

**Grantee: Santa Ana, CA**

**Grant: B-09-LN-CA-0047**

**October 1, 2010 thru December 31, 2010 Performance Report**

**Grant Number:**

B-09-LN-CA-0047

**Obligation Date:****Grantee Name:**

Santa Ana, CA

**Award Date:****Grant Amount:**

\$10,000,000.00

**Contract End Date:**

02/11/2013

**Grant Status:**

Active

**Review by HUD:**

Submitted - Await for Review

**QPR Contact:**

Mary Aquilar

## Disasters:

### Declaration Number

NSP

## Narratives

### Executive Summary:

The City of Santa Ana will use NSP 2 funds to undertake the following activities/programs under the financing mechanism:

- Downpayment Assistance
- Acquisition of Single Family Homes
- Rental Housing
- Administration

### Target Geography:

Various locations throughout the City's NSP 2 Priority Area.

### Program Approach:

#### Eligible Fund Use

The City of Santa Ana will use NSP 2 funds to undertake the following activities/programs under the financing mechanism. Programs 1 and 4, described below, will be implemented by the City and Programs 2 and 3 will be performed by intermediaries working on behalf of the City.

#### Program 1: Downpayment Assistance - \$400,000

The City will make downpayment loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years and have zero interest. They will be due and payable at the end of the thirty year period or at such time as the home is sold.

The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever is lower. Borrowers will be required to qualify for fixed conventional first mortgage loan, and downpayment loan amount will be restricted to the amount necessary to purchase the home. This program will be managed by City staff who will work directly with interested homebuyers and realtors. In accordance with requirements, participants will be required to attend a minimum of eight hours of HUD-approved homebuyer counseling.

#### Program 2: Acquisition and Rehabilitation of Single Family Homes - \$6,100,000

This program will facilitate acquisition and rehabilitation of abandoned or foreclosed owner-occupied residences through intermediaries. Upon completion, remodeled homes will be marketed and sold to households with incomes at or below 120 percent of area median income. Homes completed through this program will be in compliance with the California Health and Safety Code and will include energy-efficient features and drought-resistant landscaping. The City will provide loans to homebuyers that will carry 3 percent interest rates, and be due and payable in 45 years, or at such time as the home is sold or ceases to be used as the owners' principal residence. The interest will be forgivable over the 45 years. In accordance with requirements, participants will be required to attend a minimum of eight hours of HUD-approved homebuyer counseling.

#### Program 3: Acquisition and Rehabilitation of Rental Housing - \$2,500,000

This program will be used to acquire and rehabilitate foreclosed or abandoned properties suitable for rental housing (condominiums, duplex, multifamily). After acquisition and rehabilitation, such housing will be code compliant, energy efficient and be restricted to very low-income households at rents affordable to such households. The City has budgeted more than 25 percent of the anticipated NSP grant and will use this program to meet its very low-income requirement. Funds will be offered in the form of residual receipts payment loans carrying interest rates ranging from 0 percent to 3 percent depending on anticipated cash flow. The term of the loan will be 55 years, and the City will record trust deeds and covenants to insure affordability for that period of time.

#### Program 4: Administration - \$1,000,000

The Administration will provide funding for the City to operate the Neighborhood Stabilization Program. Income Targeting/Benefit

In accordance with NSP 2 requirements, the City will use all funds appropriated or otherwise made available shall be used with respect to individuals and households whose income does not exceed 120 percent of area median income. Additionally, no less than 25 percent of the total grant will be used to benefit individuals and households whose income does not exceed 50 percent of area median income.

**Consortium Members:**

The City of Santa Ana is not working with a Consortium

**How to Get Additional Information:**

All communication regarding this Action Plan should be addressed to the following:  
 Ms. Shelly Landry-Bayle  
 Housing and Neighborhood Development Manager  
 City of Santa Ana  
 20 Civic Center Plaza, M-37  
 Santa Ana, CA 92701  
 Tel: (714) 667-2287  
 Fax: (714) 667-2225  
 Email: SLandry-Bayle@santa-ana.org

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$10,000,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$10,000,000.00
<b>Program Funds Drawdown</b>	\$1,376,276.81	\$2,325,155.11
<b>Obligated CDBG DR Funds</b>	\$1,376,276.81	\$2,325,155.11
<b>Expended CDBG DR Funds</b>	\$1,461,364.42	\$2,391,584.58
<b>Match Contributed</b>	\$1,657,100.00	\$2,485,850.00
<b>Program Income Received</b>	\$66,429.47	\$66,429.47
<b>Program Income Drawdown</b>	\$66,429.47	\$66,429.47

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$2,485,850.00
<b>Limit on Public Services</b>	\$0.00	\$0.00
<b>Limit on Admin/Planning</b>	\$1,000,000.00	\$98,898.66
<b>Limit on State Admin</b>	\$0.00	\$0.00

**Progress Toward Activity Type Targets**

<b>Activity Type</b>	<b>Target</b>	<b>Actual</b>
<b>Administration</b>	\$1,000,000.00	\$1,000,000.00

**Progress Toward National Objective Targets**

<b>National Objective</b>	<b>Target</b>	<b>Actual</b>
<b>NSP Only - LH - 25% Set-Aside</b>	\$2,500,000.00	\$2,500,000.00

## Overall Progress Narrative:

October 1, 2010 - December 31, 2010

-Single Family Homes: During the quarter, there were 50 single family properties evaluated to determine if they met program goals of which 1 is in escrow for acquisition. The City anticipates closing on this property in the next quarter. There are 12 properties being rehabilitated and 1 available for resale. One property closed escrow and was sold to 120% AMI eligible household.

-Downpayment Assistance: During this quarter, 7 applications were mailed to interested households and 0 were received. No loans were made to 120% eligible households this quarter. Staff continues to market the program through the City's website, local real estate agents, neighborhood meetings, email blasts, homebuyer fairs, and faith-based organizations.

-Rental: OHDC and C&C identified and assessed 3 potential properties for this activity.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Eligible Use A: Financing Mechanism for Purchase,	\$1,376,276.81	\$9,000,000.00	\$2,266,881.05
02, Admin	\$0.00	\$1,000,000.00	\$58,274.06
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** NSP2010ADMN

**Activity Title:** Administration

**Activity Category:**

Administration

**Project Number:**

02

**Projected Start Date:**

02/11/2010

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Admin

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall**

**Oct 1 thru Dec 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$1,000,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,000,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$58,274.06
<b>Obligated CDBG DR Funds</b>	\$0.00	\$58,274.06
<b>Expended CDBG DR Funds</b>	\$59,282.74	\$98,898.66
City of Santa Ana Community Development Agency	\$59,282.74	\$98,898.66
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$40,624.60	\$40,624.60

**Activity Description:**

The City will perform administrative activities necessary to plan and implement the City's NSP 2 funded programs.

**Location Description:**

The City of Santa Ana

**Activity Progress Narrative:**

The administrative costs through this quarter include program delivery costs for implementation and marketing. Delivery costs include: staff salaries, supplies, foreclosure data, due diligence costs for projects that did not fit the program.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NSP2010ARSF

**Activity Title:** Single Family

**Activity Category:**

Acquisition - general

**Project Number:**

01

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Eligible Use A: Financing Mechanism for Purchase,

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall**

**Oct 1 thru Dec 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$6,100,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$6,100,000.00
<b>Program Funds Drawdown</b>	\$1,376,276.81	\$2,266,881.05
<b>Obligated CDBG DR Funds</b>	\$1,376,276.81	\$2,266,881.05
<b>Expended CDBG DR Funds</b>	\$1,402,081.68	\$2,292,685.92
City of Santa Ana Community Development Agency	\$1,402,081.68	\$2,292,685.92
<b>Match Contributed</b>	\$1,657,100.00	\$2,485,850.00
<b>Program Income Received</b>	\$66,429.47	\$66,429.47
<b>Program Income Drawdown</b>	\$25,804.87	\$25,804.87

**Activity Description:**

This program will facilitate the acquisition and rehabilitation of abandoned or foreclosed owner-occupied residences through intermediaries. Upon completion remodeled homes will be marketed and sold to households with incomes at or below 120 percent of the area median. Homes completed through this program will be in compliance with the California Health and Safety Code and will include energy-efficient features and drought-resistant landscaping. The City will provide silent second loans to homebuyers that will carry 3 percent interest rates, and be due and payable in 45 years, or at such time as the home is sold or ceases to be used as the owner's principal residence. The interest will be forgivable over the 45 years. In accordance with NSP 2 requirements, participants will be required to attend a minimum of eight hours of HUD approved homebuyer counseling. The City anticipates that through this activity it will be able to facilitate the purchase, rehabilitation and resale of at least 60 homes, with an average NSP2 investment of \$60,000 per home.

**Location Description:**

Various locations throughout the City's NSP 2 Priority Area.

**Activity Progress Narrative:**

The City's Intermediary, ANR, has been actively seeking foreclosed properties through the MLS, the City's Code Enforcement "Dangerous and Abandoned Building Structures" (DABS) list, and NCST. This quarter, ANR assessed 11 properties from the MLS. Of these, ANR put in an offer on 6 properties. Since HUD announced the definition modifications of the term "abandoned" (April 2, 2010) to include properties where a code inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, ANR has begun to evaluate properties that were identified by the City's Code Enforcement as a "Dangerous and Abandoned Building Structure" (DABS). This quarter, ANR did not assess any properties on the DABS list. Through NCST, the City was offered a total of 39 properties this quarter, (12 in October, 15 in November, and 12 in December). Of these, there were 24 single family properties evaluated to determine if they meet program goals of which 1 is in escrow for acquisition. The City anticipates closing on this property next quarter. The remaining properties were rejected because they were either not in the NSP 2 Priority Area or did not fit the program goals.

Currently, there are 12 single family properties under rehabilitation and 1 property is available on the MLS for resale and should close in the next quarter. In addition, 1 property closed resale escrow and was sold to an 120% AML eligible household. The City received \$66,429.47 in program income from the resale. See below for more details:

- 1422 S Maple St - 85% complete; Est. Completion date 1/8/2011
- 1201 W 6th St - 85% complete; Est. Completion date 1/8/2011
- 329 E Camile St - 85% complete; Est. Completion date 1/15/2011
- 214 N Bush St - 95% complete; Est. Completion date 1/7/2011
- 503 S Garnsey St - 80% complete; Est. Completion date 1/15/2011
- 1520 W 6th St - 45% complete; Est. Completion date 2/8/2011
- 2075 S Van Ness Ave - 50% complete; Est. Completion date 2/11/2011
- 1231 S Baker St - 20% complete; Est. Completion date 2/25/2011
- 1104 S Raitt St - 20% complete; Est. Completion date 3/3/2011
- 2201 S Parton St - 20% complete; Est. Completion date 3/11/2011
- 2142 S Park Dr - 20% complete; Est. Completion date 3/14/2011
- 1510 W 12th St - 0% complete; Est. Completion date TBD

## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/0
# of Parcels acquired voluntarily	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	9	14/60

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Total Households	0	0	1	0/0	0/0	1/60	0.00

## Activity Locations

Address	City	State	Zip
1520 W 6th St	Santa Ana	NA	92703
2142 S Park Dr	Santa Ana	NA	92707
1104 S Raitt St	Santa Ana	NA	92704
2201 S Parton Dr	Santa Ana	NA	92707
214 N Bush St	Santa Ana	NA	92701
503 S Garnsey St	Santa Ana	NA	92701
2075 S Van Ness Ave	Santa Ana	NA	92707
1231 S Baker St	Santa Ana	NA	92707
1510 W 12th St	Santa Ana	NA	92703

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>NSP2010DPAP</b>
<b>Activity Title:</b>	<b>Downpayment Assistance</b>

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

01

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Eligible Use A: Financing Mechanism for Purchase,

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Santa Ana Community Development Agency

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$400,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$400,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of Santa Ana Community Development Agency	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The City will make down payment assistance loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years and have zero interest. They will be due and payable at the end of the thirty years or such time as the home is sold. The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever is lower. Borrowers will be required to prequalify for conventional first mortgage loans, and loan amounts will be restricted to the amount necessary to purchase the home. This program will be managed by City staff who will work directly with interested homebuyers and realtors. In accordance with NSP 2 requirements, participants will be required to attend a minimum of eight hours of HUD approved homebuyer counseling. The City anticipates that through this program it will facilitate the purchase of at least 10 homes.

**Location Description:**

Various locations throughout the City's NSP 2 Priority Area.

**Activity Progress Narrative:**

During this quarter, 7 applications were mailed to interested households and none were received. No downpayment assistance loans were made to qualified 120% AMI homebuyers. The program is being marketed through the City's website, local real estate agents, and neighborhood meetings. Staff anticipates continuing to market the program through community centers, email blasts, homebuyer fairs, faith-based organizations, housing non-profits, stadium marquees, and local community leaders.

**Accomplishments Performance Measures**

<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
<b>Total</b>	<b>Total</b>

# of Housing Units

0

0/10

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Total Households	0	0	0	0/0	0/10	0/10	0
# Owner Households	0	0	0	0/0	0/10	0/10	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NSP2010RNTL

**Activity Title:** Rental Housing

**Activity Category:**

Acquisition - general

**Project Number:**

01

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Eligible Use A: Financing Mechanism for Purchase,

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall**

**Oct 1 thru Dec 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$2,500,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,500,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of Santa Ana Community Development Agency	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

This program will be used to acquire and rehabilitate foreclosed or abandoned properties suitable for rental housing (condominiums, duplex, multifamily). After acquisition and rehabilitation, such housing will be code compliant, energy-efficient and be restricted to very low-income households at rents affordable to such households. The City has budgeted 25 percent of the anticipated NSP grant for this program and will use it to meet its very-low income requirement. Funds will be offered in the form of residual receipts payment loans carrying interest rates ranging from 0 percent to 3 percent depending on anticipated cash flow. The term of the loan will be 55 years, and the City will record trust deeds and covenants to insure affordability for that period of time. The City anticipates that through this activity it will facilitate the purchase and rehabilitation of at least 30 rental units. The City intends to commit \$2.5 million or 25 percent of its requested grant amount to this activity.

**Location Description:**

Various locations throughout the City's NSP 2 Priority Area.

**Activity Progress Narrative:**

The City's Intermediary, Orange Housing Development Corp. (OHDC) and C&C Development (C&C) has been actively identifying and assessing foreclosed properties. They have assessed 3 potential properties during this quarter.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Properties</b>	0	0/0
<b># of Parcels acquired voluntarily</b>	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/30

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Total Households	0	0	0	0/30	0/0	0/30	0

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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