Neighborhood Stabilization Program 3
Substantial Amendment

Amended by City Council Action May 7, 2012 to change the Target Geography Area

Prepared by
City of Santa Ana
Community Development Agency
CITY OF SANTA ANA
NSP3 SUBSTANTIAL AMENDMENT

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NSP 3 Substantial Amendment Checklist

Jurisdiction: City of Santa Ana
Lead Agency: City of Santa Ana
Jurisdiction Web Address: www.santa-ana.org/cda/nsp.asp

NSP Contact Person: Shelly Landry-Bayle
Address: 20 Civic Center Plaza, M-37, Santa Ana, CA 92702
Telephone: (714) 667-2287
Fax: (714) 667-2225
Email: slandry-bayle@santa-ana.org

The required elements in the substantial amendment/abbreviated action plan are:

A. Areas of Greatest Need
   Does the submission identify a neighborhood or neighborhoods as being areas of greatest need
   with an individual or average combined index score for the grantee's identified target geography
   that is not less than the lesser of 17 or the 20th percentile most needy score in an individual

   Yes ☒ No ☐ Verification found on page: 1

Comments:
Amended by City Council Action May 7, 2012 to change the Target Geography Area.
See Attachment 1 for Target Area Map and Planning Data.

B. Distribution and Use of Funds
   Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP3
   funds will meet the requirements of Section 2301(c)(2) of HERA, as amended by the Recovery Act and
   the Dodd-Frank Act, that funds be distributed to the areas of greatest need, including those with the
   greatest percentage of home foreclosures, with the highest percentage of homes financed by a
   subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the
   rate of home foreclosures?

   Yes ☒ No ☐ Verification found on page: 1

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but
the grantee may also consider other need categories.

Comments:

C. Definitions and Descriptions
   For the purposes of the NSP3, do the narratives include:
- a definition of "blighted structure" in the context of state or local law
  Yes ☒ No ☐ Verification found on page: 2

- a definition of "affordable rents"
  Yes ☒ No ☐ Verification found on page: 2

- a description of how the grantee will ensure continued affordability for NSP3 assisted housing
  Yes ☒ No ☐ Verification found on page: 2

- a description of housing rehabilitation standards that provide for improvements to increase energy efficiency or conservation of such homes and properties or to provide for a renewable energy source or sources on homes or properties that will apply to NSP3-assisted activities (including applicable Energy Star requirements)
  Yes ☒ No ☐ Verification found on page: Attachment 2

- a description of how the grantee will comply with rental housing preference
  Yes ☒ No ☐ Verification found on page: 1

- a description of how the grantee will meet the vicinity hiring requirement
  Yes ☒ No ☐ Verification found on page: 4,6

**Comments:**
See Programs 1 & 2 Narratives

**D. Housing Market Conditions**
Does the action plan narrative should specifically address how the grantee’s program design will address the local housing market conditions?
Yes ☒ No ☐ Verification found on page: 4,5

**Comments:**
See Programs 1 & 2 Narratives

**E. Information By Activity**
Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP3?
  Yes ☒ No ☐ Verification found on page: 4,5,6

- correlated eligible activity under CDBG?
  Yes ☒ No ☐ Verification found on page: 4,5,6

- the areas of greatest need addressed by the activity or activities?
  Yes ☒ No ☐ Verification found on page: 5,6

- expected benefit to income-qualified persons or households or areas?
Yes ☒ No ☐ Verification found on page: 4,5

- appropriate performance measures for the activity?
  Yes ☒ No ☐ Verification found on page: 5,6

- amount of funds budgeted for the activity?
  Yes ☒ No ☐ Verification found on page: 5,6,7

- the name, location and contact information for the entity that will carry out the activity
  Yes ☒ No ☐ Verification found on page: 5,6,7

- expected start and end dates of the activity?
  Yes ☒ No ☐ Verification found on page: 5,6,7

- how the grantee shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects, including information on existing local ordinances that address these requirements?
  Yes ☒ No ☐ Verification found on page: 4,5,6

- the procedures used to create preferences for the development of affordable rental housing developed with NSP3 funds?
  Yes ☒ No ☐ Verification found on page: 1

Comments:
The City has no applicable ordinance.

F. Specific Activity Requirements

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity provides financing,
- the range of interest rates (if any)
  Yes ☒ No ☐ Verification found on page: 2

If the activity provides housing,
- duration or term of assistance?
  Yes ☒ No ☐ Verification found on page: 2

- tenure of beneficiaries (e.g., rental or homeownership)?
  Yes ☒ No ☐ Verification found on page: 4,5

- does it ensure continued affordability?
  Yes ☒ No ☐ Verification found on page: 2

- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50% of area median income?
G. Low-Income Targeting
Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☑ No ☐ Verification found on page: 4

Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes ☑ No ☐ Verification found on page: 4
Amount budgeted: $366,029.00

Comments:

H. Demolition or Conversion of Low- And Moderate-Income Units
Does grantee plan to demolish or convert any low- and moderate-income dwelling units?
Yes ☐ No ☑ Verification found on page: 3

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
  Yes ☐ No ☑ Verification found on page: N/A

- The number of NSP3 affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP3 activity providing such housing (including a proposed time schedule for commencement and completion)?
  Yes ☐ No ☑ Verification found on page: N/A

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
  Yes ☐ No ☑ Verification found on page: N/A

Comments:

NSP3 Substantial Amendment
City of Santa Ana
I. Public Comment Period
Was the proposed action plan amendment published via the grantee jurisdiction’s usual methods and on the Internet for no less than 15 calendar days of public comment?
Yes ☒ No ☐ Verification found on page: Attachment 4

Is there a summary of citizen comments included in the final amendment?
Yes ☒ No ☐ Verification found on page: Attachment 5

J. Website Publication
The following documents are available on the grantee’s website:
- Proposed NSP3 Substantial Amendment ☒ No ☐
- Final NSP3 Substantial Amendment ☒ No ☐
- Subsequent NSP3 Amendments ☒ No ☐

Website URL: www.santa-ana.org/cda/nsp.asp

K. SF424
Does the application contain the SF424 form?
Yes ☒ No ☐

L. Certifications
(Note: Make sure grantee signs the correct certifications; non-entitlement local governments have to sign a different set of certifications)

Certifications for Entitlement Communities and States:
The following certifications are complete and accurate:

(1) Affirmatively Furthering Fair Housing ☒ No ☐
(2) Anti-Displacement and Relocation Plan ☒ No ☐
(3) Anti-Lobbying ☒ No ☐
(4) Authority of Jurisdiction ☒ No ☐
(5) Consistency with Plan ☒ No ☐
(6) Acquisition and Relocation ☒ No ☐
(7) Section 3 ☒ No ☐
(8) Citizen Participation ☒ No ☐
(9) Following a Plan ☒ No ☐
(10) Use of Funds ☒ No ☐
(11) a. Use NSP Funds ≤ 120 of AMI ☒ No ☐
    b. No Recovery of Capital Costs through Special Assessments ☒ No ☐
(12) Excessive Force ☒ No ☐
(13) Compliance with Anti-Discrimination Laws ☒ No ☐
(14) Compliance with Lead-Based Paint Procedures ☒ No ☐
(15) Compliance with Laws ☒ No ☐
Substantially Complete
Is the amendment substantially incomplete?
Yes[    ]  No[    ]

If the amendment is substantially incomplete, set for the basis of that determination by using the following as a guide:

- The amendment was developed without the requires citizen participation.
- The amendment fails to satisfy all of the required elements in the Notice.

Comments:

Recommended for approval [    ]

Recommended for disapproval [    ]
Date amendment disapproved (in part or in its entirety): Click here to enter a date.

Note: Written notification of disapproval must be communicated to the applicant in accordance with 24 CFR 91.500(c). If disapproved, provide documentation, including dates and times on incompleteness determination and discussions with grantee and headquarters.

Reviewed by: Click here to enter text.  Date: Click here to enter a date.

Program Manager: Click here to enter text.  Date: Click here to enter a date.

CPD Director: Click here to enter text.  Date: Click here to enter a date.
**NSP3 Grantee Information**

<table>
<thead>
<tr>
<th>NSP3 Program Administrator Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name (Last, First)</strong></td>
</tr>
<tr>
<td><strong>Email Address</strong></td>
</tr>
<tr>
<td><strong>Phone Number</strong></td>
</tr>
<tr>
<td><strong>Mailing Address</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Areas of Greatest Need**

**Map Submission**

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as Attachment 1.

**Data Sources Used to Determine Areas of Greatest Need**

Describe the data sources used to determine the areas of greatest need.

Response:

Foreclosure and Notice of Default data obtained from First American CoreLogic, Inc., a subsidiary of First American Company that specialize in real estate data collection and analysis. Additionally, the City has also analyzed data of all properties offered by the National Community Stabilization Trust (NCST). This data enabled the City to identify those areas with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage related loans, and most likely to face a significant rise in the rate of home foreclosures. The City used this data in conjunction with HUD's NSP3 Mapping Tool website to determine its area of greatest need.

**Determination of Areas of Greatest Need and Applicable Tiers**

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

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. In accordance with recent communications from HUD, the City is not using a tiered approach. It has established a single Area of Greatest Need.
Definitions and Descriptions

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blighted Structure</td>
<td>In accordance with Section 33031 of the California Redevelopment Law, the City of Santa Ana will define blighted structures in the following way: &quot;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.&quot;</td>
</tr>
<tr>
<td>Affordable Rents</td>
<td>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: &quot;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 numbers of bedrooms in the unit.&quot;</td>
</tr>
</tbody>
</table>

Descriptions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Affordability</td>
<td>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.</td>
</tr>
<tr>
<td>Housing Rehabilitation Standards</td>
<td>The City of Santa Ana has modified its existing NSP rehabilitation standards so as to meet the new requirements established for NSP3. These newly revised standards are attached to this Substantial Amendment as Attachment 2.</td>
</tr>
</tbody>
</table>

Low-Income Targeting

Low-Income Set-Aside Amount

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside percentage (must be no less than 25 percent): 25.00%
Total funds set aside for low-income individuals = $366,028.25
Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:
Participation in the City's programs will be restricted to households who meet NSP income requirements. At least 25 percent of the City's allocation will be used to purchase, rehab and sell homes to households with incomes at or below 50 percent of the area median. The City will carefully examine the incomes of all households selected to participate in it NSP3 activities, including those selected to meet the 50 percent requirement. All households, including those at 50 percent of area median, will be required to enter into 45 year covenants.

Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?

No

If yes, fill in the table below.

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.</td>
<td>N/A</td>
</tr>
<tr>
<td>The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).</td>
<td>N/A</td>
</tr>
<tr>
<td>The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

Response:
As provided for in HUD's abbreviated citizen participation requirements for NSP3 funding, the City's Substantial Amendment was made available for public review during a fifteen day public review period. Availability of the document was made known by means of notification published on the City's website, as well as notices published in a newspaper of general circulation and two newspapers serving Spanish and Vietnamese speaking populations. The document itself was made available on the City's website on
February 1, 2011, and at the other locations provided for in the City’s Citizen Participation Plan. A copy of the public notice as published in the general circulation newspaper is attached as Attachment 3. It was also published in a newspaper serving the Spanish speaking community, and in one serving the Vietnamese community. Notices in all languages were published on January 31, 2011. Following a public hearing conducted by the City’s Redevelopment and Housing Commission on February 15, 2011 and completion of the public review period, the amendment was approved by City Council on February 22, 2011 for submission to HUD.

As approved by City Council and submitted to HUD, the Amendment is available for viewing by the public and other interested parties on the City’s website at http://www.santa-ana.org/cda/nsp.asp.

Summary of Public Comments Received.
The summary of public comments received is included as Attachment 4.

NSP Information by Activity

<table>
<thead>
<tr>
<th>Activity Number 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity Name</strong></td>
</tr>
<tr>
<td>Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for Low Income Households</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
</tr>
<tr>
<td>Select all that apply:</td>
</tr>
<tr>
<td>☒ Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td>☐ Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td>☐ Eligible Use C: Land Banking</td>
</tr>
<tr>
<td>☐ Eligible Use D: Demolition</td>
</tr>
<tr>
<td>☐ Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td><strong>CDBG Activity or Activities</strong></td>
</tr>
<tr>
<td>Acquisition, Rehabilitation, and Disposition of Homes, and Direct Home Ownership Assistance</td>
</tr>
<tr>
<td><strong>National Objective</strong></td>
</tr>
<tr>
<td>Low-Income Housing to Meet 25% Set-Aside (LH25)</td>
</tr>
<tr>
<td><strong>Activity Description</strong></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>The intermediary will also be required to market any employment or</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Location Description</th>
<th>Area identified in the attached Exhibit 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Source of Funding</strong></td>
<td><strong>Dollar Amount</strong></td>
</tr>
<tr>
<td>NSP3</td>
<td>$366,029.00</td>
</tr>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>(Other funding source)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Budget for Activity</strong></td>
<td>$366,029.00</td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
<td>Acquisition/rehabilitation/resale of 1 housing unit to households whose annual income does not exceed 50 percent of the area median income as established by HUD.</td>
</tr>
<tr>
<td><strong>Projected Start Date</strong></td>
<td>7/1/2011</td>
</tr>
<tr>
<td><strong>Projected End Date</strong></td>
<td>7/1/14</td>
</tr>
<tr>
<td><strong>Responsible Organization</strong></td>
<td>City Of Santa Ana</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Santa Ana, CA</td>
</tr>
<tr>
<td><strong>Administrator Contact Info</strong></td>
<td>Shelly Landry-Bayle</td>
</tr>
<tr>
<td>20 Civic Center Plaza, M-37</td>
<td></td>
</tr>
<tr>
<td>Santa Ana, CA 92702</td>
<td></td>
</tr>
<tr>
<td>Ph. (714) 667-2287</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:SLandryBayle@Santa-Ana.org">SLandryBayle@Santa-Ana.org</a></td>
<td></td>
</tr>
</tbody>
</table>

### Activity Number 2

**Activity Name**

Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for Low-, Moderate-, and Middle-Income Households

**Uses**

- [x] Eligible Use A: Financing Mechanisms
- [ ] Eligible Use B: Acquisition and Rehabilitation
- [ ] Eligible Use C: Land Banking
- [ ] Eligible Use D: Demolition
- [ ] Eligible Use E: Redevelopment

**CDBG Activity or Activities**

Acquisition, Rehabilitation, and Disposition of Homes, and Direct Home Ownership Assistance

**National Objective**

Low Moderate Middle Income Housing (LMMH)

**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.

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.

<table>
<thead>
<tr>
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<tr>
<td><strong>Budget</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Source of Funding</strong></td>
<td><strong>Dollar Amount</strong></td>
</tr>
<tr>
<td>NSP3</td>
<td>$951,674.00</td>
</tr>
<tr>
<td>(Other funding source)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Budget for Activity</strong></td>
<td><strong>$951,674.00</strong></td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
<td>Acquisition, rehabilitation and resale of 6 housing units to households whose annual incomes do not exceed 120 percent of the area median income as established by HUD.</td>
</tr>
<tr>
<td><strong>Projected Start Date</strong></td>
<td>7/1/2011</td>
</tr>
<tr>
<td><strong>Projected End Date</strong></td>
<td>7/1/14</td>
</tr>
<tr>
<td><strong>Responsible Organization</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Name</strong></td>
<td>City Of Santa Ana</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Santa Ana, CA</td>
</tr>
<tr>
<td><strong>Administrator Contact Info</strong></td>
<td>Shelly Landry-Bayle, 20 Civic Center Plaza, M-37, Santa Ana, CA 92702, Ph. (714) 667-2287, <a href="mailto:SLandryBayle@Santa-Ana.Org">SLandryBayle@Santa-Ana.Org</a></td>
</tr>
</tbody>
</table>
### Activity Number 3

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Administration and Planning Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>Select all that apply:</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use C: Land Banking</td>
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<td></td>
<td>☐ Eligible Use D: Demolition</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td>CDBG Activity or Activities</td>
<td>Administration and Planning Costs 24 CFR 570.205 and 206</td>
</tr>
<tr>
<td>National Objective</td>
<td>(Select One)</td>
</tr>
<tr>
<td>Activity Description</td>
<td>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.</td>
</tr>
<tr>
<td>Location Description</td>
<td>N/A</td>
</tr>
<tr>
<td>Budget</td>
<td>Source of Funding</td>
</tr>
<tr>
<td></td>
<td>NSP3</td>
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<tr>
<td></td>
<td>(Other funding source)</td>
</tr>
<tr>
<td></td>
<td>(Other funding source)</td>
</tr>
<tr>
<td>Total Budget for Activity</td>
<td>N/A</td>
</tr>
<tr>
<td>Performance Measures</td>
<td>N/A</td>
</tr>
<tr>
<td>Projected Start Date</td>
<td>7/1/2011</td>
</tr>
<tr>
<td>Projected End Date</td>
<td>7/1/2014</td>
</tr>
<tr>
<td>Responsible Organization</td>
<td>Name</td>
</tr>
<tr>
<td></td>
<td>Location</td>
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<tr>
<td></td>
<td>Administrator Contact Info</td>
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</tr>
</tbody>
</table>

### List of Attachments

- Attachment 1: NSP 3 Target Geography Report and Map
- Attachment 2: NSP Rehabilitation Standards
- Attachment 3: Copy of Public Notice
- Attachment 4: Website
- Attachment 5: Summary of Public Comments
- Attachment 6: SF 424
- Attachment 7: Certifications
Exhibit 1
NSP3 Amended Target Area Geography

Legend

NSP3 Amended Target Area
NSP3 Score = 19
NSP3 Planning Data

Grantee ID: 0633420E
Grantee State: CA
Grantee Name: SANTA ANA
Grantee Address: 20 Civic Center Plaza, M-37 Santa Ana CA 92702
Grantee Email: SKutner@santa-ana.org

NSP3 Score
The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 1111

Area Benefit Eligibility
Percent Persons Less than 120% AMI: 88.84
Percent Persons Less than 80% AMI: 65.18

Neighborhood Attributes (Estimates)

Vacancy Estimate
USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1086
Residential Addresses Vacant 90 or more days (USPS, March 2010): 16
Residential Addresses NoStat (USPS, March 2010): 4
**Foreclosure Estimates**

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 685  
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 31.2  
Percent of Housing Units 90 or more days delinquent or in foreclosure: 18.15  
Number of Foreclosure Starts in past year: 60  
Number of Housing Units Real Estate Owned July 2009 to June 2010: 34

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 12

**Supporting Data**

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -29.3  
Place (if place over 20,000) or county unemployment rate June 2005*: 5.7  
Place (if place over 20,000) or county unemployment rate June 2010*: 14.4  
*Bureau of Labor Statistics Local Area Unemployment Statistics

**Market Analysis:**

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. **Persistent Unemployment.** Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.

2. **Home Value Change and Vacancy.** Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.

3. **Persistently High Vacancy.** Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

4. **Historically low vacancy that is now rising.** A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. **Historically high cost rental market.** Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

**Latitude and Longitude of corner points**

-117.867980 33.728837 -117.867680 33.734369 -117.885103 33.734405 -117.885017 33.728873
Blocks Comprising Target Neighborhood
060590746014000, 060590746014005, 060590746014007, 060590746014009, 060590746014011,
060590746014010, 060590746014008, 060590746014006, 060590746014004, 060590746014001,
060590746014003, 060590746014002, 060590746015000, 060590746015005, 060590746015007,
060590746015009, 060590746015010, 060590746015008, 060590746015006, 060590746015004,
060590746015001, 060590746015003, 060590746015002, 060590747021000, 060590747021004,
060590747021006, 060590747021010, 060590747021012, 060590747021014, 060590747021013,
060590747021011, 060590747021009, 060590747021005, 060590747021003, 060590747021001,
060590747021002, 060590747022000, 060590747022003, 060590747022005, 060590747022006,
060590747022004, 060590747022001, 060590747022002,
ATTACHMENT 2

NSP REHABILITATION STANDARDS

PREFACE
The primary purpose of these standards is to address the quality of workmanship and materials expected, and to achieve consistency throughout the NSP3 program activities administered by the City of Santa Ana. These standards are not intended to reduce or exclude the requirements of any federal, state or local codes, standards, ordinances and regulations that apply to residential rehabilitation.

WORKMANSHIP
- All work shall be performed in a professional and workmanlike manner.
- The quality and durability of the work shall meet or exceed the standards established by the construction industry and various trades.

MATERIALS & EQUIPMENT
- All materials and equipment shall comply with and be installed in accordance with the manufacturer's requirements and all applicable codes, standards, ordinances and regulations. If a discrepancy occurs between the requirements, the more stringent shall prevail.
- Unless otherwise specified, all materials and equipment shall be medium grade.
- Economy grade materials and equipment are unacceptable.
- All materials and equipment shall be new, in excellent condition, and delivered to the job in the manufacturer's original packaging.
- The description of materials and equipment found in this document establish a minimum standard.

ENERGY EFFICIENCY, WATER CONSERVATION & RECYCLED MATERIALS
To the extent possible and practical, standard measures related to energy conservation, energy efficiency, water conservation and the use of recycled materials have been incorporated herein. Gut rehabilitation or new construction of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. Gut rehabilitation or new construction of mid or high rise multi-family housing must be designed to meet the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent.

LEAD-BASED PAINT

BUILDING STANDARDS

<table>
<thead>
<tr>
<th>SITE</th>
<th>Minimum Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The site shall be hazard-free and sanitary.</td>
</tr>
<tr>
<td></td>
<td>The site and all paving shall drain away from the dwelling and accessory buildings.</td>
</tr>
<tr>
<td></td>
<td>Paving and walkways shall be hazard-free and intact.</td>
</tr>
<tr>
<td></td>
<td>Landscaping and irrigation systems shall be hazard-free and in relatively good condition. All dead vegetation shall be removed.</td>
</tr>
<tr>
<td></td>
<td>Fencing, walls and gates hazard-free and intact. All gates shall be in</td>
</tr>
</tbody>
</table>

NSP3 Substantial Amendment
City of Santa Ana
good working order.
- The site shall be free from trash, debris and hazardous materials.
- Accessory buildings shall be safe and sound.

### Paving
- All new paving and walkways shall be constructed with concrete (2,000 PSI @ 28 days).
- Driveways shall be reinforced with wire mesh. Sawn expansion-contraction joints shall be placed every 8 feet in both directions.
- All paving and walkways shall be finished with a light broom texture.
- All walkways shall be at least 3 feet wide. Sawn expansion-contraction joints shall be placed every 4 feet.

### Landscaping & Irrigation
- To the extent possible and practical all new landscaping shall be drought resistant.
- When a lawn is being replaced, the new lawn area shall be reduced to aid in the reduction of water consumption.
- New irrigation controllers shall be weather or sensor based and EPA Water-Sense qualified.
- All new irrigation systems shall be designed to conserve water.

### Fences, Walls & Gates
- All new wood fences shall be made from good quality materials. They shall be properly supported with 4X4 pressure treated posts (8 feet O.C.) and 2X4 rails (top and bottom). The posts shall be embedded in a concrete footing at least 18” deep.
- All new block walls shall be constructed with 6X8X16 concrete block. They shall be properly supported by a continuous footing and reinforced with steel bar.

### PORCHES, STEPS, BALCONIES & RAILING

<table>
<thead>
<tr>
<th>Minimum Standard</th>
<th>Safe and structurally sound.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation</td>
<td>Porches, steps, balconies and railing that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
</tr>
<tr>
<td>Concrete</td>
<td>2,000 PSI (minimum).</td>
</tr>
<tr>
<td>Finishes</td>
<td>Zero or low VOC primers, paint and coatings.</td>
</tr>
</tbody>
</table>

### FOUNDATIONS

<table>
<thead>
<tr>
<th>Minimum Standard</th>
<th>Safe and structurally sound.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation</td>
<td>Foundations that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
</tr>
<tr>
<td></td>
<td>If the project involves a gut rehab, raised foundations shall be completely insulated.</td>
</tr>
<tr>
<td>Concrete</td>
<td>2,000 PSI (minimum).</td>
</tr>
</tbody>
</table>

### EXTERIOR WALLS

<table>
<thead>
<tr>
<th>Minimum Standard</th>
<th>Safe, structurally sound and weather-tight.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation</td>
<td>Exterior walls that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as</td>
</tr>
</tbody>
</table>
ATTACHMENT 2

compliance with the minimum standard will be achieved.
- Seal all joints.
- If the project involves a gut rehab, all exterior walls shall be insulated.

<table>
<thead>
<tr>
<th>EXTERIOR DOORS</th>
<th></th>
</tr>
</thead>
</table>
| Minimum Standard | - Safe, sound, weather-tight and in good working order.  
                    - Five or more years of practical utility. |
| Rehabilitation | - Exterior doors that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved. |
| New Doors | - EPA Energy Star qualified, zero or low VOC finish. |
| New Hardware | - Reputable manufacturer, lifetime finish. |

<table>
<thead>
<tr>
<th>GARAGE DOORS</th>
<th></th>
</tr>
</thead>
</table>
| Minimum Standard | - Safe, sound and in good working order.  
                    - Five or more years of practical utility. |
| Rehabilitation | - Garage doors that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved. |

<table>
<thead>
<tr>
<th>WINDOWS</th>
<th></th>
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</thead>
</table>
| Minimum Standard | - Safe, sound, weather-tight and in good working order.  
                    - Five or more years of practical utility. |
| Rehabilitation | - Windows that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved. |
| New Windows | - Reputable manufacturer.  
               - EPA Energy Star qualified. |

<table>
<thead>
<tr>
<th>EXTERIOR PAINT</th>
<th></th>
</tr>
</thead>
</table>
                    - All exterior paint shall be intact and corrosion free.  
                    - Five or more years of practical utility. |
| Rehabilitation | - All surfaces to be painted shall be prepared properly. All loose material and peeling paint shall be removed.  
                    - All holes and cracks shall be filled and finished so that they blend into the surrounding area.  
                    - All stucco surfaces to be painted shall receive a complete and even coverage of stucco paint.  
                    - All wood surfaces to be painted shall receive a complete and even coverage of flat exterior paint.  
                    - Poor workmanship will not be tolerated. |
| New Paint | - Reputable manufacturer.  
               - Highest quality available. |
### WALLS, FLOORS AND CEILINGS

**Minimum Standard**
- Safe and structurally sound.
- All plaster, drywall and paneling shall be safe and intact.

**Rehabilitation**
- Walls, floors and ceilings that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.
- If the project involves a gut rehab, the attic, walls and floor on raised foundations shall be insulated.

### FLOOR COVERINGS

**Minimum Standard**
- Safe, sound and sanitary.
- Five or more years of practical utility.

**Rehabilitation**
- Floor coverings that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.

**Replacement Floor Coverings**
- Carpet & Pad (Reputable manufacturer, recycled materials).
- Resilient Flooring (Reputable manufacturer, 10 year wear warranty).
- Ceramic Tile (Reputable manufacturer)

### INTERIOR DOORS

**Minimum Standard**
- Safe, sound and in good working order.
- Five or more years of practical utility.

**Rehabilitation**
- Interior doors that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.

**Replacement Doors & Hardware**
- Doors (Reputable manufacturer, masonite, raised panel).
- Hardware (Reputable manufacturer, lifetime finish).

### INTERIOR PAINT

**Minimum Standard**
- All interior paint shall be intact, corrosion-free and sanitary.
- Five or more years of practical utility.

**Rehabilitation**
- All surfaces to be painted shall be prepared properly. All loose material and peeling paint shall be removed.
- All holes and cracks shall be filled and finished so that they blend into the surrounding area.
- All surfaces to be painted shall receive a complete and even coverage of flat paint (semi-gloss in kitchens, bathrooms and laundry rooms).
- Poor workmanship will not be tolerated.

**New Paint**
- Reputable manufacturer.
- Highest quality available.
- Zero or low VOC paint, caulking and fillers.
### KITCHEN CABINETS & COUNTERTOPS

**Minimum Standard**
- Cabinets shall be safe, sound, sanitary and in good working order.
- Countertops shall be safe, sound, sanitary and watertight.
- Five or more years of practical utility.

**Rehabilitation**
- Cabinets and countertops that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.

**Replacement Cabinets**
- Reputable manufacturer.
- Solid hardwood face-frames, door-frames and drawer fronts.
- Metal and nylon drawer guides.
- Low or zero VOC adhesives and finishes.

**Replacement Countertops**
- Reputable manufacturer.
- 4" ceramic tile, 6" backsplash, bull-nose edge.

### KITCHEN FIXTURES, EQUIPMENT & APPLIANCES

**Minimum Standard**
- Safe, sound, sanitary and in good working order.
- Faucets shall (at a minimum) be equipped with a low-flow aerator.
- Five or more years of practical utility.

**Rehabilitation**
- Kitchen fixtures, equipment and appliances that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.

**Replacement Sinks**
- Reputable manufacturer.
- 18-guage (minimum) stainless steel.

**Replacement Faucets**
- EPA Water-Sense qualified.
- Reputable manufacturer.
- Brass construction, metal housing.

**Replacement Disposals**
- Reputable manufacturer.
- ½ HP motor (minimum).
- Stainless steel swivel lugs.

**Replacement Dishwashers**
- EPA Energy Star qualified.
- Reputable manufacturer.

**Replacement Range Hoods**
- EPA Energy Star qualified.
- Reputable manufacturer.

**Replacement Ranges**
- Reputable manufacturer.
- Pilot-free ignition.
- Four sealed burners.
- Self-cleaning oven with timer.

**Replacement Cook Tops**
- Reputable manufacturer.
- Pilot-free ignition.
- Four sealed burners.

**Wall Ovens**
- Reputable manufacturer.
- Pilot-free ignition.
- Self-cleaning oven with timer.

### BATHROOM FIXTURES & EQUIPMENT

NSP3 Substantial Amendment
City of Santa Ana
## Minimum Standard
- Safe, sound, sanitary and in good working order.
- Faucets shall (at a minimum) be equipped with a low-flow aerator.
- Showerheads shall (at a minimum) be equipped with low-flow aerator.
- Porcelain sinks shall be free from any cracks or chips.
- Steel sinks shall be free from any rust or corrosion.
- Five or more years of practical utility.

## Rehabilitation
- Bathroom fixtures and equipment that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.
- Toilets that require more than 1.6 GPF shall be replaced regardless of their condition.

## Replacement Sinks
- Reputable manufacturer.
- Cast iron, white enamel finish.

## Replacement Faucets
- EPA Water-Sense qualified.
- Reputable manufacturer.
- Brass construction, metal housing.

## Replacement Toilets
- Reputable manufacturer.
- EPA Water-Sense qualified (1.28 GPF)

## Replacement Tubs
- Reputable manufacturer.
- Cast iron body, white enamel finish, slip resistant bottom.
- EPA Water-Sense qualified plumbing fixtures.

## Replacement Combination Tub-Shower
- Reputable manufacturer.
- Cast iron body, white enamel finish, slip resistant bottom.
- 4" ceramic tile surround.
- Anodized aluminum doors with tempered glass.
- EPA Water-Sense qualified plumbing fixtures.

## Replacement Showers
- Reputable manufacturer.
- 4" ceramic tile.
- Anodized aluminum door with tempered glass.
- EPA Water-Sense qualified plumbing fixtures.

## Replacement Medicine Cabinets
- Reputable manufacturer.
- Steel body, beveled mirror door.

## Towel Bars & Toilet Paper Holders
- Reputable manufacturer.
- Metal construction, polished chrome finish.

## WATER SUPPLY, WASTE & VENT PIPING

### Minimum Standard
- Safe, sound and leak-free.

### Rehabilitation
- Piping (supply, waste and vent) that does not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.

### Replacement Water Supply Piping
- Copper, type "L".

### Replacement Waste & Vent Piping
- Schedule 40 ABS.
### WATER HEATERS

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<th>Minimum Standard</th>
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<tr>
<td>Safe, sound and in good working order.</td>
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<tr>
<td>Five or more years of practical utility.</td>
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<tr>
<th>Rehabilitation</th>
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<tbody>
<tr>
<td>Water heaters that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
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<thead>
<tr>
<th>Replacement Water Heaters (Tank)</th>
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<tbody>
<tr>
<td>Reputable manufacturer.</td>
</tr>
<tr>
<td>EPA Energy Star qualified.</td>
</tr>
<tr>
<td>40-gallon insulated tank.</td>
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<thead>
<tr>
<th>Replacement Water Heater (Tank-Less)</th>
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</thead>
<tbody>
<tr>
<td>Reputable manufacturer.</td>
</tr>
<tr>
<td>EPA Energy Star qualified.</td>
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### ELECTRICAL SERVICE AND WIRING

<table>
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<th>Minimum Standard</th>
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<tr>
<td>Safe, sound and in good working order.</td>
</tr>
<tr>
<td>100-ampere minimum service.</td>
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<thead>
<tr>
<th>Rehabilitation</th>
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</thead>
<tbody>
<tr>
<td>Electrical service panels, breakers and wiring that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
</tr>
<tr>
<td>Knob and tube wiring shall be replaced regardless of its condition.</td>
</tr>
<tr>
<td>Overhead wiring from a dwelling to a detached garage or accessory building shall be installed underground regardless of its condition.</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Replacement Service</th>
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</thead>
<tbody>
<tr>
<td>Reputable manufacturer.</td>
</tr>
<tr>
<td>100-ampere (minimum).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Replacement Wiring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romex (NM cable).</td>
</tr>
</tbody>
</table>

### ELECTRICAL SWITCHES, OUTLETS & LIGHTING FIXTURES

<table>
<thead>
<tr>
<th>Minimum Standard</th>
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</thead>
<tbody>
<tr>
<td>Safe, sound and in good working order.</td>
</tr>
<tr>
<td>Light fixtures shall (at a minimum) be equipped with CFL bulbs.</td>
</tr>
<tr>
<td>Exterior lighting fixtures used for security shall be equipped with a motion sensor.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical switches, outlets and lighting fixtures that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
</tr>
<tr>
<td>All new light fixtures shall be U.L. approved and Energy Star qualified.</td>
</tr>
<tr>
<td>Outlets located within 6 feet of a source of water shall be ground fault protected.</td>
</tr>
<tr>
<td>Exterior switches and outlets shall be weatherproof.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Replacement Switches &amp; Outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.L. approved.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Replacement Lighting Fixtures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputable manufacturer.</td>
</tr>
<tr>
<td>U.L. approved and EPA Energy Star qualified.</td>
</tr>
<tr>
<td>HVAC</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td><strong>Minimum Standard</strong></td>
</tr>
<tr>
<td>• Safe, sound and in good working order.</td>
</tr>
<tr>
<td>• Eight or more years of practical utility.</td>
</tr>
<tr>
<td><strong>Rehabilitation</strong></td>
</tr>
<tr>
<td>• HVAC that does not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</td>
</tr>
<tr>
<td>• Tune-up all HVAC equipment (as a minimum).</td>
</tr>
<tr>
<td>• Seal all ducts (as a minimum).</td>
</tr>
<tr>
<td>• All new HVAC equipment shall be sized properly.</td>
</tr>
<tr>
<td><strong>Furnaces</strong></td>
</tr>
<tr>
<td>• Reputable manufacturer.</td>
</tr>
<tr>
<td>• EPA Energy Star qualified.</td>
</tr>
<tr>
<td><strong>Central Air Conditioners</strong></td>
</tr>
<tr>
<td>• Reputable manufacturer.</td>
</tr>
<tr>
<td>• EPA Energy Star qualified.</td>
</tr>
<tr>
<td><strong>Thermostats</strong></td>
</tr>
<tr>
<td>• Reputable manufacturer.</td>
</tr>
<tr>
<td>• EPA Energy Star qualified.</td>
</tr>
<tr>
<td>• Programmable.</td>
</tr>
</tbody>
</table>

**NON-PERMITTED ADDITIONS AND CONVERSIONS**

<table>
<thead>
<tr>
<th>Minimum Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Additions and alterations that were constructed without a building permit and are clearly substandard shall be removed.</td>
</tr>
<tr>
<td>• Additions and alterations that were constructed without a building permit, but appear to be compliant, shall be inspected by the City’s Building Official to determine if a building permit can be issued and they can be saved.</td>
</tr>
</tbody>
</table>
Frank Hernandez  
SANTA ANA/COMM DEV AGENCY  
20 CIVIC CENTER PLAZA  
SANTA ANA, CA - 92702

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California  
County of ORANGE  
Notice Type: GPN - GOVT PUBLIC NOTICE  
Ad Description: NSP 3 Public Notice

I am a citizen of the United States and a resident of the State of California. I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the ORANGE COUNTY REPORTER, a newspaper published in the English language in the city of SANTA ANA, county of ORANGE, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of ORANGE, State of California, under date 08/20/1922, Case No. 13421. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

01/31/2011

Executed on: 01/31/2011  
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

OR #: 2030160  
NOTICE OF PROPOSED ACTION TO BE TAKEN BY THE CITY COUNCIL OF THE CITY OF SANTA ANA  
RESPECTING A PROPOSED SUBSTANTIAL AMENDMENT TO THE CONSOLIDATED PLAN ANNUAL UPDATE, AND SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OF AN APPLICATION FOR $1,494,113 IN NEIGHBORHOOD STABILIZATION PROGRAM 3 GRANT FUNDS.

NOTICE IS HEREBY GIVEN that the City Council of the City of Santa Ana will hold a public hearing on February 15, 2011 at 6:00 p.m., at the City Council Chambers, 20 Civic Center Plaza, Santa Ana, California 92701 pursuant to the submission of the City's proposed action approving a substantial amendment to the City's 2010-2011 Consolidated Plan Annual Update (Annual Update). The City Council will also take action on its proposed action authorizing submission of an application to the U.S. Department of Housing and Urban Development (HUD) for $1,494,113 in federal Neighborhood Stabilization Program 3 (NSP 3) grant funds.

HUD has allocated the amount of $1,494,113 in NSP 3 funds to the City of Santa Ana. To receive these funds the City must adopt a substantial amendment to its current Consolidated Plan Annual Update. This Plan governs the City's receipt and use of federal formula grant monies. The City must also submit a standard 94-491 grant application to HUD. These documents must be received by HUD no later than March 1, 2011. Under the proposed substantial amendment the City will allocate no more than 15 percent of its funds, or $448,616.65 to allowable administrative expenses. A minimum of 30 percent of its funds, or $448,616.65 will be used for the preservation and rehabilitation of abandoned or foreclosed homes or residential properties that will serve individuals or families whose incomes do not exceed 50 percent of area median income. The substantial amendment provides that the City will allocate its grant funds to two programs that meet NSP 3 requirements:

- Acquisition, Rehabilitation, and Resale of Foreclosed Single Family Homes for Low-Income Households. Funding Amount: $360,000.50
- Acquisition, Rehabilitation, and Resale of Foreclosed Single Family Homes for Low-, Moderate-, and Middle-income Households. Funding Amount: $951,173.45

The draft substantial amendment is available for public review at the City's website at http://www.santa-
PROOF OF PUBLICATION

2015.5 C.C.P.

State of California  
County of LOS ANGELES  

Notice Type:  
GPI - GOVT PUBLIC NOTICE

Ad Description: NSP 3 Public Notice

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the LA OPINION, a newspaper published in the English language in the city of LOS ANGELES, county of LOS ANGELES, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of LOS ANGELES, State of California, under date 07/28/1969, Case No. 950176. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereto on the following dates, to-wit:

01/31/2011

Executed: 01/31/2011
At: LOS ANGELES, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature
DECLARATION

I am a resident of Los Angeles County, over the age of eighteen years and not a party to any or interested in the matter noticed.

The notice, of which the annexed is a printed copy appeared in the:

NGUOI VIET

On the following dates:

January 31, 2011

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Los Angeles, California, this 4th day of February 2011

[Signature]

2030167

"The only Public Notice which is justifiable from the standpoint of true economy and the public interest, is that which reaches those who are affected by it."

Rev. 1109 Daily Journal Corporation, 915 Eise Fami Street, Los Angeles, CA 60317
"The only Public Notice which is justifiable from the standpoint of true economy and the public interest, is that which reaches those who are affected by it."

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Cho Thành phố Santa Ana, để nhận các quyết định Thành phố phải chịu sơ đồ đối diện kế cho bàn cấp nhất hằng năm kế hoạch hợp nhất 5 năm hiện nay kế hoạch này chỉ phải việt tiếp nhận của Thành phố và sử dụng sổ tốn trợ cấp theo công thực qua liên bang. Thành phố cũng phải nộp đơn xin trợ cấp SF-424 tiêu chuẩn cho HUD. Các tài liệu này phải được HUD nhận được không quá ngày 1 tháng Ba, 2011. Theo sự sửa đổi đăng ký đã đăng ngày Thành phố sẽ cấp không quá 10 phần trăm ngân quỹ của mình, hoặc $146,411.30 cho các chi tiêu hành chính được phép. Tờ thứ 25 phần trăm của quỹ này, hoặc $366,028.25 sẽ được dùng để mua và phục hồi các ngôi nhà bị bỏ hoang hoặc tiền thu hoặc các tài sản gây ức chế phục vụ cho các cá nhân hoặc gia đình có lợi tức không quá 50 phần trăm mức lợi tức bình quân trong vùng. Sự sửa đổi đăng ký cho Thành phố cấp các ngân quỹ của chương trình cho hai chương trình đáp ứng các yêu cầu của NSP 3:

Tập thu, Phúc Hồi, và Bán lại các nhà Gia Đình Dom tại Trung Thu cho các gia đình có Lời Túc Thấp. Số tiền tài trợ: $366,028.25

Tập thu, Phúc Hồi, và Bán lại các nhà Gia Đình Dom tại Trung Thu cho các gia đình có Lời Túc Thấp, Vườn Ph差异化, và Bình Quân. Số tiền tài trợ: $951,873.45

Bản sao của quyết định kế hiện có cho công chứng xem trên trang mạng của Thành phố tại: http://www.santa-ana.org/cda/default.asp. Công chứng có các bản sao cho công chứng xem tại các địa điểm sau đây từ Thứ Hai tới Thứ Sáu vào giờ làm việc thông thường: Ban Gia Cư, 20 Civic Center Plaza, Lâu 3; Cơ Quan Pháp Triển Công Đông, 20 Civic Center Plaza, Lâu 6; Văn Phòng Thu Kỳ Hồi Đông, 20 Civic Center Plaza, Phòng 608; và Thu Viện Công Cộng Chinh, 26 Civic Center Plaza, Santa Ana, California. Các gộp yêu trên bản và kế hoạch có thể được nộp cho Phân Ngành Gia Cư vào:

1/21/11

CNS-820,864.08KG
SALLY LOW & ASSOCIATES, INC.
ORANGE COUNTY REPORTER  
~ SINCE 1921 ~  
600 W SANTA ANA BLVD, SANTA ANA, CA 92701  
Telephone (714) 543-2027 / Fax (714) 542-6841

FRANK HERNANDEZ  
SANTA ANA/COMM DEV AGENCY  
20 CIVIC CENTER PLAZA  
SANTA ANA, CA - 92702

PROOF OF PUBLICATION  
(2015.5 C.C.P.)

State of California  
County of ORANGE  
55

Notice Type: GPN - GOVT PUBLIC NOTICE

Ad Description:  
REVISION TO NOTICE OF PROPOSED ACTION

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the ORANGE COUNTY REPORTER, a newspaper published in the English language in the city of SANTA ANA, county of ORANGE, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of ORANGE, State of California, under date 06/20/1922, Case No. 13421. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

04/11/2012

Executed on: 04/11/2012  
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature
NEIGHBORHOOD STABILIZATION PROGRAM 3

The U.S. Department of Housing and Urban Development (HUD) has allocated the amount of $1,464,113 in NSP 3 funds to the City of Santa Ana through the Frank-Dodd Act. To receive these funds the City must adopt a substantial amendment and submit to HUD by March 1, 2011. The Community Redevelopment and Housing Commission will hold a public hearing on February 15, 2011 at 6:00 p.m., at the City Council Chambers, 22 Civic Center Plaza, Santa Ana, California 92701. Written comments on the plan may be submitted to the Housing Division on or before February 15, 2011 by e-mail at consolidatedplan@santa-ana.org or by mail to the following address:

City of Santa Ana, Housing Division
Attn: NSP 3 Staff
20 Civic Center Plaza, M-37
Santa Ana, CA 92702

Neighborhood Stabilization Program 1 (NSP 1)

Communities across the country have been severely impacted by mortgage foreclosures and declining property values. In response, Congress passed the Housing and Economic Recovery Act of 2008 which funded the Neighborhood Stabilization Program (NSP) to help revitalize and stabilize impacted communities. The purpose of NSP is to provide targeted assistance to state and local governments to acquire and redevelop foreclosed homes and residential properties that might otherwise become sources of blight within their communities.

Through the NSP, HUD has allocated $3.92 billion to communities nationwide of which $5,795,151 was allocated to the City of Santa Ana. The City submitted their Substantial Amendment to U.S Department of Housing and Urban Development (HUD), which explains the programs to be implemented. As a part of the City’s NSP, the City will be implementing five programs: Downpayment Assistant; Acquisition & Rehabilitation of Single Family Homes; Acquisition & Rehabilitation of Condominiums and Historic Homes; Acquisition & Rehabilitation of Rental Housing; and Redevelopment.

For more information on the City’s homeownership programs.
Neighborhood Stabilization Program 2 (NSP 2)

The American Recovery and Reinvestment Act of 2009 (ARRA) provided additional funding for NSP activities to states, local governments, non profits, and a consortium of nonprofit entities on a competitive basis. An application was submitted by City staff on July 16, 2009 to the U.S. Department of Housing and Urban Development (HUD) for these additional NSP funds. The City was awarded $10 million to undertake the same activities/programs as NSP 1.

The programs are:
- Downpayment Assistance
- Acquisition and Rehabilitation of Single Family Homes
- Acquisition and Rehabilitation of Rental Housing
- Administration

Reporting

Recipients of NSP funds are required to report specified information to the Department of Housing and Urban Development (HUD) 30 days after the end of each calendar quarter through the Disaster Recovery Grant Reporting System (DRGR). This includes, but is not limited to a detailed list of all projects and activities for which funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. The following are the reports that have been submitted:

<table>
<thead>
<tr>
<th>NSP 1 Reports</th>
<th>NSP 2 Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly Progress Report - October 1 through December 31, 2010</td>
<td>Quarterly Progress Report - October 1 through December 31, 2010</td>
</tr>
<tr>
<td>Quarterly Progress Report - July 1 through September 30, 2010</td>
<td>Quarterly Progress Report - July 1 through September 30, 2010</td>
</tr>
<tr>
<td>Quarterly Progress Report - April 1 through June 30, 2010</td>
<td>Quarterly Progress Report - April 1 through June 30, 2010</td>
</tr>
<tr>
<td>Quarterly Progress Report - January 1 through March 31, 2010</td>
<td>Quarterly Progress Report - January 1 through March 31, 2010</td>
</tr>
<tr>
<td>Quarterly Progress Report - October 1 through December 31, 2009</td>
<td></td>
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</tbody>
</table>
ATTACHMENT 5

SUMMARY OF PUBLIC COMMENTS

No comments were received during the public comment period or at the public hearing held on February 15, 2011.
APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: Application
   - Non-Construction

2. DATE SUBMITTED
   - March 1, 2011

3. DATE RECEIVED BY STATE

4. DATE RECEIVED BY FEDERAL AGENCY

5. APPLICANT INFORMATION
   - Legal Name: City of Santa Ana
   - Organizational Unit: Department of Community Development
   - Address: 20 Civic Center Plaza, M-3
   - City: Santa Ana
   - County: Orange
   - State: CA
   - Zip Code: 92702
   - Country: United States

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
   - 86-0600786

7. TYPE OF APPLICATION:
   - New

8. TYPE OF FEDERAL AGENCY:
   - Municipal

9. NAME OF FEDERAL AGENCY:
   - U.S. Department of Housing and Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
    - 1421

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
    - Neighborhood Stabilization Program 3 will be used to create new homeownership opportunities for Low-, Moderate-, and Middle-income households via the acquisition, rehabilitation, and/or resale of foreclosed and/or abandoned residential properties.

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
    - Santa Ana, CA

13. PROPOSED PROJECT
    - Start Date: 7/1/2011
    - Ending Date: 7/1/2014

14. CONGRESSIONAL DISTRICTS OF:
    - a. Applicant
    - b. Project

15. ESTIMATED FUNDING:
    - a. Federal $1,484,113
    - b. Applicant $0
    - c. State $0
    - d. Local $0
    - e. Other $0
    - f. Program Income $0
    - g. TOTAL $1,484,113

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
    - a. Yes [ ]
    - b. No [✓] PROGRAM IS NOT COVERED BY E.O. 12372

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
    - a. Yes [ ]
    - b. No [✓] If "Yes" attach an explanation.

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DUTY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

   a. Authorized Representative
      - Prefix: Mr.
      - First Name: David
      - Middle Name: N.
      - Last Name: Ream
      - Suffix:
      - Title: City Manager
      - Telephone Number: 714-674-6713
      - Date Signed: February 23, 2011
      - b. Date Signed: February 23, 2011

Prepared by OMB Circular A-102 (Rev.4-2003)
Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**
    a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and

NSP3 Substantial Amendment
City of Santa Ana
ATTACHMENT 7

b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) Excessive force. The jurisdiction certifies that it has adopted and is enforcing:
   a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
   b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(13) Compliance with anti-discrimination laws. The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) Compliance with lead-based paint procedures. The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) Compliance with laws. The jurisdiction certifies that it will comply with applicable laws.

(16) Vicinity hiring. The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) Development of affordable rental housing. The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

[Signature/Authroized Official]

City Manager

Date 2/23/11