corporation | Univision Radio |
| Irma Sanchez | US Bank |
| J.P. Veen | US Department of Housing & Urban Development |
| Jeffery Davine | Verizon Wireless |
| Jenny Ortiz | Wells Fargo Bank |
| John Brott | William Steven Medellin |
| JP Morgan Chase Foundation | Wilshire State Bank |
| Kaiser Federal Bank | Woori America Bank |
| KJLH 102.3 FM | Zoe Christian Fellowship |



Our families become exuberant homeowners.

“I wanted a house to provide more than a roof over our heads.” —JOSE MELENDEZ

Hope Becomes Reality

Single father Jose Melendez was determined to create a home for his daughter, his mother and himself. Though the steep price of housing discouraged other prospective buyers, Mr. Melendez did everything he could to help himself become a homeowner.

He attended a Neighborhood Housing Services (NHS) FasTrak Homebuyer class to learn about the home buying process, downpayment assistance, and financing. When housing prices declined, Mr. Melendez was ready. He worked with the NHS real estate team to find the perfect home for his family. Then with help from NHS and its financial partners, Mr. Melendez purchased his three bedroom, two bathroom dream home.

By turning around previously foreclosed homes we create new homeowners and renew neighborhoods.

Today Mr. Melendez is planning home improvements, enhancing a financial asset that will belong to his family for generations.

Real Estate and Construction Management

Through our Los Angeles County NeighborWorks® Center for Foreclosure Solutions, we work with partners and local realty boards to help families purchase affordable homes. We bring hope and revitalization to neighborhoods by purchasing properties in foreclosure and rehabilitating them



for resale. Our contracts with banks and servicers allow us to purchase most of the properties at substantial discounts which subsequently reduce the resale prices for buyers. We facilitated the sale of 100 newly rehabilitated properties to new homebuyers through the year ending June 30, 2011.

Jose Melendez signs his mortgage documents while Homeowner-ship Counselor Ronald Martinez looks on.

Neighborhood Revitalization and Advocacy

We work with local utility companies, home improvement stores, block clubs and neighborhood councils to maintain the appearance and safety of neighborhoods in the wake of foreclosures and property vacancies. We focus on partnership building, organizing and training resident leaders. By defining and addressing needs in their own neighborhood, local residents actively improve the quality of life for their families and neighbors.

2010-2011 Board of Directors

Neighborhood Housing Services of Los Angeles County & Affiliates

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Steve Herman, *Board Vice Chair*—California Bank & Trust
Constance Anderson, *Board Secretary/Treasurer & Resident*—Pacific Regional Small Business Corporation
John Brott—NHS of LA County
Joseph Chow—Southern California Gas Company
Zeeda Daniele—Fannie Mae Corporation
Danny Draper—NHS of LA County
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Luis Sahagun—Farmers Insurance
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Gloria Tang—First Republic Bank
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2010-2011 Executive Staff

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Rhonda McMillan, Assistant VP
J.P. Veen, VP & Chief Operations Officer
Linda Maldonado, Special Assistant

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Julie St Jean, Director of Education
Ronald Martinez, Sr. Credit Officer
Bruce Solomon, Sr. Loan Officer

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Ester Cadavid, Exec. VP & Chief Program Officer
Nina Kihlman, Asst. VP & Director of Community Relations



**Neighborhood Housing Services
of Los Angeles County**

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NeighborWorks® Homeownership Center**

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Visit us online at www.lanhs.org