Grantee: Santa Ana, CA

Grant: B-08-MN-06-0522

January 1, 2021 thru March 31, 2021 Performance

Grant Number:
B-08-MN-06-0522

Obligation Date:
03/26/2009

Award Date:
03/05/2009

Grantee Name:
Santa Ana, CA

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$5,795,151.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$5,795,151.00

Estimated PI/RL Funds:
$1,800,000.00

Total Budget:
$7,595,151.00

Disasters:

Declaration Number

NSP

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 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 portiions 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 nto 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 harzards 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 availabe 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.
Availaiblity of the documents and of the City's Council's intent to take action on November 17, 2008 was made knopwn 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, occcurred 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 hte funds for one specific bank or lender

,

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$13,099,110.95
Total Budget	$0.00	$7,595,150.82
Total Obligated	$0.00	$7,595,150.82
Total Funds Drawdown	$0.00	$6,982,735.13
Program Funds Drawdown	$0.00	$5,555,109.25
Program Income Drawdown	$0.00	$1,427,625.88
Program Income Received	$14,540.50	$2,157,230.99
Total Funds Expended	$0.00	$6,959,058.87
HUD Identified Most Impacted and Distressed	$0.00	$0.00
Other Funds	$ 0.00	$ 5,503,960.13
Match Funds	$ 0.00	$ 5,503,960.13
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
City of Santa Ana Community Development Agency	$ 0.00	$ 6,959,058.87

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	$.00	$.00	$5,503,960.13
Overall Benefit Amount	$6,820,586.46	$.00	$.00
Limit on Public Services	$869,272.65	$.00	$.00
Limit on Admin/Planning	$579,515.10	$773,882.41	$643,877.60
Limit on Admin	$.00	$773,882.41	$643,877.60
Most Impacted and Distressed	$.00	$.00	$.00
Progress towards LH25 Requirement	$1,898,787.75		$2,410,322.39

Overall Progress Narrative:

Narrative Background:
The City of Santa Ana issued a Request for Proposals on July 2, 2018 to expend remaining NSP I, II and III funds. The RFP included $1,239,599 in NSP I, II and III funds. The RFP also included $901,317 in Housing Successor Agency funds, $3,155,877 in Inclusionary Housing Funds, $2,791,960 in HOME Program funds, $1,534,129 in CDBG Program funds, 100 HUD-VASH Project-Based Vouchers, and four land assets owned by the Housing Authority of the City of Santa Ana (Housing Authority). The first deadline for the RFP was August 15th, 2018 and a total of 13 proposals were received before the deadline. Following this RFP Process, the Review Panel for the RFP recommended an award of $932,912 in NSP Program funds and $3,007,489 in HOME Program funds to the Related Companies of California for the development of an 86-unit new construction affordable housing project to be located on Housing Authority-owned land at 1126 and 1146 E. Washington. The project is referred to as the Crossroads at Washington. This award of funds will also include a 62-year ground-lease for the parcel, which is owned by the Housing Authority. The project will have 86 units of which 43 units will be permanent supportive housing and 43 units will be extremely low-income units affordable to families at 30% AMI. The award recommendation was approved by the City of Santa Ana City Council/Housing Authority Board on July 2, 2019. Following the approval by the City of Santa Ana and Housing Authority, the project was also approved by the County of Orange Board of Supervisors because the County of Orange owns an adjacent parcel for the entire project. The County of Orange will have a long-term ground lease for their parcel joined together with the Housing Authority because the project will cross the property lines of the County of Orange and Housing Authority of the City of Santa Ana. The 62-year ground-lease was approved by the City Council for the City of Santa and the Orange County Board of Supervisors on February 18, 2020 which also included approval of a Joint Powers Agreement for the City and County to become joint owners of the combined land.
With this pre-commitment of $932,912 in NSP Program funds and $3,007,489 in HOME Program funds, together with a 62-year ground-lease, the Related Companies has been working to secure their remaining sources of financing to develop the project. Toward that goal, the Related Companies submitted a 9% tax credit application for the Crossroads at Washington on July 1, 2020. (Their previous application for Round 1 that they submitted on March 9, 2020 was not successful). The project received an award of tax credits from the Tax Credit Allocation Committee. However, the developer has been conducting a Phase II environmental review and the environmental review has identified hazardous substances in the soil. Depending on the extent of remediation required to remove the environmental contamination, the City may increase our award of NSP Program funds such that the developer can continue to move the project forward. If this solution does not work, the developer will have to decline the award of tax credits and continue pursuing additional sources of financing to develop the project.
On December 15, 2020, the City Council for the City of Santa Ana authorized the Executive Director of the Housing Authority to execute a First Amendment to the Option Agreement with Washington Santa Ana Housing Partners, L.P. for the development of the project, including a maximum reimbursement amount not to exceed $157,386. This First Amendment is necessary because the developer may have to decline the award of tax credits from the Tax Credit Allocation Committee due to the extent of environmental remediation required for the development of the project. If the developer declines the award of tax credits and decides not to move forward with the project, the City / Housing Authority will need to reimburse the developer 50% of the $157,386 in their predevelopment costs, with the other 50% to be paid by the County of Orange as the joint owner of the combined property.

Update:
Most recently, the developer submitted an application in March 2021 for the Orange County Housing Finance Trust (OCHFT) Permanent Supportive Housing (PSH) Notice of Funding Availability (NOFA). Awards are expected to be announced in May 2021. The Developer continues to work with the City, County and the California Department of Toxic Substances Control (DTSC) for environmental investigations onsite and for a Voluntary Oversight Agreement between the City, County and DTSC for agency oversight. The City and County as joint owners will be submitting an application to DTSC for a Standard Voluntary Agreement. The Agreement is consenting to DTSCâ¿¿s environmental oversight for the project and providing a mechanism for DTSCâ¿¿s reimbursement for its oversight costs.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Eligible Use A: Financing Mechanism	$0.00	$6,821,268.46	$5,192,601.35
02, Eligible Use E: Redevelop Demolished or Vacant	$0.00	$0.00	$0.00

03, Admin	$0.00	$773,882.41	$362,507.90

Activities

Project # / 01 / Eligible Use A: Financing Mechanism

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

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

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LH - 25% Set-Aside

Responsible Organization:
City of Santa Ana Community Development Agency

Overall	Jan 1 thru Mar 31, 2021	To Date
Total Projected Budget from All Sources	$0.00	$2,503,724.46
Total Budget	$0.00	$2,503,724.46
Total Obligated	$0.00	$2,503,724.46
Total Funds Drawdown	$0.00	$2,410,322.39
Program Funds Drawdown	$0.00	$2,365,147.26
Program Income Drawdown	$0.00	$45,175.13
Program Income Received	$14,540.50	$81,282.00
Total Funds Expended	$0.00	$2,410,322.39
City of Santa Ana Community Development Agency	$0.00	$2,410,322.39
Most Impacted and Distressed Expended	$0.00	$0.00

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.

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 Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	51/24
# of Multifamily Units	0	51/24

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	51/24	0/0	51/24	100.00
# Renter	0	0	0	51/24	0/0	51/24	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None