

Grantee: Santa Ana, CA

Grant: B-11-MN-06-0522

July 1, 2013 thru September 30, 2013 Performance Report



Grant Number:

B-11-MN-06-0522

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

Santa Ana, CA

Contract End Date:

03/04/2014

Review by HUD:

Reviewed and Approved

LOCCS Authorized Amount:

\$1,464,113.00

Grant Status:

Active

QPR Contact:

Natalie Verlinich

Estimated P/RL Funds:

\$0.00

Total Budget:

\$1,464,113.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The City will be administering three activities with its NSP3 funding.

- Activity #1 - Administration that will provide funding needed by the City to operate and manage its NSP3 program.
- Activity #2 - Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for Low Income Households will be used to acquire and rehabilitate foreclosed single family housing units to meet the NSP3 requirement that grantees spend at least 25 percent of their funds allocated to households whose annual income does not exceed 50 percent of area median income as determined by HUD
- Activity #3 - Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for Low-, Moderate-, and Middle-Income Households will be used to acquire and rehabilitate foreclosed single family housing units. Sale and occupancy will be restricted to households whose annual income does not exceed 120 percent of the area median income as determined by HUD.

How Fund Use Addresses Market Conditions:

The areas of greatest need were established by means of a careful evaluation of local housing conditions as shown by the data sources identified above, and an analysis of the relative needs scores of neighborhoods known by staff to be experiencing significant numbers of foreclosures. These needs scores were found on HUD's NSP3 Mapping Tool website. Additionally, staff gave careful consideration to its ability to significantly impact the foreclosure problem in different neighborhoods with the limited funding the City will receive through this third round of NSP funding. Staff prioritized rental housing by first seeking to identify foreclosure impacted rental communities that had appropriate needs scores, as well as acquisition opportunities that could be accessed using the limited NSP3 funds the City anticipates receiving. The City has been unable to identify such neighborhoods, and consequently will be focusing its efforts on owner occupied single family homes.

Ensuring Continued Affordability:

In order to ensure continued affordability to the maximum extent practicable and for the longest feasible term for the for-sale properties it assists with NSP3 monies, the City will record affordability covenants that will run for a period of 45 years. In addition, the City will obtain promissory notes and record trust deeds to secure the NSP3 funds it invests in these for-sale properties. These documents will have a 45-year term, and will require payment in full if the owner fails to comply with the terms of the covenants. The interest rate will be 3 percent.

Definition of Blighted Structure:

In accordance with Section 33031 of the California Redevelopment Law, the City of Santa Ana will define blighted structures in the following way:

"Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities."

Definition of Affordable Rents:

The City of Santa Ana will define affordable rents in a manner consistent with the requirements of the federal HOME Program for very low income rents:

"A rent that does not exceed 30 percent of the adjusted monthly income of a family whose annual income equals 50 percent of the median income for the area as determined by the U.S. Department of Housing and Urban Development, with adjustments for household size and



number of bedrooms in the unit."

Housing Rehabilitation/New Construction Standards:

The City of Santa Ana has modified its existing NSP rehabilitation standards so as to meet the requirements established in NSP3. These newly revised standards are attached to the City's Substantial Amendment as Attachment 2.

Vicinity Hiring:

The City will be hiring an intermediary through the request for proposals process that will be required to market any employment or contracting opportunities to priority area residents and firms, and to select them to the maximum extent feasible.

Procedures for Preferences for Affordable Rental Dev.:

Staff gave careful consideration to its ability to significantly impact the foreclosure problem in different neighborhoods with the limited funding the City will receive through this third round of NSP funding. Staff prioritized rental housing by first seeking to identify foreclosed impacted rental communities that had appropriate needs scores, as well as acquisition opportunities that could be accessed using the limited NSP3 funds the City anticipates receiving. The City was unable to identify such neighborhoods, and consequently will be focusing its efforts on owner-occupied single family homes.

Grantee Contact Information:

City of Santa Ana
 >Shelly Landry-Bayle
 >Housing and Neighborhood Development Manager
 >(714)667-2280

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,464,113.00
Total Budget	\$0.00	\$1,464,113.00
Total Obligated	\$0.00	\$392,510.00
Total Funds Drawdown	\$1,552.16	\$319,625.74
Program Funds Drawdown	\$1,552.16	\$319,625.74
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$14,993.84	\$335,753.21
Match Contributed	\$0.00	\$171,411.00

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	\$171,411.00
Limit on Public Services	\$219,616.95	\$0.00
Limit on Admin/Planning	\$146,411.30	\$73,525.74
Limit on State Admin	\$0.00	\$73,525.74

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$146,411.30	\$146,410.00



Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$366,028.25	\$366,029.00

Overall Progress Narrative:

The City is working with an intermediary who is under contract to implement our rental activities under the NSP program. This intermediary has identified a qualified property to implement our rental activities and is currently in escrow on an unoccupied 2-acre parcel that will be redeveloped into approximately 70 affordable rental units. We have completed our public comment period and submitted a substantial amendment to amend our NSP 3 program activities to add redevelopment activities. The substantial amendment was approved by HUD on September 26, 2013. Escrow is anticipated to close next quarter.

Single Family Homes - A unit purchased in a previous quarter was rehabilitated and placed on the market for resale. Additionally, ANR reviewed 28 properties, submitted offers on three, of which three were rejected. The city is continually working to find properties that fit within the City's NSP guidelines.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
Admin, Admin	\$1,552.16	\$146,410.00	\$73,525.74
Eligible Use A, Financing Mechanism	\$0.00	\$1,317,703.00	\$246,100.00



Activities

Grantee Activity Number: NSP3ADMIN

Activity Title: Administration

Activity Category:

Administration

Project Number:

Admin

Projected Start Date:

07/01/2011

Benefit Type:

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National Objective:

N/A

Activity Status:

Planned

Project Title:

Admin

Projected End Date:

07/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$163,495.00
Total Budget	\$0.00	\$163,495.00
Total Obligated	\$0.00	\$146,410.00
Total Funds Drawdown	\$1,552.16	\$73,525.74
Program Funds Drawdown	\$1,552.16	\$73,525.74
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$14,993.84	\$89,430.26
City of Santa Ana Community Development Agency	\$14,993.84	\$89,430.26
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity will provide funding needed by the City to operate its NSP3 program. It will be carried out by the City of Santa Ana.

Location Description:

Not applicable

Activity Progress Narrative:

The administrative costs through this quarter include program delivery costs for substantial amendment of NSP3, 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:	NSP3ARRSF120
Activity Title:	Acquisition/Rehab/Resale of SF for 120% AMI

Activity Category:

Acquisition - general

Project Number:

Eligible Use A

Projected Start Date:

07/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Financing Mechanism

Projected End Date:

07/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$246,323.00
Total Budget	\$0.00	\$246,323.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$246,100.00
Program Funds Drawdown	\$0.00	\$246,100.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
City of Santa Ana Community Development Agency	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity will be used to acquire and rehabilitate foreclosed single family housing. After acquisition and rehabilitation, these housing units will be code compliant and contain energy efficiency components. Sale and occupancy will be restricted to households whose annual income does not exceed 120 percent of the area median income as determined by HUD.

The City will carry out this activity through an intermediary who will be required to leverage the NSP3 funds with other public and/or private funds so as to maximize the number of units produced. This will address local market conditions by making affordable financing available to low, moderate and middle income households.

The intermediary will also be required to market any employment or contracting opportunities to priority area residents and firms, and to select them to the maximum extent feasible.

As necessary to facilitate the ultimate sale of these units to income qualified households, the City may enter into lease-purchase agreements with the selected households. These agreements will be structured so as to enable them to save the funds required to qualify for first mortgage loans. The City will do this only when a sale has not been finalized within six months of the listing date.

Location Description:

Within the City's NSP3 Priority Area.

Activity Progress Narrative:

Single Family Homes - A unit purchased in a previous quarter was rehabilitated and placed on the market for resale. Additionally, ANR reviewed 28 properties, submitted offers on three, of which three were rejected. The city is



continually working to find properties that fit within the City's NSP guidelines.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/6	
# of Singlefamily Units	0		0/6	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/6	0/6	0
# Owner Households	0	0	0	0/0	0/6	0/6	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	



Grantee Activity Number:	NSP3ARRSF50
Activity Title:	Acquisition/Rehab/Resale of SF for 50% AMI

Activity Category:

Acquisition - general

Project Number:

Eligible Use A

Projected Start Date:

07/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Financing Mechanism

Projected End Date:

07/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Santa Ana Community Development Agency

Overall	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total Budget	\$0.00	\$0.00
Total Obligated	\$0.00	\$246,100.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$246,322.95
City of Santa Ana Community Development Agency	\$0.00	\$246,322.95
Match Contributed	\$0.00	\$171,411.00

Activity Description:

This activity will be used to acquire and rehabilitate foreclosed single family housing. After acquisition and rehabilitation, these housing units will be code compliant and will contain energy efficiency components. Sale and occupancy will be restricted to households whose annual income does not exceed 50 percent of the area median income as determined by HUD. This will enable the City to meet the NSP3 requirement that grantees spend at least 25 percent of their allocation on such units. The City will carry out this activity through an intermediary who will be required to leverage the NSP3 funds with other public and/or private funds so as to maximize the number of units produced. This will address local market conditions by making affordable financing available to lower income households. The intermediary will also be required to market any employment or contracting opportunities to priority area residents and firms, and to select them to the maximum extent feasible. As necessary to facilitate the ultimate sale of these units to income qualified households, the City may enter into lease-purchase agreements with the selected households. These agreements will be structured so as to enable them to save the funds required to qualify for first mortgage loans. The City will do this only when a sale has not been finalized within six months of the listing date.

Location Description:

Within the City's NSP3 Priority Area.

Activity Progress Narrative:

Single Family Homes - A unit purchased in a previous quarter was rehabilitated and placed on the market for resale. Additionally, ANR reviewed 28 properties, submitted offers on three, of which three were rejected. The city is continually working to find properties that fit within the City's NSP guidelines.



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	

