

Grantee: Santa Ana, CA

Grant: B-08-MN-06-0522

October 1, 2010 thru December 31, 2010 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:

Submitted - Await for Review

QPR Contact:

Mary Aguilar

Disasters:**Declaration Number**

NSP

Narratives**Areas of Greatest Need:**

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.

Distribution and and Uses of Funds:

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.

Definitions and Descriptions:**Low Income Targeting:****Acquisition and Relocation:****Public Comment:****Overall****This Report Period****To Date****Total Projected Budget from All Sources**

N/A

\$5,795,151.00

Total CDBG Program Funds Budgeted

N/A

\$5,795,151.00

Program Funds Drawdown

\$262,867.18

\$5,405,861.34

Obligated CDBG DR Funds

\$0.00

\$5,510,253.11

Expended CDBG DR Funds	\$256,328.21	\$5,612,364.94
Match Contributed	\$0.00	\$4,404,960.13
Program Income Received	\$312,568.06	\$961,216.34
Program Income Drawdown	\$117,859.86	\$648,648.28

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$4,404,960.13
Limit on Public Services	\$869,272.65	\$0.00
Limit on Admin/Planning	\$579,515.10	\$404,360.19
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	\$2,455,000.00

Overall Progress Narrative:

October 1, 2010 - December 31, 2010

- Condominiums and Historic Homes: During the quarter, there were 20 condominiums 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 no condominiums being rehabilitated and 3 properties are available for resale. Two condominium units closed escrow and were sold to 80% AMI eligible households. A total of 15 properties have been sold under this program.

-Single Family Homes: This quarter, ANR assessed no properties because there are no more program funds available for this activity. Three properties closed escrow and were sold to income eligible households. A total of 13 properties have been sold under this program.

-Downpayment Assistance: No downpayment assistance loans were made this quarter because there are no more program funds available for this activity. A total of 4 households were assisted with this program.

-Redevelopment: All funds in this activity were moved to the Rental activity for the 25% low-income requirement. This activity was closed.

-Rental: OHDC and C&C acquired a 14-unit multifamily complex in a previous quarter and rehabilitation is completed. This property is currently 92% leased up. A second foreclosed and vacant property was acquired by the intermediary on June 3, 2010. The intermediary plans on constructing 30-37 units on the property.

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	\$206,761.98	\$5,286,644.08	\$5,078,898.87

02, Eligible Use E: Redevelop Demolished or Vacant Properties	\$0.00	\$0.00	\$0.00
03, Admin	\$56,105.20	\$508,506.92	\$326,962.47
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

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$508,506.92
Total CDBG Program Funds Budgeted	N/A	\$508,506.92
Program Funds Drawdown	\$56,105.20	\$326,962.47
Obligated CDBG DR Funds	\$0.00	\$508,506.92
Expended CDBG DR Funds	\$49,566.23	\$356,852.59
City of Santa Ana Community Development Agency	\$49,566.23	\$356,852.59
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$77,397.72

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 program delivery costs for implementation and marketing. Delivery costs include: staff salaries, supplies, foreclosure data, and 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

Grantee Activity Number: NSP2008ARCH

Activity Title: Acquisition/Rehab-Condos and Historic Homes

Activity Category:

Acquisition - general

Project Number:

01

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Eligible Use A: Financing Mechanism

Projected End Date:

01/14/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,557,305.97
Total CDBG Program Funds Budgeted	N/A	\$1,557,305.97
Program Funds Drawdown	\$0.00	\$1,513,537.09
Obligated CDBG DR Funds	\$0.00	\$1,558,005.97
Expended CDBG DR Funds	\$0.00	\$1,632,529.06
City of Santa Ana Community Development Agency	\$0.00	\$1,632,529.06
Match Contributed	\$0.00	\$1,608,410.13
Program Income Received	\$130,653.20	\$454,204.73
Program Income Drawdown	\$72,684.73	\$360,617.60

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:

The City's Intermediary, ANR, has been actively seeking foreclosed properties through the National Community Stabilization Trust (NCST).

Through NCST, the City was offered a total of 20 properties this quarter, (8 in October, 7 in November, and 5 in December). Of these, there were 20 condominium units 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 Priority Area or did not fit the program goals. Currently, there are no condominium units under rehabilitation and 3 properties are available on the MLS for resale. In addition, 2 properties closed resale escrow and were sold to 80% AMI eligible households. The City received \$130,653.20 in program income from the resale. The City has reallocated funds from the Single Family activity to the Condominium/Historic Homes activity to accommodate the increasing number of available foreclosed condominium units in the City.

Accomplishments Performance Measures

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

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	1	20/10

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Total Households	0	2	2	1/0	12/0	14/10	92.86

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:	NSP2008ARSF
Activity Title:	Acquisition/Rehab-Foreclosed Single Family Homes

Activity Category:

Acquisition - general

Project Number:

01

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Eligible Use A: Financing Mechanism

Projected End Date:

01/14/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,230,038.11
Total CDBG Program Funds Budgeted	N/A	\$1,230,038.11
Program Funds Drawdown	\$0.00	\$1,230,038.11
Obligated CDBG DR Funds	\$0.00	\$944,440.22
Expended CDBG DR Funds	\$0.00	\$1,230,038.11
City of Santa Ana Community Development Agency	\$0.00	\$1,230,038.11
Match Contributed	\$0.00	\$2,796,550.00
Program Income Received	\$181,914.86	\$507,011.61
Program Income Drawdown	\$0.00	\$105,515.32

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:

This quarter, ANR assessed no properties from the MLS, DABS list, or the NCST because there are no more program funds for this activity. The remaining three single family homes closed resale escrow and were sold to 120% AMI eligible households. The City

received \$181,914.86 in program income from resale.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
		Total		Total
# of Parcels acquired by		0		0/0
# of Parcels acquired by admin		0		0/0

	This Report Period		Cumulative Actual Total / Expected	
		Total		Total
# of Housing Units		1		13/40

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Total Households	0	1	3	0/0	1/0	13/40	7.69

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: NSP2008DPAP

Activity Title: Down Payment Assistance

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

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Santa Ana Community Development Agency

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$44,300.00
Total CDBG Program Funds Budgeted	N/A	\$44,300.00
Program Funds Drawdown	\$0.00	\$44,300.00
Obligated CDBG DR Funds	\$0.00	\$44,300.00
Expended CDBG DR Funds	\$0.00	\$101,921.51
City of Santa Ana Community Development Agency	\$0.00	\$101,921.51
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$59,942.51

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:

No downpayment assistance loans were made this quarter because there are no more program funds available for this activity.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**

of Housing Units

0

4/20

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	1/0	4/20	25.00
# Owner Households	0	0	0	0/0	1/0	4/20	25.00

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: NSP2008REDV

Activity Title: Redevelopment

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

02

Projected Start Date:

01/15/2009

Benefit Type:

N/A

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Eligible Use E: Redevelop Demolished or Vacant Properties

Projected End Date:

01/14/2014

Completed Activity Actual End Date:

05/25/2010

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
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 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:

All funds in this activity were moved to the Rental activity for the 25% low-income requirement. This activity is closed.

Accomplishments Performance Measures

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

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

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

Activity Category:

Acquisition - general

Project Number:

01

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Eligible Use A: Financing Mechanism

Projected End Date:

01/14/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$2,455,000.00
Total CDBG Program Funds Budgeted	N/A	\$2,455,000.00
Program Funds Drawdown	\$206,761.98	\$2,291,023.67
Obligated CDBG DR Funds	\$0.00	\$2,455,000.00
Expended CDBG DR Funds	\$206,761.98	\$2,291,023.67
City of Santa Ana Community Development Agency	\$206,761.98	\$2,291,023.67
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$45,175.13	\$45,175.13

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 City's Intermediary, Orange Housing Development Corp (OHDC) and C&C Development (C&C) acquired a 14-unit building in a previous quarter. The developer arranged relocation for all tenants. Rehabilitation commenced in January 2010 and is now completed. Additionally, the property is currently 92% leased up and the intermediary is working with a permanent lender which should close next quarter.

A second foreclosed and vacant property was acquired by the intermediary on June 3, 2010. The intermediary plans on constructing 30-32 units on the property. Plans have been submitted to the City's Planning and Building Agency (PBA) for Site Plan review. This project will also be competing for tax credits through the California Tax Credit Allocation Committee.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	14/24

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Total Households	4	0	4	13/24	0/0	13/24	100.00

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	
