

Action Plan

Grantee: Santa Ana, CA

Grant: B-08-MN-06-0522

LOCCS Authorized Amount:	\$ 5,795,151.00
Grant Award Amount:	\$ 5,795,151.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,800,000.00
Total Budget:	\$ 7,595,151.00

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

The foreclosure crisis began in 2007 with the collapse of subprime mortgages throughout the United States. California is one of the top three states hit hardest by this devastating event with Santa Ana being the hardest impacted in Orange County. In addition to the foreclosures, issues stemming from property abandonment by homeowners include blight due to little or no maintenance, and vandalism.

Distribution and Uses of Funds:

At the time of the enactment of the Housing and Economic Recovery Act of 2008, the City of Santa Ana had approximately 1,500 foreclosures, 1,100 Notices of Default, and 1,700 active subprime loans throughout the city. The housing crisis has affected all sectors of our community. The City is focused on stabilizing its neighborhoods by focusing its acquisition and rehabilitation activities in distressed neighborhoods.

Definitions and Descriptions:

- 1) Blighted Structure: In accordance with Section 33031 of the California Redevelopment Law, the City of Santa Ana will define blighted structures in the following way:
 - 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 give 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.
 - 2) Affordable Rents: For purposes of the NSP Program, the City of Santa Ana will define affordable rents in a manner consistent with the requirements of the federal HOME Program for very low income rents: A rent that does not exceed 30 percent of the adjusted monthly income of a family whose annual income equals 50 percent of the median income for the area as determined by the U.S. Department of Housing and Urban Development, with adjustments for household size and numbers of bedrooms in the unit. Such rents must be reduced in accordance with a reasonable allowance for tenant paid utilities.
 - 3) Affordability: As a condition of the receipt of NSP funds for either owner-occupied or rental housing units, the City of Santa Ana will require recordation of deeds of trust and of enforceable covenants stipulating both the necessary period of



affordability and also reporting requirements that will enable the City to determine if the affordability requirements are being met. For rental property the required period of affordability will be fifty-five years and will run with the land for that period. For owner-occupied property the required period of affordability will be thirty or forty-five years depending on the program utilized.

4) Housing Rehabilitation Standards: NSP-assisted housing will be brought into compliance with all applicable codes, standards and regulations (local, state, and federal), including the Municipal Code of the City of Santa Ana, the 2007 California Building Codes, and the Section 8 Minimum Housing Quality Standards developed by HUD. Lead-based paint hazards will be evaluated, controlled and disclosed in accordance with the guidelines developed by HUD with the assistance and input of the CDC, EPA, and OSHA. Homes that are over fifty years old will be evaluated for their historic significance in a manner consistent with federal laws. If the home is historic, improvements will comply with all applicable historic rehabilitation standards.

Low Income Targeting:

The City of Santa Ana will budget \$1,800,000 for Program 4: Acquisition and Rehabilitation of Foreclosed or Abandoned Rental Property. This program will exclusively serve household with income at or below 50 percent of area median. The City's total grant amount will be \$5,795.151, and the Program budget of \$1.8 million equals 31 percent of that total.

Acquisition and Relocation:

Indicated whether the grantee intends to demolish or convert any low- and moderate-income dwelling units.

The City does not intend to demolish or convert any occupied dwelling units. It will take action solely on vacant and foreclosed properties. NSP guidelines specifically exempt NSP funded projects from the one for one replacement requirements that would otherwise apply.

Public Comment:

On November 1, 2008 the draft Substantial Amendment and SF424 were made available to the public on the City's website at the following web address: www.santa-ana.org/cda/default.asp. Additionally, the documents were made available at the following four locations: Housing Department, 20 Civic Center Plaza, 3rd Floor; Community Development Agency, 20 Civic Center Plaza, 6th Floor; Office of the Clerk of the Council, 20 Civic Center Plaza, Room 809; and the Main Public Library, 26 Civic Center Plaza, Santa Ana, California. Availability of the documents and of the City's Council's intent to take action on November 17, 2008 was made known by publication on November 1, 2008 in the Orange County Register, a newspaper of general circulation. Publication in La Opinion and Nguoi Viet, newspapers published in Spanish and Vietnamese respectively, occurred on November 4, 2008. This was the earliest date possible.

Summary of Public Comments received to the proposed NSP Substantial Amendment:

Community Redevelopment and Housing Commission Comments

- ,
- ,
- Acquire parks for open space, when feasible
- ,
- Recommend priority for live or work in Santa Ana, and Veterans
- ,
- Increase the number of 80 percent AMI units in Program
- ,
- ,

City Council Comments

- ,
- ,
- Seeks opportunities to leverage funds
- ,
- Prioritize most negatively impacted neighborhoods/blocks, including historic neighborhoods
- ,
- Recommend not using the funds for one specific bank or lender
- ,
- ,

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
01	Eligible Use A: Financing	NSP2008ARCH	Acquisition/Rehab-Condos and Historic Homes
		NSP2008ARSF	Acquisition/Rehab-Foreclosed Single Family Homes
		NSP2008DPAP	Down Payment Assistance
		NSP2008RNTL	Acquisition and Rehabilitation - Rental Housing
		NSP269152	Crossroads at Washington

02	Eligible Use E: Redevelop	NSP2008REDV	Redevelopment
03	Admin	NSP2008ADMN	Administration of NSP
9999	Restricted Balance		<i>No activities in this project</i>



Activities

Project # / 01 / Eligible Use A: Financing Mechanism

Grantee Activity Number: NSP2008ARCH
Activity Title: Acquisition/Rehab-Condos and Historic Homes

Activity Type:
 Rehabilitation/reconstruction of residential structures
Project Number:
 01
Projected Start Date:
 01/15/2009
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:
 Under Way
Project Title:
 Eligible Use A: Financing Mechanism
Projected End Date:
 01/14/2014
Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,154,059.80
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 2,154,059.80

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Households	10			0.00

Proposed Accomplishments	Total
# of Housing Units	10

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
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Location Description:

For reasons described in Section A of the City's Substantial Amendment, condominiums were excluded from the City's analysis of its Areas of Greatest Need. Additionally, historically significant homes are widely scattered, but are an important contributor to the City's cultural life. As a consequence the City will offer this program on a citywide basis to insure that both types of housing can be acquired and rehabilitated with NSP funds.

Activity Description:

This program will be operated by contracted intermediaries selected through a Request for Proposals process. These intermediaries will use NSP funds, or ideally other funds available to them, to acquire and rehabilitate foreclosed or abandoned condominium units and historically significant homes. Upon completion the homes will be marketed and sold to households with incomes at or below 120 percent of the area median. Sales prices will be established for both low- and moderate-income households, and in accordance with the methodology established by the California Health and Safety Code with modifications designed to increase their affordability. For homes offered for sale to low income households, the affordable sales price will be based on 30 percent of the monthly income of a household at 65 percent of area median. For homes offered for sale to moderate-and middle-income households, the sales price will be base on 35 percent of the monthly income of a household at 100 percent of area median. For those receiving such assistance, continued affordability will be assured through forty five year deed restrictions and promissory notes requiring repayment of the difference between the sales price and the fair market value. Additionally, the loans will carry 3 percent interest rates, which interest rate will be forgivable over the forty five years. Should these homes prove hard to sell, the intermediaries will be able to offer them to income qualified households on a lease to own basis. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households.

Environmental Assessment: COMPLETED

Environmental None



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

Activity Type: Rehabilitation/reconstruction of residential structures	Activity Status: Under Way
Project Number: 01	Project Title: Eligible Use A: Financing Mechanism
Projected Start Date: 01/15/2009	Projected End Date: 01/14/2014
Project Draw Block by HUD: Not Blocked	Project Draw Block Date by HUD:
Activity Draw Block by HUD: Not Blocked	Activity Draw Block Date by HUD:
Block Drawdown By Grantee: Not Blocked	Total Budget: \$ 2,059,241.64
National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only	Most Impacted and Distressed Budget: \$ 0.00
	Other Funds: \$ 0.00
	Total Funds: \$ 2,059,241.64
Benefit Report Type: Direct (Households)	

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	40			0.00
# of Households	40			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	40
# of Housing Units	40

Activity is being carried out by
No

Activity is being carried out through:

Organization carrying out Activity:
City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Santa Ana Community Development Agency	Local Government	\$ 2,059,241.64

Location Description:

NSP Priority Area

Activity Description:

This program will be operated by contracted intermediaries selected through a Request for Proposals (RFP) process. These intermediaries will use NSP funds, or ideally other funds available to them, to acquire and rehabilitate foreclosed or abandoned single family residences. Upon completion the homes will be marketed and sold to households with incomes at or below 120 percent of the area median. Sales prices will be established for both low- and moderate-income households, and in accordance with the methodology established by the California Health and Safety Code with modifications designed to increase their affordability. For homes offered for sale to low-income households, the affordable sales price will be based on 30 percent of the monthly income of a household at 65 percent of area median. For homes offered for sale to moderate-and middle-income households, the sales price will be base on 35 percent of the monthly income of a household at 100 percent of area median income. For those receiving such assistance, continued affordability will be assured through forty five year deed restrictions and promissory notes requiring repayment of the difference between the sales price and the fair market value. Additionally, the loans will carry 3 percent interest rates, but the interest will be forgivable over the forty five years. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households. Should these homes prove hard to sell, the intermediaries will be able to offer them to income qualified households on a lease to own basis.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: NSP2008DPAP
Activity Title: Down Payment Assistance

Activity Type:
 Homeownership Assistance to low- and moderate-income

Project Number:
 01

Projected Start Date:
 01/15/2009

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way
Project Title:
 Eligible Use A: Financing Mechanism

Projected End Date:
 01/14/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 104,242.51

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 104,242.51

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	20			0.00
# of Households	20			0.00

Proposed Accomplishments

	Total
# of Singlefamily Units	20
# of Housing Units	20

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Santa Ana Community Development Agency	Local Government	\$ 104,243.00



Location Description:

NSP Priority Area

Activity Description:

Through this activity the City will make no interest rate, down payment loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years. They will be due and payable at that time or such time that the home is sold. The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever amount is lower. Borrowers will be required to prequalify for conventional first mortgage loans, and loan amounts will be restricted to the amount necessary to purchase the home. This program will be managed by City staff who will work directly with interested homebuyers and realtors. As demonstrated in Section A of the Substantial Amendment, abandoned and foreclosed upon homes are found in most of the City's census tracts. However, the City will insure targeting through its strategy of defining the top twenty of its census tracts in terms of their risk of abandonment or foreclosure, as its priority areas. The City will insure that this activity benefits income qualified households by limiting eligibility to those with incomes at or below 120 percent of area median income. Given the significant upfront and long term costs associated with homeownership the City does not anticipate that this program will serve any very low-income households, and it will not deed restrict any homes purchased through this program to occupancy by very low-income households.

Environmental Assessment: EXEMPT

Environmental None



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

Activity Type:
 Rehabilitation/reconstruction of residential structures
Project Number:
 01
Projected Start Date:
 01/15/2009

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.

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way
Project Title:
 Eligible Use A: Financing Mechanism
Projected End Date:
 01/14/2014
Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,503,724.46
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 2,503,724.46

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	24	24		100.00
# of Households	24	24		100.00

Proposed Accomplishments	Total
# of Multifamily Units	24
# of Housing Units	24

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Santa Ana Community Development Agency	Local Government	\$ 2,503,724.46

Location Description:

Based on its current Consolidated Five Year Plan and its draft Housing Element, the City of Santa Ana has determined that there is a citywide shortage of rental housing available and affordable to households at or below 50 percent of area median income. As a consequence the City will operate this program on a citywide basis.

Activity Description:

The City will operate this program on a citywide basis through contracted intermediaries who will possess demonstrated capacity to acquire, rehabilitate, operate and maintain rental housing units restricted to very low-income tenants. NSP funds will be used in conjunction with other private and/or public funds for this purpose. The City will use this activity to meet the low-income housing requirement for those below 50 percent of area median income. Long term affordability will be insured by recordation of a City deed of trust, loan agreement and regulatory agreement stipulating the amount of the NSP loan and requiring a fifty five year period of affordability. Allowable rents will depend on project specifics but will need to be affordable to households between 30 percent and 50 percent of area median income.

Environmental Assessment:

Environmental None



Grantee Activity Number: NSP269152
Activity Title: Crossroads at Washington

Activity Type:
 Construction of new housing

Activity Status:
 Planned

Project Number:
 01

Project Title:
 Eligible Use A: Financing Mechanism

Projected Start Date:
 11/12/2019

Projected End Date:
 11/12/2023

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

Total Budget: \$ 0.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 0.00

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

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	86			0.00
# of Households	86			0.00

Proposed Accomplishments

	Total
# of Multifamily Units	86
# of Housing Units	86

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Santa Ana Community Development Agency	Local Government	\$ 788,000.00

Location Description:

The Crossroads at Washington affordable housing project located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701, (APNs 398- 092- 13 and 398- 092- 14).

Activity Description:

The proposed Project includes the development of one residential building, subdivided into three (3) residential portions, with 86 units surrounding two interior, landscaped courtyard/ amenity spaces Exhibit 3). Developed at an overall density of 37.7 units per acre, there will be 16 studios, 26 one - bedrooms units, 22 two -bedroom units, 17 three -bedroom units, and 5 four - bedroom units. All units will be flat apartments located on the first, second, and third floors.

Environmental Assessment: COMPLETED

Environmental None

Project # / 02 / Eligible Use E: Redevelop Demolished or Vacant

Grantee Activity Number: NSP2008REDV
Activity Title: Redevelopment

Activity Type:
Land Banking - Acquisition (NSP Only)

Project Number:
02

Projected Start Date:
01/15/2009

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

Benefit Report Type:
Area Benefit (Survey)

Activity Status:
Completed
Project Title:
Eligible Use E: Redevelop Demolished or
Projected End Date:
01/14/2014

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

Proposed Beneficiaries

Total Low Mod Low/Mod%

of Persons

0.0

Proposed Accomplishments

Total

of Properties

Activity is being carried out by

Activity is being carried out through:

No

Organization carrying out Activity:

City of Santa Ana Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Organization Type

Proposed Budget

City of Santa Ana Community Development Agency

Local Government

\$ 0.00

Location Description:

The activity will be carried out in census tracts eligible as LMMA areas for NSP.

Activity Description:

The purpose of this program is to acquire properties suitable to be redeveloped as (a) public facilities or (b) new housing construction. Improvements are likely to be demolished if not suitable for rehabilitation. Properties acquired and redeveloped as parks or open space will be retained by the City and operated by the Department of Parks, Recreation and Community Service. Properties to be redeveloped by the Redevelopment Agency will be disposed of for residential or non-residential use under a land disposition and development agreement. The agreement will restrict the use of the property to meet NSP and CDBG eligible uses and a CDBG national objective.

Environmental Assessment:

Environmental

None

Project # / 03 / Admin

Grantee Activity Number:

NSP2008ADMN

Activity Title:

Administration of NSP

Activity Type:

Administration

Activity Status:

Under Way



Project Number:

03

Projected Start Date:

01/15/2009

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)

Benefit Report Type:

NA

Project Title:

Admin

Projected End Date:

01/14/2014

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 773,882.41**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 773,882.41**Activity is being carried out by**

No

Activity is being carried out through:**Organization carrying out Activity:**

City of Santa Ana Community Development Agency

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

City of Santa Ana Community Development Agency

Organization Type

Local Government

Proposed Budget

\$ 773,882.41

Location Description:

The City of Santa Ana will be the lead entity.

Activity Description:

This activity will encompass administrative activities necessary to planning and implementation of the City's NSP funded programs.



Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

- Reviewer - Except deleting the parameters for the cancelled Activity #NSP2008REDV, the city program design and proposals are acceptable but does require detail scrutiny on its performance and execution of plans and programs. The city has NSP1-2-&now 3 grants. 2/7/2011
- Reviewer - The grantee updated parameters of Redevelopment activity. All Activities Approved 2/7/2011 hjb
- Reviewer - The grantee has changes the estimated program income which was disclosed by email from Frank Hernandez. No other change has been recorded. hjb 1/16/12
- Reviewer - Technical amendment by grantee to revise budget amounts to reflect program income received. EOO. 3/27/2012
- Reviewer - Technical amendment by grantee to increase estimated program income amount and appropriate budgetary difference to single family rehab activity. Approved. EOO. 5/17/12.
- Reviewer - Technical amendment to revise budget amounts. Approved. EOO. 6/11/12.
- Reviewer - Minor amendment to change activity types from "acquisition-general" to "residential rehabilitation" per HQ directive. Approved. EOO. 1/29/14.
- Reviewer - Budget modifications to draw funds. Approved. RMD. 8/25/16
- Reviewer - Budget updates. Approved. RMD.4/30/19.
- Reviewer - Updating status of tax cred project. Approved. RMD 1/21/20.

Action Plan History

Version

Date



B-08-MN-06-0522 AP#1	08/03/2010
B-08-MN-06-0522 AP#2	02/07/2011
B-08-MN-06-0522 AP#3	01/16/2012
B-08-MN-06-0522 AP#4	03/27/2012
B-08-MN-06-0522 AP#5	05/17/2012
B-08-MN-06-0522 AP#6	06/11/2012
B-08-MN-06-0522 AP#7	01/29/2014
B-08-MN-06-0522 AP#8	08/25/2016
B-08-MN-06-0522 AP#9	04/30/2019
B-08-MN-06-0522 AP#10	01/21/2020

