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

Grantee Name: Santa Ana, CA

Grant Amount: $10,000,000.00

Estimated PI/RL Funds: $2,028,453.06

Obligation Date: 02/11/2013

Award Date: Reviewed and Approved

Contract End Date: 02/11/2013

QPR Contact: No QPR Contact Found

Total Budget: $12,028,453.06

Disasters: 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 anticipate 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.

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 2 percent of the total grant will be used to benefit individuals and households whose income does not exceed 50 percent of area median income.

Program Approach:

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

<table>
<thead>
<tr>
<th>Overall</th>
<th>This Report Period</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected Budget from All Sources</td>
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<td>Total Budget</td>
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<td>Total Funds Expended</td>
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<td>Match Contributed</td>
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Progress Toward Required Numeric Targets

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<th>Requirement</th>
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<tr>
<td>Overall Benefit Percentage (Projected)</td>
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<tr>
<td>Overall Benefit Percentage (Actual)</td>
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<td>Minimum Non-Federal Match</td>
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<td>Limit on Public Services</td>
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<tr>
<td>Limit on Admin/Planning</td>
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<td>Limit on State Admin</td>
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Progress Toward Activity Type Targets

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<th>Activity Type</th>
<th>Target</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Administration</td>
<td>$1,000,000.00</td>
<td>$1,170,345.31</td>
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</table>
Progress Toward National Objective Targets

National Objective                                               Target     Actual
NSP Only - LH - 25% Set-Aside                                      $2,500,000.00     $4,291,188.00

Overall Progress Narrative:

July 1, 2012 - September 30, 2012

-Single Family Homes: During the quarter, there were 28 single family properties evaluated to determine if they met program goals, of which two are still under active consideration. Two properties evaluated last quarter were purchased for a total of three properties currently under rehabilitation. Additionally, one property is in escrow for resell to an 80% and 120% AMI eligible household.

-Downpayment Assistance: During this quarter, 10 applications were mailed to interested households. With HUD approval, this activity was closed this quarter, with the remaining balance transferred into the Single Family Rehab activity.

-Rental: Rehabilitation on the 26-Unit apartment complex located at 326 S Garnsey is complete and is currently being leased up.

Project Summary

<table>
<thead>
<tr>
<th>Project #, Project Title</th>
<th>This Report Period</th>
<th>To Date</th>
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<tbody>
<tr>
<td></td>
<td>Program Funds</td>
<td>Project Funds</td>
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<tr>
<td></td>
<td>Drawdown</td>
<td>Budgeted</td>
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<tr>
<td>01, Eligible Use A: Financing Mechanism for Purchase,</td>
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<tr>
<td>02, Admin</td>
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## Activities

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<tr>
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<th>NSP2010ADMN</th>
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</thead>
<tbody>
<tr>
<td>Activity Title:</td>
<td>Administration</td>
</tr>
</tbody>
</table>

### Activity Category:
Administration

### Project Number:
02

### Projected Start Date:
02/11/2012

### Projected End Date:
02/11/2013

### Benefit Type:
( )

### National Objective:
N/A

### Responsible Organization:
City of Santa Ana Community Development Agency

### Overall

<table>
<thead>
<tr>
<th>Jul 1 thru Sep 30, 2012</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected Budget from All Sources</td>
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</tr>
<tr>
<td>Total Budget</td>
<td>$170,345.31</td>
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<tr>
<td>Total Obligated</td>
<td>$0.00</td>
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<tr>
<td>Total Funds Drawdown</td>
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<tr>
<td>Program Funds Drawdown</td>
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<tr>
<td>Program Income Drawdown</td>
<td>$55,014.03</td>
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<tr>
<td>Program Income Received</td>
<td>$0.00</td>
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<tr>
<td>Total Funds Expended</td>
<td>$79,020.04</td>
</tr>
<tr>
<td>Match Contributed</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

### 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 staff salaries, 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

<table>
<thead>
<tr>
<th>Other Funding Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Other Funding Sources Found</td>
<td></td>
</tr>
<tr>
<td>Total Other Funding Sources</td>
<td></td>
</tr>
</tbody>
</table>
Activity Category: Acquisition - general

Project Number: 01

Projected Start Date: 02/11/2010

Benefit Type: Direct (HouseHold)

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: N/A

Total Projected Budget from All Sources: $6,478,642.75

Match Contributed: $1,421,008.10

Total Budget: $5,057,634.65

Total Obligated: $4,864,305.15

Total Funds Drawdown: $2,000.56

Program Funds Drawdown: $2,000.56

Program Income Drawdown: N/A

Program Income Received: $4,863,321.99

Total Funds Expended: $2,983.72

City of Santa Ana Community Development Agency

Match Contributed: ($182,400.00)

($5,820,000.00)

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 and the Neighborhood Community Stabilization Trust (NCST). This quarter, ANR assessed 16 properties from the MLS. Of these, ANR put in an offer on 7 properties, 5 were rejected, and 2 are under consideration. Through NCST, the City was offered a total of 12 properties this quarter. Of which 2 properties remain under consideration. 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 three properties under rehabilitation, Details are as follows:

- 328 E Harwood, estimated rehab completion date is 10/12/2012
- 705 S Kilson, estimated rehab completion date is 11/23/2012
- 1227 W Camile, estimated rehab completion date is 11/22/2012
Two properties were sold to 80% to 120% AMI eligible households. Another property, 1230 W Camden, was completed and is in escrow for resale.

Match Contributed is showing a negative number to correct for double counting a match from a previous quarter.

<table>
<thead>
<tr>
<th>Activity Locations</th>
</tr>
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<tbody>
<tr>
<td><strong>Address</strong></td>
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<tr>
<td>2032 S. Artesia Street</td>
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<tr>
<td>1317 Raymar Street</td>
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</table>

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

**Beneficiaries Performance Measures**

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<tr>
<th>This Report Period</th>
<th>Cumulative Actual Total / Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td># of Households</td>
<td>0/0</td>
</tr>
<tr>
<td># Owner Households</td>
<td>0/0</td>
</tr>
</tbody>
</table>

**Accomplishments Performance Measures**

<table>
<thead>
<tr>
<th>This Report Period</th>
<th>Cumulative Actual Total / Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td># of Properties</td>
<td>0</td>
</tr>
<tr>
<td># of Parcels acquired voluntarily</td>
<td>0</td>
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<table>
<thead>
<tr>
<th>This Report Period</th>
<th>Cumulative Actual Total / Expected</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td># of Housing Units</td>
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<tr>
<td># of Singlefamily Units</td>
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</table>

**Other Funding Sources Found**

No Other Funding Sources Found

Total Other Funding Sources
Activity Category: Homeownership Assistance to low- and moderate-income

Project Number: 01

Projected Start Date: 02/11/2010

Benefit Type: Direct (Household)

National Objective: NSP Only - LMMI

Activity Status: Completed

Program Income Drawdown

Activity Title: Downpayment Assistance

Projected End Date: 09/30/2012

Completed Activity Actual End Date: 09/30/2012

Overall

Total Projected Budget from All Sources: $88,277.00
Total Obligated: $0.00
Total Funds Drawdown: $0.00
Program Funds Drawdown: $0.00
Program Income Drawdown: $0.00
Program Income Received: $0.00
Total Funds Expended: $0.00
Match Contributed: $0.00

Responsible Organization: City of Santa Ana Community Development Agency

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. This activity closed as of 9/30/2012, and remaining funds transferred to Single Family activity.

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

Activity Progress Narrative:
During the quarter, 10 applications were mailed to interested households. By City Council and HUD approval, this activity was closed and the remaining fund balance of $336,860 was transferred to the Single Family Rehab activity.

Accomplishments Performance Measures

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</thead>
<tbody>
<tr>
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Disaster Recovery Grant Reporting System (DRGR)
# of Singlefamily Units | 0 | 3/10

**Beneficiaries Performance Measures**

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<tr>
<th></th>
<th>This Report Period</th>
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<td># of Households</td>
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<tr>
<td># Owner Households</td>
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**Activity Locations**
No Activity Locations found.

**Other Funding Sources Budgeted - Detail**
No Other Match Funding Sources Found

<table>
<thead>
<tr>
<th>Other Funding Sources Found</th>
<th>Amount</th>
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<tbody>
<tr>
<td>No Other Funding Sources Found</td>
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<tr>
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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 (HouseHold)
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: 02/11/2010

Total Projected Budget from All Sources: $4,291,188.00
Match Contributed: $990,000.00
Total Obligated: $3,315,276.93
Total Funds Drawdown: $269,585.83
Program Income Received: $0.00
Program Income Drawdown: $0.00
Total Funds Expended: $3,315,276.93
City of Santa Ana Community Development Agency

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:
Construction on the 26-unit apartment complex purchased by the City's Intermediary, Orange Housing Development Corp (OHDC) and C&C Development (C&C) was completed this quarter. Twenty-five units will be restricted to 50% AMI households per the NSP guidelines; the remaining unit will be a manager's unit. The property is currently being leased up. Match contributed was for construction, covering the period from April 2011 to present.

Accomplishments Performance Measures

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<th>Description</th>
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Activity

Community Development Systems
Disaster Recovery Grant Reporting System (DRGR)
No Activity Locations found.

Activity Locations
No Activity Locations found.

Other Funding Sources Budgeted - Detail
No Other Match Funding Sources Found

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