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***Department of Housing and Urban Development (HUD)
Neighborhood Stabilization Program 2 Funding Proposal Summary***

This summary has been prepared to describe the proposed activities by Housing Action resource Trust (HART) as they relate to the Notice of Funding Availability (NOFA) for the Neighborhood Stabilization Program 2 funding announcement with an application due on July 17, 2009. Under said NOFA and application, the applicant is required to provide a citizen comment period of no less than ten days.

Agency Capacity

As a nonprofit affordable housing developer with a mission to promote affordable housing opportunities in select communities, promote strong families, stabilize communities and preserve homeownership, HART is dedicated to working with local jurisdictions and local partners to respond to HUD's neighborhood stabilization initiative. HART is the owner, developer and manager of its affordable rental communities and the owner and developer of its affordable housing residential homes. HART has the proven experience and staff to create and develop affordable single family and multi-family housing in the Inland Empire. HART has demonstrated affordable housing experience from a variety of activities that include housing counseling, down payment assistance, the management of affordable rental units, and the development and/or sale of affordable homes.

HART carries the *elite* designation of a State of California Community and Housing Development Organization (CHDO) for the counties of San Bernardino, Riverside and Los Angeles, a designation conferred to agencies which have a proven track record for producing quality affordable housing communities in designated areas. HART is also registered as an FHA approved non-profit organization since 1999 and is approved to participate in the Single Families Program to acquire, rehabilitate and resell HUD homes to income eligible families at below market rate prices.

Proposed NSP2 Uses of Funds

HART proposes to apply for approximately \$50,000,000 in NSP-2 funds to stabilize the communities selected in the Target Geography section of this summary. A total development cost for projects in these six communities is approximately \$86,500,000 to stabilize and revitalize areas hardest hit by the housing market crash. These projects will be well leveraged with HART's own funding and public subsidies. HART will only acquire and rehabilitate single family and multi-family residences, communities or tracts which have been foreclosed for a minimum of 90 days and have reverted ownership to the Lender. Rehabilitated units will be

converted to affordable housing with an affordability clause to ensure that they remain affordable to low income families for years to come. Families that purchase a property from HART as a result of NSP-2 grant funding will receive a minimum of 8 units of pre-purchase counseling and post-purchase counseling intended to educate homebuyers about the long-term responsibility of homeownership; homebuyers will be required to obtain fixed rate mortgages; and homebuyers will receive free foreclosure avoidance education for the remainder of the affordability period placed on the property.

HART intends to utilize 50% of the funding for which it has applied within 2 years of the award and 100% of the funding within 3 years of the award as required by HUD to satisfy an urgency to stabilize communities in a timely manner.

Target Geography

If awarded, HART proposes to use HUD NSP-2 funding to acquire and redevelop foreclosed or vacant single family residential dwellings for resale to families whose income does not exceed 120% of county median income; acquire and redevelop foreclosed or vacant multi-family residential units for rental purposes to families whose income does not exceed 120% of median income; and/or acquire and redevelop foreclosed or vacant single family housing tracts for resale to families whose income does not exceed 120% of county median income. HART will apply no less than 25% of grants funds to house individuals and families at the 50 % of area median income. HART has identified 14 cities in the San Bernardino and Riverside County areas that can benefit from an influx of NSP-2 funding to stabilize the communities. Due to a restriction that prohibits an NSP-2 applicant from committing grant funds until HUD has appropriately reviewed the site for any adverse environmental impact, HART is conceptualizing a larger target area should certain unforeseen factors become unviable for acquisition and rehabilitation.

1. Riverside county: Cathedral, CA, Census Tract 0109
2. Riverside county: Coachella, CA, Census Tract 0452.06
3. Riverside county: Hemet, CA, Census Tracts 0435.04, 0433.06, 0433.09, 0433.13, 0434.04, 0435.08, 0435.09, 0435.10, 0435.11, and 0436
4. Riverside county: Indio, CA, Census Tracts 0452.03, 0452.04
5. Riverside county: Murrieta, CA, Census Tract 0432.23
6. Riverside county: San Jacinto, CA, Census Tract 0435.06
7. Riverside county: Desert Hot Springs, CA, Census Tracts 0445.10, 0445.09, 0445.06, 445.07, and 0445.08
8. Riverside county: Moreno Valley, CA, Census Tracts 0425.21, 0424.04, 0424.05, 0425.07, 0425.08, 0425.10, 0425.11, 0425.12, and 0425.05
9. Riverside county: Palm Desert, CA, Census Tracts 0449.13, 0449.14, 0449.11, 0449.12, 0449.16, 0451.03, 0451.05, 0451.06, 0451.07, and 0451.12
10. Riverside county: Riverside, CA, Census Tracts 0303, 0305.03, 0310.01, 0402.04, 0405.02, 0409.03, 0412.02, 0421, 0422.09, and 0422.11
11. San Bernardino county: Ontario, CA, Census Tract 00014
12. San Bernardino county: Chino Hills, CA, Census Tract 0001.1
13. San Bernardino county: Rialto, CA, Census Tract 0034.02
14. San Bernardino county: Victorville, CA, Census Tracts 0100.09, 0100.03

It is anticipated that HART's proposed activities will have a significant impact in the communities selected above. First, if awarded grant funding and the proposed projects receive HUD clearance, target geographies will receive an ***additional 2,639 units of affordable housing*** for low income families where demand for housing has been historically high. Second, the target geographies will benefit from a stabilizing factor; as previously abandoned, blighted and crime ridden areas will be rehabilitated for purchase and/or occupancy by income eligible families. Lastly, these targeted areas will be revitalized as homebuyers purchase into these communities, contribute to the tax base, and join the social and economic fabric of the community, and establish roots for themselves and their family. Homebuyers purchasing these properties will likely create a stabilizing presence as they will benefit from homeownership education and traditional mortgages that will create long-term successful homeowners.

Citizen Comments: Written comments regarding HART's proposed activities may be mailed, faxed or emailed to Elizabeth Hernandez at Housing Action Resource Trust (HART), 8711 Monroe Court, Suite A, Rancho Cucamonga, CA 91730 or faxed to 909-941-4012 or emailed to ehernandez@hartprogram.com.

This Citizen Participation Notice will be posted to the online classified section of the Inland Valley Daily Bulletin and its group of sister publications. Thank you.