

**Grantee: Santa Ana, CA**

**Grant: B-08-MN-06-0522**

**April 1, 2009 thru June 30, 2009 Performance Report**

**Grant Number:**

B-08-MN-06-0522

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

Santa Ana, CA

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

\$5,795,151.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**QPR Contact:**

No QPR Contact Found

**Disasters:****Declaration Number**

NSP

**Plan Description:**

The foreclosure crisis began in 2007 with the collapse of subprime mortgages throughout the United States. California is one of the top three states hit hardest by this devastating event with Santa Ana being the hardest impacted in Orange County. In addition to the foreclosures, issues stemming from property abandonment by homeowners include blight due little or no maintenance, and vandalism.

**Recovery Needs:**

At the time of the enactment of the Housing and Economic Recovery Act of 2008, the City of Santa Ana had approximately 1,500 foreclosures, 1,100 Notices of Default, and 1,700 active subprime loans throughout the city. The housing crisis has affected all sectors of our community. The City is focused on stabilizing its neighborhoods by focusing its acquisition and rehabilitation activities in distressed neighborhoods.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$5,795,151.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$5,795,151.00
<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>	\$217,711.87	\$217,711.87
<b>Match Contributed</b>	\$240,000.00	\$240,000.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	0.00%
Minimum Non-Federal Match	\$0.00	\$240,000.00
Limit on Public Services	\$869,272.65	\$0.00
Limit on Admin/Planning	\$579,515.10	\$114,921.34
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,448,787.75	\$2,455,700.00

## Overall Progress Narrative:

During this quarter the City has undertaken the following activities:

- 01/15/09 - HUD notifies City that application was approved
- 01/30/09 - City releases Request For Proposal (RFP) soliciting Intermediaries for the implementation of three NSP programs
  - 02/17/09 - Proposals for RFP due
  - 03/05/2009 - HUD Grant Agreement executed
  - 04/06/2009 - City Council approved contracts with two intermediaries for the implementation of three of the NSP programs. ANR Homes Inc. (ANR) will implement the Single Family and Condo/Historic Acquisition and Rehabilitation programs while Orange Housing Development Corporation (OHDC) and C&C Development will implement the rental program.
  - 04/2009 - Implemented and began marketing of Down Payment Assistance Program
  - 05/12/2009 - City goes operational in acquiring properties from the National Community Stabilization Trust (NCST)
    - 06/02/2009 - Purchase agreement executed for 1st property
    - 06/25/2009 - Closed escrow on 1st property purchased through NCST

In addition to the activities above, the City has been implementing all NSP activities. A total of 60 applications have been mailed for the Down Payment Assistance Program to interested households.

ANR has been actively pursuing properties through the MLS and NCST. Santa Ana was the first city in California to go operational with three lenders with NCST by July 15, 2009.

OHDC has assessed 11 potential rental properties including duplexes and 31-unit apartment complexes. They are currently in discussions on a 14-unit apartment complex.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, deleted	\$0.00	\$400,000.00	\$0.00
003, deleted	\$0.00	\$700,000.00	\$0.00

004, deleted	\$0.00	\$1,800,000.00	\$0.00
01, Eligible Use A: Financing Mechanism	\$0.00	\$2,015,636.00	\$0.00
02, Eligible Use E: Redevelop Demolished or Vacant Properties	\$0.00	\$300,000.00	\$0.00
03, Admin	\$0.00	\$579,515.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** NSP2008ADMN

**Activity Title:** Administration of NSP

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

03

**Project Title:**

Admin

**Projected Start Date:**

01/15/2009

**Projected End Date:**

01/14/2014

**National Objective:**

N/A

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall**

**Apr 1 thru Jun 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$579,515.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$579,515.00
<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>	\$114,921.34	\$114,921.34
City of Santa Ana Community Development Agency	\$114,921.34	\$114,921.34
<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 activity will encompass administrative activities necessary to planning and implementation of the City's NSP funded programs.

**Location Description:**

The City of Santa Ana will be the lead entity.

**Activity Progress Narrative:**

The administrative costs through this quarter include the following:

- Program delivery labor costs for implementation and marketing
- Pre-award costs, such as the development of the Substantial Amendment to the Consolidated Plan and other administrative actions necessary to apply for and receive the grant

**Performance Measures**

**No 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

<b>Grantee Activity Number:</b>	<b>NSP2008ARCH</b>
<b>Activity Title:</b>	<b>Acquisition/Rehab-Condos and Historic Homes</b>

**Activity Category:**

Acquisition - general

**Activity Status:**

Under Way

**Project Number:**

01

**Project Title:**

Eligible Use A: Financing Mechanism

**Projected Start Date:**

01/15/2009

**Projected End Date:**

01/14/2014

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall****Apr 1 thru Jun 30, 2009****To Date**

	<b>Apr 1 thru Jun 30, 2009</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,485,597.89
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,485,597.89
<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 operated by contracted intermediaries selected through a Request for Proposals process. These intermediaries will use NSP funds, or ideally other funds available to them, to acquire and rehabilitate foreclosed or abandoned condominium units and historically significant homes. Upon completion the homes will be marketed and sold to households with incomes at or below 120 percent of the area median. Sales prices will be established for both low- and moderate-income households, and in accordance with the methodology established by the California Health and Safety Code with modifications designed to increase their affordability. For homes offered for sale to low income households, the affordable sales price will be based on 30 percent of the monthly income of a household at 65 percent of area median. For homes offered for sale to moderate-and middle-income households, the sales price will be base on 35 percent of the monthly income of a household at 100 percent of area median. For those receiving such assistance, continued affordability will be assured through forty five year deed restrictions and promissory notes requiring repayment of the difference between the sales price and the fair market value. Additionally, the loans will carry 3 percent interest rates, which interest rate will be forgivable over the forty five years. Should these homes prove hard to sell, the intermediaries will be able to offer them to income qualified households on a lease to own basis. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households.

**Location Description:**

For reasons described in Section A of the City's Substantial Amendment, condominiums were excluded from the City's analysis of its Areas of Greatest Need. Additionally, historically significant homes are widely scattered, but are an important contributor to the City's cultural life. As a consequence the City will offer this program on a citywide basis to insure that both types of housing can be acquired and rehabilitated with NSP funds.

### Activity Progress Narrative:

Activity underway with both intermediary and NCST. Three properties are currently in escrow. Of these, two are condominiums and one is historic single family residence. The historic property closed escrow on July 28, 2009. The City anticipates closing on the other properties in August 2009.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/0
# of housing units	0	0	0	0/0	0/0	0/10
# of Households benefitting	0	0	0	0/0	0/0	0/10
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/0

### 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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<b>Grantee Activity Number:</b>	<b>NSP2008ARSF</b>
<b>Activity Title:</b>	<b>Acquisition/Rehab-Foreclosed Single Family Homes</b>

**Activity Category:**

Acquisition - general

**Project Number:**

01

**Projected Start Date:**

01/15/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Eligible Use A: Financing Mechanism

**Projected End Date:**

01/14/2014

**Responsible Organization:**

City of Santa Ana Community Development Agency

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2009</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,230,038.11
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,230,038.11
<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>	\$102,790.53	\$102,790.53
City of Santa Ana Community Development Agency	\$102,790.53	\$102,790.53
<b>Match Contributed</b>	\$240,000.00	\$240,000.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

This program will be operated by contracted intermediaries selected through a Request for Proposals (RFP) process. These intermediaries will use NSP funds, or ideally other funds available to them, to acquire and rehabilitate foreclosed or abandoned single family residences. Upon completion the homes will be marketed and sold to households with incomes at or below 120 percent of the area median. Sales prices will be established for both low- and moderate-income households, and in accordance with the methodology established by the California Health and Safety Code with modifications designed to increase their affordability. For homes offered for sale to low-income households, the affordable sales price will be based on 30 percent of the monthly income of a household at 65 percent of area median. For homes offered for sale to moderate- and middle-income households, the sales price will be based on 35 percent of the monthly income of a household at 100 percent of area median income. For those receiving such assistance, continued affordability will be assured through forty five year deed restrictions and promissory notes requiring repayment of the difference between the sales price and the fair market value. Additionally, the loans will carry 3 percent interest rates, but the interest will be forgivable over the forty five years. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households. Should these homes prove hard to sell, the intermediaries will be able to offer them to income qualified households on a lease to own basis.

**Location Description:**

NSP Priority Area

**Activity Progress Narrative:**

The selected Intermediary, ANR, has been actively seeking foreclosed properties in the target area through both the MLS and NCST. During this quarter, they assessed 52 properties listed on the MLS. They made offers on 23 which were all rejected due to various reasons including the previous discount requirement of 15%. Through the NCST we have been offered a total of 28 properties during this quarter. Of these, there are currently three properties in negotiations and six in escrow. Other properties were rejected because they either not in the NSP Priority Area or did not fit the program goals. The first property to close is located at 1904 North Westwood. Rehabilitation is underway and is anticipated to be completed by the end of August.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	1	0/0	0/0	1/40
# of Households benefitting	0	0	0	0/0	0/0	0/40
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0

## Activity Locations

Address	City	State	Zip
1904 N Westwood	Santa Ana	NA	92706

## 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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<b>Grantee Activity Number:</b>	<b>NSP2008DPAP</b>
<b>Activity Title:</b>	<b>Down Payment Assistance</b>

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Activity Status:**

Under Way

**Project Number:**

01

**Project Title:**

Eligible Use A: Financing Mechanism

**Projected Start Date:**

01/15/2009

**Projected End Date:**

01/14/2014

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of Santa Ana Community Development Agency

Overall	Apr 1 thru Jun 30, 2009	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$44,300.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$44,300.00
<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:**

Through this activity the City will make no interest rate, down payment loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years. They will be due and payable at that time or such time that the home is sold. The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever amount 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. As demonstrated in Section A of the Substantial Amendment, abandoned and foreclosed upon homes are found in most of the City's census tracts. However, the City will insure targeting through its strategy of defining the top twenty of its census tracts in terms of their risk of abandonment or foreclosure, as its priority areas. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households.

**Location Description:**

NSP Priority Area

**Activity Progress Narrative:**

The Down Payment Assistance Program is underway. During this quarter, 60 applications were mailed to interested households. The program has been marketed through the City's website and local real estate agents. Staff will be marketing the program through neighborhood meetings, community centers, email blasts, homebuyers fairs, faith-based organizations, housing non-profits, stadium marquees and local community leaders.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/20
# of Households benefitting	0	0	0	0/0	0/0	0/20

## 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:** NSP2008REDV

**Activity Title:** Redevelopment

**Activity Category:**

Land Banking - Acquisition (NSP Only)

**Project Number:**

02

**Projected Start Date:**

01/15/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Eligible Use E: Redevelop Demolished or Vacant Properties

**Projected End Date:**

01/14/2014

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall**

**Apr 1 thru Jun 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$0.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$0.00
<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 purpose of this program is to acquire properties suitable to be redeveloped as (a) public facilities or (b) new housing construction. Improvements are likely to be demolished if not suitable for rehabilitation. Properties acquired and redeveloped as parks or open space will be retained by the City and operated by the Department of Parks, Recreation and Community Service. Properties to be redeveloped by the Redevelopment Agency will be disposed of for residential or non-residential use under a land disposition and development agreement. The agreement will restrict the use of the property to meet NSP and CDBG eligible uses and a CDBG national objective.

**Location Description:**

The activity will be carried out in census tracts eligible as LMMA areas for NSP.

**Activity Progress Narrative:**

The City continues to identify and assess properties for this program.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2

**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

**Grantee Activity Number: NSP2008RNTL****Activity Title: Acquisition and Rehabilitation - Rental Housing****Activity Category:**

Acquisition - general

**Activity Status:**

Under Way

**Project Number:**

01

**Project Title:**

Eligible Use A: Financing Mechanism

**Projected Start Date:**

01/15/2009

**Projected End Date:**

01/14/2014

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

City of Santa Ana Community Development Agency

**Overall****Apr 1 thru Jun 30, 2009****To Date****Total Projected Budget from All Sources**

N/A

\$2,455,700.00

**Total CDBG Program Funds Budgeted**

N/A

\$2,455,700.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Obligated CDBG DR Funds**

\$0.00

\$0.00

**Expended CDBG DR Funds**

\$0.00

\$0.00

City of Santa Ana Community Development Agency

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

The City will operate this program on a citywide basis through contracted intermediaries who will possess demonstrated capacity to acquire, rehabilitate, operate and maintain rental housing units restricted to very low-income tenants. NSP funds will be used in conjunction with other private and/or public funds for this purpose. The City will use this activity to meet the low-income housing requirement for those below 50 percent of area median income. Long term affordability will be insured by recordation of a City deed of trust, loan agreement and regulatory agreement stipulating the amount of the NSP loan and requiring a fifty five year period of affordability. Allowable rents will depend on project specifics but will need to be affordable to households between 30 percent and 50 percent of area median income.

**Location Description:**

Based on its current Consolidated Five Year Plan and its draft Housing Element, the City of Santa Ana has determined that there is a citywide shortage of rental housing available and affordable to households at or below 50 percent of area median income. As a consequence the City will operate this program on a citywide basis.

**Activity Progress Narrative:**

The selected intermediary, OHDC and C&C Development, for the Acquisition and Rehabilitation - Rental Housing Program has been identifying and assessing properties. They have assessed 11 potential properties including duplexes and a 31-unit apartment complex for suitability. They are currently in discussions regarding a 14-unit multifamily apartment complex.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/0
# of housing units	0	0	0	0/0	0/0	0/24
# of Households benefitting	0	0	0	0/24	0/0	0/24

## 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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