

Grantee: Santa Ana, CA

Grant: B-09-LN-CA-0047

October 1, 2020 thru December 31, 2020 Performance Report

Grant Number: B-09-LN-CA-0047	Obligation Date:	Award Date:
Grantee Name: Santa Ana, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$10,000,000.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$10,000,000.00	Estimated PI/RL Funds: \$2,415,913.44	
Total Budget: \$12,415,913.44		

Disasters:

Declaration Number

No Disasters Found

Narratives

Executive Summary:

The City of Santa Ana will use NSP 2 funds to undertake the following activities/programs under the financing mechanism:

- Downpayment Assistance
- Acquisition of Single Family Homes
- Rental Housing
- Administration

Target Geography:

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

Program Approach:

Eligible Fund Use

The City of Santa Ana will use NSP 2 funds to undertake the following activities/programs under the financing mechanism. Programs 1 and 4, described below, will be implemented by the City and Programs 2 and 3 will be performed by intermediaries working on behalf of the City.

Program 1: Downpayment Assistance - \$400,000

The City will make downpayment loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years and have zero interest. They will be due and payable at the end of the thirty year period or at such time as the home is sold. The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever is lower. Borrowers will be required to qualify for fixed conventional first mortgage loan, and downpayment loan amount will be restricted to the amount necessary to purchase the home. This program will be managed by City staff who will work directly with interested homebuyers and realtors. In accordance with requirements, participants will be required to attend a minimum of eight hours of HUD-approved homebuyer counseling.

Program 2: Acquisition and Rehabilitation of Single Family Homes - \$6,100,000

This program will facilitate acquisition and rehabilitation of abandoned or foreclosed owner-occupied residences through intermediaries. Upon completion, remodeled homes will be marketed and sold to households with incomes at or below 120 percent of area median income. Homes completed through this program will be in compliance with the California Health and Safety Code and will include energy-efficient features and drought-resistant landscaping. The City will provide loans to homebuyers that will carry 3 percent interest rates, and be due and payable in 45 years, or at such time as the home is sold or ceases to be used as the owners' principal residence. The interest will be forgivable over the 45 years. In accordance with requirements, participants will be required to attend a minimum of eight hours of HUD-approved homebuyer counseling.

Program 3: Acquisition and Rehabilitation of Rental Housing - \$2,500,000

This program will be used to acquire and rehabilitate foreclosed or abandoned properties suitable for rental housing (condominiums, duplex, multifamily). After acquisition and rehabilitation, such housing will be code compliant, energy efficient and be restricted to very low-income households at rents affordable to such households. The City has budgeted more than 25 percent of the anticipated NSP grant and will use this program to meet its very low-income requirement. Funds will be offered in the form of residual receipts payment loans carrying interest rates ranging from 0 percent to 3 percent depending on anticipate cash flow. The term of the loan will be 55 years, and the City will record trust deeds and covenants



to insure affordability for that period of time.

Program 4: Administration - \$1,000,000

The Administration will provide funding for the City to operate the Neighborhood Stabilization Program.

Income Targeting/Benefit

In accordance with NSP 2 requirements, the City will use all funds appropriated or otherwise made available shall be used with respect to individuals and households whose income does not exceed 120 percent of area median income. Additionally, no less than 2

Program Approach:

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

Consortium Members:

The City of Santa Ana is not working with a Consortium

How to Get Additional Information:

All communication regarding this Action Plan should be addressed to the following:

Mr. Judson Brown
 Housing Division Manager
 City of Santa Ana
 20 Civic Center Plaza, M-37
 Santa Ana, CA 92701
 Tel: (714) 667-2241
 Fax: (714) 667-2225
 Email: jbrown@santa-ana.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$19,175,913.44
Total Budget	\$0.00	\$12,365,913.44
Total Obligated	\$0.00	\$12,171,470.51
Total Funds Drawdown	\$0.00	\$12,136,529.63
Program Funds Drawdown	\$0.00	\$9,984,737.11
Program Income Drawdown	\$0.00	\$2,151,792.52
Program Income Received	\$35,640.00	\$2,498,232.94
Total Funds Expended	\$0.00	\$12,087,599.43
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 6,810,000.00
Match Funds	\$ 0.00	\$ 6,810,000.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of Santa Ana Community Development Agency	\$ 0.00	\$ 12,087,599.43

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$6,810,000.00
Overall Benefit Amount	\$1,229,175,430.56	\$.00	\$.00
Limit on Public Services	\$.00	\$.00	\$.00
Limit on Admin/Planning	\$1,000,000.00	\$1,150,345.31	\$.00
Limit on Admin	\$.00	\$1,150,345.31	\$.00
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$3,103,978.36		\$4,710,038.65



Overall Progress Narrative:

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 (the 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 Ana 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, over the last six months the developer has been conducting a Phase II environmental review and the environmental review has identified hazardous substances in the soil. The developer is awaiting the final results of the environmental review samples before deciding whether or not to accept the award of tax credits. 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 accept the award of tax credits and 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.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Eligible Use A: Financing Mechanism for Purchase,	\$0.00	\$11,240,305.24	\$9,517,242.42
02, Admin	\$0.00	\$1,160,345.31	\$467,494.69
NSP2 PI WAIVER, NSP2 PROGRAM INCOME WAIVER	\$0.00	\$0.00	\$0.00

Activities

Project # / 01 / Eligible Use A: Financing Mechanism for Purchase,

Grantee Activity Number:	NSP2010DPAP
Activity Title:	Downpayment Assistance

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

Project Number:
01

Projected Start Date:
02/11/2010

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Under Way

Project Title:
Eligible Use A: Financing Mechanism for Purchase,

Projected End Date:
09/30/2012

Completed Activity Actual End Date:

Responsible Organization:
City of Santa Ana Community Development Agency

Overall	Oct 1 thru Dec 31, 2020	To Date
Total Projected Budget from All Sources	\$0.00	\$128,277.00
Total Budget	\$0.00	\$128,277.00
Total Obligated	\$0.00	\$128,277.00
Total Funds Drawdown	\$0.00	\$128,277.00
Program Funds Drawdown	\$0.00	\$103,140.00
Program Income Drawdown	\$0.00	\$25,137.00
Program Income Received	\$35,640.00	\$63,831.50
Total Funds Expended	\$0.00	\$128,277.00
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

The City will make down payment assistance loans available to households at or below 120 percent of area median income. These loans will be deferred for thirty years and have zero interest. They will be due and payable at the end of the thirty years or such time as the home is sold. The maximum loan amount will be 10 percent of the sales price or \$40,000, whichever is lower. Borrowers will be required to prequalify for conventional first mortgage loans, and loan amounts will be restricted to the amount necessary to purchase the home. This program will be managed by City staff who will work directly with interested homebuyers and realtors. In accordance with NSP 2 requirements, participants will be required to attend a minimum of eight hours of HUD approved homebuyer counseling. The City anticipates that through this program it will facilitate the purchase of at least 10 homes. This activity closed as of 9/30/2012, and remaining funds transferred to Single Family activity.

Location Description:

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

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	3/10
# of Singlefamily Units	0	3/10

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	1/0	2/10	3/10	100.00
# Owner Households	0	0	0	1/0	2/10	3/10	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Activity Supporting Documents: None

