

# Action Plan

**Grantee:** Anaheim, CA

**Grant:** B-08-MN-06-0501

---

<b>LOCCS Authorized Amount:</b>	\$ 2,653,455.00
<b>Grant Award Amount:</b>	\$ 2,653,455.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 2,640,600.00
<b>Total Budget:</b>	\$ 5,294,055.00

---

## Funding Sources

Funding Source	Funding Type
Neighborhood Stabilization Program	Do not select this item.

## Narratives

### Areas of Greatest Need:

This Amendment is a supplement to the FY 2008/2009 Annual Action Plan submitted to the U.S. Department of Housing and Urban Development (HUD) on May 1, 2008 and is necessary to accommodate new HUD funding under the Neighborhood Stabilization Program (NSP) and all of the elements of the original Action Plan are hereby incorporated into the supplemental document. Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) (Public Law 110-289, approved July 30, 2008) appropriates \$3.92 billion for emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties, and provides under a rule on construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds.

### Distribution and and Uses of Funds:

In accordance with the allocation formula provided by HUD, the City of Anaheim (City) is appropriated \$2,653,455 in NSP funds that is treated as a special allocation of Fiscal Year (FY) 2008/2009 CDBG funding. In order to facilitate the prompt acquisition and disposition of foreclosed residential properties, the City shall enter into a Cooperation Agreement to allow the Anaheim Redevelopment Agency to use NSP funds. The City shall carry out its NSP activities in the context of a comprehensive plan for the community's vision of how it can make its neighborhoods not only more stable, but also more sustainable, competitive, and integrated into the overall metropolitan fabric including access to transit, affordable housing, employers and services.

### Definitions and Descriptions:

#### Affordable Housing Cost and Affordable Rent

"Affordable Housing Cost" for a very-low income household shall not exceed the product of 30% times 50% of AMI; moderate-income household shall not exceed the product of 30% times 70% of AMI; middle-income household shall not exceed the product of 35% of 110% AMI. "Affordable Rents" for a very-low income household shall not exceed the product of 30% times 50% of AMI; moderate-income household shall not exceed the product of 30% times 60% of AMI; middle-income household shall not exceed the product of 30% of 110% AMI. Affordable housing costs and affordable rents shall be determined in the same manner as pursuant to California Health and Safety Code requirements and be adjusted for household size as appropriate for the home/unit.

#### Continued Affordability

The City shall ensure, to the maximum extent practicable and for the longest feasible term, that NSP assisted housing units remain affordable to households with incomes below 120 percent AMI or, for housing units assisted with funds under the requirements of Section 2301(f)(3)(A)(ii), remain affordable to households with incomes below 50 percent AMI. The resale price, as determined by the City, must be affordable to a new purchaser and shall not exceed the affordable housing cost for a low-income household. The affordable housing cost is the product of 30 percent times 70 percent AMI, adjusted for family size appropriate for the unit. Resale of the property during the affordability period by the NSP participant to a new purchaser that is not a low-income household, does not intend to occupy the property as a primary residence, or the resale price is not an



affordable price, the City shall recapture the entire amount of the NSP loan, including principal, accrued interest and other applicable loan charges. During the affordability period, should participant transfer the property title, not occupy the property as a primary residence or not comply with any portion of the loan agreement, the City shall recapture the entire amount of the NSP loan, including principal, accrued interest and other applicable loan charges. Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

**Housing Rehabilitation Standards**

The City will ensure that all rehabilitation of residential properties utilizing NSP funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

**Blighted Structure**

The City defines a “Blighted Structures” in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a) This subdivision describes physical conditions that cause blight: (1) 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. (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards. (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area. (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

**Low Income Targeting:**

At least 25 percent or \$663,359 of the City’s NSP funding must benefit very-low income households. The City intends to provide homebuyer down payment assistance and/or acquisition, rehabilitation or rental of foreclosed or abandoned residential properties to households that meet the NSP income requirements.

**Acquisition and Relocation:**

The NSP activities that the City of Anaheim will undertake involve homebuyer down payment assistance, acquisition, rehabilitation, and/or rental of foreclosed or abandoned residential properties. The City will conduct an inspection of the property and require the correction of all city code violations and Housing Quality Standards (HQS) prior to sale or occupancy of the property. The rehabilitated home/unit will then be made available to first-time homebuyers or renters on a first-come, first serve basis, with preference given to households currently residing or employed in Anaheim.

The City will commence the acquisition and rehabilitation activity upon the release and authorization of NSP funds. All initial NSP funds for this activity will be committed within the statutory 18-month period, as set forth in Section 2301(c) (1) of HERA. The number of NSP affordable housing units that the City will make available to income eligible households will be subject to market conditions at the time of acquisition and rehabilitation. The City estimates that up to four NSP eligible housing units will be made available to very-low income households and 17 units to moderate- and middle-income households. The City does not anticipate undertaking any conversion or demolition activities of blighted structures.

**Public Comment:**

To date the City of Anaheim has not received any public comment on its proposed or implemented use of NSP funds. The amendment is posted to the City’s website pursuant to NSP requirements.

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP-01 LMMH 25% Set-	Very low-income Acquisition 25%	NSP-01 LH-25% Set-Aside	Acquisition, LH-25%
NSP-13 Downpayment	NSP-13 Downpayment Assistance	NSP-13	Down-Payment Assistance
NSP-14 25% Set-Aside	Very low-income Rehabilitation	NSP-02	Disposition
		NSP-14 25% Set-Aside	Very low-income Rehabilitation
		NSP-14G	Acquisition by City
NSP-21AA	NSP Administration	NSP-21AA	Project Administration



# Activities

**Project # / Title:** NSP-01 LMMH 25% Set-Aside / Very low-income Acquisition

**Grantee Activity Number:** NSP-01 LH-25% Set-Aside  
**Activity Title:** Acquisition, LH-25%

**Activity Type:**

Acquisition - general

**Project Number:**

NSP-01 LMMH 25% Set-Aside

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Very low-income Acquisition 25% Set-aside

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 502,325.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 502,325.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

Total	Low	Mod	Low/Mod%
4	4		100.00

**Proposed Accomplishments**

# of Housing Units

# of Properties

**Total**

4

1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Anahiem

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Anahiem

**Organization Type**

Unknown

**Proposed Budget**

\$ 506,400.00



**Location Description:**

833 South Dakota, Anaheim California

**Activity Description:**

Affordable housing for very low-income families

The City will purchase and rehabilitate a NSP eligible multi-family property for rental to benefit very-low income households.

Purchase price must satisfy the statutory 1 percent discount off of fair market value.

Purchase and rehabilitation cost will be paid with NSP funds. Additional sources of funds may be used, as needed.

City will transfer NSP rental property to the Anaheim Housing Authority by means of a Cooperation Agreement and Grant Deed.

Housing Authority will select income eligible households from its affordable housing and Section 8 waiting list to occupy the property's 4 rental units.

Authority will implement the applicable rent rate, per unit.

City has a Revitalization Agreement with Related Companies of California: Authority will execute an agreement with Related to temporarily manage and operate the property. Authority will then execute an Affordable Housing Agreement to rehabilitate and provide affordable housing, and enter into a 55-year ground lease with Related.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

---

**Project # / Title:** NSP-13 Downpayment Assistance / NSP-13 Downpayment

**Grantee Activity Number:** NSP-13  
**Activity Title:** Down-Payment Assistance

**Activity Type:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

NSP-13 Downpayment Assistance

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Status:**

Under Way

**Project Title:**

NSP-13 Downpayment Assistance

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**



**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Activity Draw Block Date by HUD:**

<b>Total Budget:</b>	\$ 1,725,225.00
<b>Most Impacted and Distressed Budget:</b>	\$ 0.00
<b>Other Funds:</b>	\$ 0.00
<b>Total Funds:</b>	\$ 1,725,225.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># Owner Households</b>	19	5	14	100.00
<b># of Households</b>	19	5	14	100.00

**Proposed Accomplishments**

	<b>Total</b>
<b># of Multifamily Units</b>	19
<b># of Housing Units</b>	19

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Anaheim

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
City of Anaheim	Unknown	\$ 1,725,225.00
<b>Funding Source Name</b>	<b>Matching Funds</b>	<b>Funding Amount</b>
<b>Neighborhood Stabilization Program</b>	No	\$ 0.00

**Location Description:**

NSP eligible areas throught the City of Anaheim

**Activity Description:**

Homeownership assistance to low- and moderate-income households. City will issue to each eligible homebuyer a loan commitment in the form of a NSP Homebuyer Voucher which shall be valid for a period of 60 days. Homebuyer must obtain a mortgage loan from a primary lender who agrees to comply with the bank regulators' guidance prohibiting non-traditional mortgages. Homebuyer shall provide a minimum cash down payment equal to 3% of the purchase price of the home from personal resources. NSP assistance is provided in the form a subordinate mortgage loan. The loan is intended to bridge the financing "gap" between the primary mortgage loan a homebuyer can qualify for and the purchase price of the home. The City will provide assistance up to a maximum of \$125,000 for lower-income households and \$100,000 for moderate-income households, excluding rehabilitation assistance.



Loan is deferred for a period of 30 years, after which principal and accrued interest is due and payable. Interest accrues at 3 percent, simple interest per annum.

Homebuyer shall occupy the home as a primary residence while loan is outstanding.

Loan is assumable by another eligible household, at the sole discretion of the City.

Resale Control: NSP requires an affordability period for the resale of the home. The affordability period shall match the loan term (30 years). During such period, the homebuyer shall sell the home at an affordable price to another eligible household whose income level, adjusted by household size, is equal to or less than the homebuyer's original income level. Should the homebuyer decide to sell the home at a price that exceeds the affordable sales price and/or to a party that is not an income eligible household, the homebuyer shall repay to the City the full loan amount; including principal, accrued interest and any applicable loan charges.

The property resale price will be based on the State Housing and Community Development affordable housing guidelines as defined in the Health and Safety Code Sections 50052.5(b)(2), 50052.5(b)(3) and 50052.5(b)(3).

**Environmental Assessment:** UNDERWAY

**Environmental Reviews:** None

---

**Project # / Title: NSP-14 25% Set-Aside / Very low-income Rehabilitation**

**Grantee Activity Number: NSP-02**  
**Activity Title: Disposition**

**Activity Type:**

Disposition

**Project Number:**

NSP-14 25% Set-Aside

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Activity Status:**

Cancelled

**Project Title:**

Very low-income Rehabilitation

**Projected End Date:**

05/31/2010

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 0.00

**Benefit Report Type:**

NA



**Proposed Accomplishments**

**Total**

# of Properties

**Activity is being carried out by Grantee:**

**Activity is being carried out through:**

No

**Organization carrying out Activity:**

City of Anaheim

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

**Organization Type**

**Proposed Budget**

City of Anaheim

Unknown

\$ 0.00

**Location Description:**

NSP eligible areas through the City of Anaheim

**Activity Description:**

8-2-10 Activity Canceled. All funds have been committed to support the down payment assistance program and the acquisition and rehabilitation of a four-plex for very low-income families at 833 South Dakota Street.

Disposition of properties acquired by the City of Anaheim with NSP funds.

City will purchase, rehabilitate and dispose NSP eligible single-family and multi-family properties for resale to benefit very-low, low and moderate-income homebuyers and renters.

Property's sale price must satisfy the statutory discount range of 5% - 15%.

City will conduct an inspection of the property and require the correction of all city code violations. Violations and defects that constitute a threat to human life, safety and public welfare must be corrected prior to the resale of the property.

**Environmental Assessment:**

**Environmental Reviews:** None



**Grantee Activity Number: NSP-14 25% Set-Aside**  
**Activity Title: Very low-income Rehabilitation**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP-14 25% Set-Aside

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Very low-income Rehabilitation

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 164,077.34

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 164,077.34

**Benefit Report Type:**

Direct (Households)

**Ancillary Activities**

Responsible Organization	Activity Type	Project #	Grantee Activity #	Activity Title	Program Income Account
City of Anaheim	Acquisition - general	NSP-01 LMMH 25% Set-Aside	NSP-01 LH-25% Set-Aside	Acquisition, LH-25%	General Account

**Association Description:**

acquisition of property is funded under the NSP-01 activity and the rehabilitation was funded under the NSP-14 activity

**Proposed Beneficiaries**

# of Households

<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
			0.0

**Proposed Accomplishments**

# of Housing Units

# of Properties

**Total**

1



**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Anaheim

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Anaheim	Unknown	\$ 164,077.34

**Location Description:**

The Anaheim Housing Authority is endeavoring to revitalize the Avon/Dakota neighborhood, a multifamily residential neighborhood consisting of approximately two hundred (200) housing units. To this end, the Housing Authority contemplates entering into a Neighborhood Revitalization Agreement for the Avon/Dakota Neighborhood with Related Companies of California's, Avon Dakota Housing Partners, L.P.

The first step in the implementation of this neighborhood revitalization program is the acquisition and rehabilitation of 833 South Dakota, a blighted and abandoned four unit apartment complex.

**Activity Description:**

Rehabilitation of properties purchased for rental purposes will be transferred from the City to the Anaheim Housing Authority by means of a Cooperation Agreement. The Authority will conduct an inspection of the property and require the correction of all city code violations and Housing Quality Standards (HQS). Any code violations or HQS deficiencies must be corrected prior to occupancy of the property. The Authority will select income eligible households from its Section 8 waiting list and implement the applicable rent rate.

The Authority and Related Companies of California, a non-profit organization, will initially execute an agreement to temporarily manage and operate the property. Subsequently, an Affordable Housing Agreement will be executed to rehabilitate the property and both parties will enter into a 55-year ground lease to provide affordable housing to very low-income households.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None



**Grantee Activity Number:** NSP-14G  
**Activity Title:** Acquisition by City

**Activity Type:**

Acquisition - general

**Project Number:**

NSP-14 25% Set-Aside

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Activity Status:**

Cancelled

**Project Title:**

Very low-income Rehabilitation

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 0.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

**Total**

**Low**

**Mod**

**Low/Mod%**

0.0

**Proposed Accomplishments**

# of Housing Units

# of Parcels acquired voluntarily

# of Parcels acquired by condemnation

# of Properties

**Total**

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Anaheim

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Anaheim

**Organization Type**

Unknown

**Proposed Budget**

\$ 0.00



**Location Description:**

NSP eligible areas throughout the City of Anaheim

**Activity Description:**

8-2-10 Activity Canceled. All funds have been committed to support the down payment assistance program and the acquisition and rehabilitation of a four-plex for very low-income families at 833 South Dakota Street.  
Purchase of abandoned or foreclosed properties

**Environmental Assessment:**

**Environmental Reviews:** None

---

**Project # / Title: NSP-21AA / NSP Administration**

**Grantee Activity Number: NSP-21AA**  
**Activity Title: Project Administration**

**Activity Type:**

Administration

**Project Number:**

NSP-21AA

**Projected Start Date:**

01/02/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Activity Status:**

Under Way

**Project Title:**

NSP Administration

**Projected End Date:**

12/30/2009

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 264,863.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 264,863.00

**Benefit Report Type:**

NA



**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Anaheim

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Anaheim	Unknown	\$ 264,863.00

**Location Description:**

NSP eligible areas through the City of Anaheim.

**Activity Description:**

Administration of NSP activities.

Funds will be used for the management and oversight of the NSP program including funds tracking, report submission and partial salaries for two loan officers and two project managers running the program.

**Environmental Assessment:**

**Environmental Reviews:** None

**Activity Supporting Documents**

Document	File Name
	NSP Transfer Approval.pdf

**Action Plan Comments:**

Reviewer - The Action Plan is consistent with NSP objectives and the proposed activities are eligible uses of NSP funding.



- Reviewer - Grantee transferred \$4,075 from 25% set-aside acquisition (closing costs were less than estimated) and transferred it to the 25% set-aside for low-income rehabilitation.  
Moved the funds to remain compliant with the 25% use of funds for low income families
- Reviewer - Grantee added an estimate on the PI line item and increased the budget by \$86.34 for the 25% set-aside rehabilitation activity. Approved. RMD. 10/17/14.
- Reviewer - Budget updates. Approved. RMD. 7/27/17.
- Reviewer - Correcting data. Approved. RMD. 10/25/17.

## Action Plan History

Version	Date
B-08-MN-06-0501 AP#1	04/20/2010
B-08-MN-06-0501 AP#2	04/15/2011
B-08-MN-06-0501 AP#3	10/17/2014
B-08-MN-06-0501 AP#4	07/27/2017
B-08-MN-06-0501 AP#5	10/25/2017

