

Grantee: Orange County, CA

Grant: B-11-UN-06-0503

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-UN-06-0503

Obligation Date:**Award Date:****Grantee Name:**

Orange County, CA

Contract End Date:

03/16/2014

Review by HUD:

Reviewed and Approved

LOCCS Authorized Amount:

\$1,004,948.00

Grant Status:

Active

QPR Contact:

Joanna Chang

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$1,004,948.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The County of Orange received an allocation in the amount of \$1,004,948 in NSP 3 funding and intends to purchase a site of up to five (5) acres in an amount not to exceed \$5 million to build a campus model with emergency beds, permanent housing and a multi-service center. The County will apply this funding for housing individuals and families whose incomes do not exceeds 50% of the area median income.

How Fund Use Addresses Market Conditions:

The County utilized the HUD NSP 3 mapping tool to locate unincorporated areas within four census tracts. The HUD User Data site has provided supporting data that identifies these areas as the highest risk and thus the areas of greatest need. Since the State of California minimum foreclosure score is 17, NSP eligible projects must have an average foreclosure score of 17. The Countys first priority is to locate eligible abandoned and/or foreclosed properties within an eligible census tract in the unincorporated County. The County has identified four eligible census tracts within the unincorporated area of the county.

HUD User Data provided by the NSP3 Mapping tool server describes these target communities in the following manner:

Census Tracts: 087701, 087703 & 087806 (unincorporated areas within)

>Neighborhood NSP3 Score: 17.33

>State Minimum Threshold NSP3 Score: 17

>Total Housing Units in Neighborhood: 2023

Area Benefit Eligibility

>Percent Persons Less than 120% AMI: 76.44

>Percent Persons Less than 80% AMI: 46.69

Total Housing Units to receive a mortgage between 2004 and 2007: 1110

>Percent of Housing Units with a high cost mortgage between 2004 and 2007: 27.1

>Percent of Housing Units 90 or more days delinquent or in foreclosure: 14.9

>Number of Foreclosure Starts in past year: 80

>Number of Housing Units Real Estate Owned July 2009 to June 2010: 44

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

> year): 15

Census Tract: 087805 (unincorporated areas within)

>Neighborhood NSP3 Score: 18

>State Minimum Threshold NSP3 Score: 17

>Total Housing Units in Neighborhood: 75

Area Benefit Eligibility

>Percent Persons Less than 120% AMI: 75.7

>Percent Persons Less than 80% AMI: 26.5

Total Housing Units to receive a mortgage between 2004 and 2007: 22

>Percent of Housing Units with a high cost mortgage between 2004 and 2007: 27.8

>Percent of Housing Units 90 or more days delinquent or in foreclosure: 15

>Number of Foreclosure Starts in past year: 2

>Number of Housing Units Real Estate Owned July 2009 to June 2010: 1

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 1



Ensuring Continued Affordability:

The County will require that an affordability covenant be recorded against the property requiring affordable rents for the low income tenants per HOME guidelines.

Definition of Blighted Structure:

In the October 19, 2010 Notice, HUD has defined a blighted structure when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. The Notice also indicates that grantees must define blighted structure in the context of state or local law. As such, the following provides the definition of blighted structure under the Amended State of California Health and Safety Code(Effective January 1, 2007):

Section 33030

>(a) It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of health, safety, and general welfare of the people of these communities and of the state.

>(b) A blighted area is one that contains BOTH of the following:

>(1) An area that is predominately urbanized, as the term is defined in section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

>(2) An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

>(c) A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of inadequate public improvements or inadequate water or sewer facilities.

Section 33031

>(a) This subdivision describes physical conditions that cause blight:

>(1) Buildings which are unsafe or unhealthy for persons to live or work. These conditions can 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. This condition may be caused by buildings of a 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 the present general plan, and zoning standards and present market conditions.

>(b) This subdivision describes economic conditions that cause blight:

> (1) Depreciated or stagnant property values.

> (2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

> (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

> (4) A serious lack of necessary commercial facilities that are normally &nbs

Definition of Blighted Structure:

p; found in neighborhoods, including grocery stores, drugstores, and banks and other lending institutions.

> (5) Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, overcrowding means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of regulations.

Definition of Affordable Rents:

>The County will use the HOME Program Rent definitions which are also in accordance with the County of Orange Multifamily NOFA requirements.

Housing Rehabilitation/New Construction Standards:

The County has established written rehabilitation standards (Orange County Housing Opportunities Overlay Manual) for rental housing opportunities and will comply with all applicable state and local laws, codes, and other requirements. The regulations permit the development of affordable housing in commercial and industrial districts, as well as certain residentially-zoned arterial highway frontage parcels, in the unincorporated areas of Orange County. This residential use is consistent with the Orange County Zoning Code and Orange County General Plan and is therefore by right. The Housing Opportunities Manual will serve to facilitate the development of affordable housing within commercial and industrial districts by providing design guidelines and rehabilitation standards. These standards are also applicable to any and all development projects that are deemed 100% affordable.

Vicinity Hiring:

County will adhere to the Section 3 Guidelines.

Procedures for Preferences for Affordable Rental Dev.:

The County plans to leverage NSP 3 funds with funds available through other federal, state and/or local funding programs to provide additional emergency & permanent housing units.



Grantee Contact Information:

Name (Last, First): Roper, Karen
 Email Address: karen.roper@occr.ocgov.com
 Phone Number: 714-480-2805
 Mailing Address: 1770 N. Broadway, Santa Ana, CA 92706

| Overall | This Report Period | To Date |
|--|--------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,004,948.00 |
| Total Budget | \$0.00 | \$1,004,948.00 |
| Total Obligated | \$199,077.81 | \$1,004,948.00 |
| Total Funds Drawdown | \$199,077.81 | \$1,004,948.00 |
| Program Funds Drawdown | \$199,077.81 | \$1,004,948.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$199,077.81 | \$1,004,948.00 |
| Match Contributed | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|---|--------------|--------------|
| Overall Benefit Percentage (Projected) | | 0.00% |
| Overall Benefit Percentage (Actual) | | 0.00% |
| Minimum Non-Federal Match | \$0.00 | \$0.00 |
| Limit on Public Services | \$150,742.20 | \$0.00 |
| Limit on Admin/Planning | \$100,494.80 | \$100,494.80 |
| Limit on State Admin | \$0.00 | \$100,494.80 |

Progress Toward Activity Type Targets

| Activity Type | Target | Actual |
|-----------------------|--------------|--------------|
| Administration | \$100,494.80 | \$100,494.80 |

Progress Toward National Objective Targets

| National Objective | Target | Actual |
|--------------------------------------|--------------|--------------|
| NSP Only - LH - 25% Set-Aside | \$251,237.00 | \$904,453.20 |

Overall Progress Narrative:

The NSP3 funds were utilized for the redevelopment and/or rehabilitation of vacant and/or abandoned residential, commercial and/or industrial properties for the purpose of providing permanent affordable housing and housing for homeless transitioning from emergency shelters. The County applied a minimum of 25% of this funding for housing eligible homeless households whose incomes do not exceed 50% of the area median income. Under NSP 3, the County expended 50% of these funds within 2 years from the date HUD signs the grant agreement and expended an amount equal to the allocation within 3 years.

In particular, a previously approved NSP developer acquired two (2) NSP 3 eligible properties and completed rehabilitating both properties. Consequently, the County met the 100% expenditure deadline in March 2014.



Project Summary

| Project #, Project Title | This Report Period | To Date | |
|--|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| NSP3-A, Administration | \$100,494.80 | \$100,494.80 | \$100,494.80 |
| NSP3-P, Acquisition/Rehab - 50% and below households | \$98,583.01 | \$904,453.20 | \$904,453.20 |



Activities

Grantee Activity Number: NSP3-1

Activity Title: NSP 3

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP3-P

Projected Start Date:

06/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab - 50% and below households

Projected End Date:

06/01/2013

Completed Activity Actual End Date:

Responsible Organization:

OC Community Services

| Overall | Jan 1 thru Mar 31, 2014 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$904,453.20 |
| Total Budget | \$0.00 | \$904,453.20 |
| Total Obligated | \$98,583.01 | \$904,453.20 |
| Total Funds Drawdown | \$98,583.01 | \$904,453.20 |
| Program Funds Drawdown | \$98,583.01 | \$904,453.20 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$98,583.01 | \$904,453.20 |
| OC Community Services | \$98,583.01 | \$904,453.20 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

The program will provide financial assistance for affordable rental housing for low-income persons. The site must be vacant and have been foreclosed upon or abandoned pursuant to NSP guidelines. Eligible properties must be located within an eligible census tract in the County.

NSP3 funds will be utilized for the redevelopment and/or rehabilitation of vacant and/or abandoned residential, commercial and/or industrial properties for the purpose of providing permanent affordable housing in support of a "campus model" which would include emergency housing, permanent housing and service center.

The Orange County Housing Opportunities Overlay allows the maximum density for each development site to be twenty-five 25 dwelling units per gross acre, or the allowable density of the base zone for residential parcels, whichever is higher. Additionally, state density bonus law requires that a density bonus on a sliding scale up to 35% be granted to projects that provide units affordable to lower or very low income households. The County will acquire up to one (1) acre utilizing NSP III funds which would support 25 units of permanent affordable rental housing.

Location Description:

The County first priority is to locate eligible abandoned and/or foreclosed properties within an eligible census tract in the unincorporated County. The County has identified four eligible census tracts (087701, 087703, 087805, 087806) within the unincorporated area of the county.

Activity Progress Narrative:

A previously approved NSP developer acquired two (2) NSP3 eligible properties and completed rehabilitation on both



properties in March 2014. The two (2) properties that were acquired are located in the following areas:

1. Anaheim, 877.01 Census Tract, Foreclosure Abandonment Risk Score 17
2. Unincorporated Anaheim, 878.05 Census Tract, Foreclosure Abandonment Risk Score 18

Consequently, the 100% expenditure deadline was met. The developer is currently in the process of leasing up the properties to NSP eligible households at 50% AMI and below.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

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

| | |
|---------------------------------|--------------------|
| Grantee Activity Number: | NSP3-2 |
| Activity Title: | NSP 3 Admin |

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

NSP3-A

Project Title:

Administration

Projected Start Date:

06/01/2011

Projected End Date:

06/01/2013

Benefit Type:

()

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

OC Community Services

Overall

| | Jan 1 thru Mar 31, 2014 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$100,494.80 |
| Total Budget | \$0.00 | \$100,494.80 |
| Total Obligated | \$100,494.80 | \$100,494.80 |
| Total Funds Drawdown | \$100,494.80 | \$100,494.80 |
| Program Funds Drawdown | \$100,494.80 | \$100,494.80 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$100,494.80 | \$100,494.80 |
| OC Community Services | \$100,494.80 | \$100,494.80 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

Administration funds will be utilized for staff costs associated with the management and administration of the County of Orange/OC Community Service's NSP 3 program, including planning, regulatory compliance (i.e. underwriting loan, monitoring, inspections, etc.), contract administration, and fiscal management. The Program Administration Activity will allow NSP 3 funding to be applied towards approximately two (2) Full-Time Equivalents (FTEs).

Location Description:

County of Orange 1770 N. Broadway, Santa Ana, CA 92706

Activity Progress Narrative:

A previously approved NSP developer acquired two (2) NSP3 eligible properties and completed rehabilitation on both properties in March 2014. The two (2) properties that were acquired are located in the following areas:

1. Anaheim, 877.01 Census Tract, Foreclosure Abandonment Risk Score 17
 2. Unincorporated Anaheim, 878.05 Census Tract, Foreclosure Abandonment Risk Score 18
- Consequently, the 100% expenditure deadline was met.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

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

