

County of San Bernardino Department of Behavioral Health

San Bernardino County Mental Health Services Act (MHSA) Housing Plan

November 2008

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Acknowledgements



About the Corporation for Supportive Housing

The Corporation for Supportive Housing (CSH) is a national, nonprofit organization and Community Development Financial Institution that helps communities create permanent housing with services to prevent and end homelessness. Founded in 1991, CSH advances its mission by providing advocacy, expertise, leadership and financial resources to make it easier to create and operate supportive housing. CSH seeks to help create an expanded supply of supportive housing for people, including single adults, families with children and young adults who have extremely low incomes, who have disabling conditions and/or face other significant challenges that place them at ongoing risk of homelessness. CSH delivers its core services primarily in 10 states (California, Connecticut, Illinois, Indiana, Michigan, Minnesota, New Jersey, New York, Ohio and Rhode Island) and in Washington, D.C. CSH also operates targeted initiatives in six states (Indiana, Kentucky, Maine, Massachusetts, Oregon and Washington) and provides limited assistance to many other communities. For information regarding CSH's current office locations, please see www.csh.org/contactus.



About LeSar Development Company

LeSar Development Company is a specialized consulting firm providing both technical and public policy services to a range of clients including local government agencies, multi-partner teams, financial intermediaries, foundations, private developers, private citizens and nonprofit clients. Founded in 2005, LeSar Development Company is based in San Diego and also has an office in Los Angeles. The company works across California and currently works in four counties. For more information, please see www.lesardevelopment.com.

Core competencies include: financial structuring, feasibility analysis, work-outs and transaction management for redevelopment and affordable housing projects; leading intergovernmental teams through policy and program development and implementation; development and implementation of affordable housing development programs; and strategic planning for management and department teams.

Department of Behavioral Health

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Executive Summary

The San Bernardino County MHSAs Housing Plan provides for the creation of 150 new units of dedicated permanent supportive housing for individuals with serious mental illness (SMI) who are homeless or at significant risk of becoming homeless. The MHSAs Housing Plan builds on San Bernardino County's Mental Health Services Act Community Services and Supports Three-Year Program and Expenditure Plan (CSS) Plan, completed in February 2006.

Supportive housing is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. Supportive housing works well for people who face the most complex challenges – individuals and families who are not only homeless or at risk of homelessness, but who also have very low incomes and serious, persistent issues such as a mental illness. People who live in supportive housing sign a lease and pay rent, just like their neighbors. The supportive housing model ensures that appropriate supports and services are available for tenants to ensure their stability in housing. This approach is at one end of the housing spectrum, with emergency shelters at the opposite end. Emergency shelters are designed for emergencies and short-term situations, not as long-term housing.

The supportive housing units will be dedicated to individuals designated within the CSS Plan as currently unserved and who are enrolled and/or eligible to be enrolled in full-service partnerships (FSPs). FSPs are comprehensive, low client-to-provider-ratio programs designed to provide “whatever it takes” to stabilize and support individuals with mental illness who also have significant other social/economic barriers for which they require care. New units created as an outcome of this plan will be targeted to adults and older adults with SMI and transition-age youth (TAY) with severe emotional disorders who are homeless or at risk of homelessness. A portion of units will also be targeted to provide housing to individuals with SMI leaving or being diverted from the criminal justice system.

The MHSAs Housing Plan was prepared by the Corporation for Supportive Housing and LeSar Development Company based on recommendations from the County of San Bernardino Department of Behavioral Health (SBDBH) and the Housing Policy Advisory Committee (HPAC), and with significant input from clients, service providers, housing developers and housing funders in San Bernardino County. An executive committee consisting of the directors and key staff of SBDBH, the Housing Authority of the County of San Bernardino, the County of San Bernardino Redevelopment Agency and the County of San Bernardino Department of Community Development and Housing worked collaboratively in the MHSAs Housing Plan's creation and will continue to play a critical role in the implementation.

MHSAs Housing Recommendations

To best meet the housing needs of individuals enrolled in an FSP, SBDBH set a goal of creating the most supportive housing units feasible given available funding. The assumption is that at any given time some of those enrolled will be in alternate housing arrangements (e.g. board and care, living with family, in transitional housing, etc.) and some of those enrolled will have access to non-MHSAs-funded housing, such as current Shelter Plus Care, Section 8 or other existing subsidized housing. The financial model establishes a numerical goal of creating 150 supportive housing units.

Throughout the planning process for the MHSA Housing Plan, the focus remained on creating guidelines for the selection of supportive housing developments that are responsive to client preferences and promote client choice. The planning process sought to create MHSA housing guidelines that reflected the client preferences voiced through the survey while recognizing the needs and realities of the local housing market. In addition, the HPAC participated in an exercise to determine the key principles that should guide the type and quality of housing to be developed through San Bernardino County's MHSA Housing Program (the "MHSA Housing Program"), which will be implemented upon approval of the MHSA Housing Plan.

The Housing Project Development Guidelines presented in the MHSA Housing Plan are based on the understanding that decisions for MHSA housing funds must be guided by the overarching goal of system transformation, which is to clearly support the implementation of the county's CSS Plan while planning in collaboration with county efforts to end homelessness. Further, the HPAC developed these guidelines to work in conjunction with the MHSA Housing Program.

Funding Projections and Timeline

Developing the required number of units will take an ongoing commitment of MHSA funds and significant leveraging of housing resources from a variety of federal, state and local resources. The MHSA Housing Plan includes a financial model that projects the costs of developing and operating MHSA housing units in a five-year time span. This model presents one possible scenario, although it must be noted that housing development is very opportunistic and the implementation of the MHSA Housing Plan will vary from this financial model as projects are funded and local conditions and funding resources change.

The total estimated development (capital) cost under this financial model is approximately \$64.8 million. This amount includes funding for some general affordable housing units that would not be restricted for MHSA-eligible clients but that make the total development target possible through mixed-tenancy buildings. Of the \$64.8 million, \$51.2 million is projected to come from state and federal sources and \$13.6 million from locally controlled housing resources. Over five years, the financial model projects a scenario in which all of the development (capital) costs are fully funded.

In addition to the funds needed to create the units, operating subsidies are needed to fill the gap between what the tenant can pay and the monthly rent. The financial model assumes that of the 150 MHSA units, 60 units will be funded with operating subsidies through the MHSA housing program and the balance of the units (90 total) will utilize Shelter Plus Care Program vouchers.¹

Funds expended for operations over five years total \$5.5 million. Under this five-year financial model there exists no funding gap for operating funds. In addition, there is no gap for services funding because under the MHSA the FSP providers receive funding for all of the needed services and some portion of the required operations support.

¹ Operating financing is based on operating subsidies committed or expended in a given year (regardless of the term of the subsidy contract or capitalized reserve). Further, the MHSA operating subsidy calculation was based on the maximum possible subsidy that could be requested, the Fair Market Rent. This conservative approach may overstate the financing need for the MHSA Housing Program capitalized reserves, which in practice are based on actual project operating costs.

The timeframe for developing the 150 MHSA units is estimated at five years, with between two and five new projects coming online each year. This production schedule assumes a strong local commitment from both funders and housing developers to prioritize MHSA-funded housing. SBDBH will need to work with community partners to create this commitment and interest.

First Year Action Steps and Annual Review

In order to carry out the plan, SBDBH will work in collaboration with its community partners to develop the infrastructure to create the number of units projected in this plan. During the first year of the plan, SBDBH and its partners will need to:

1. Implement recommendations outlined in this MHSA Housing Plan
2. Create a process to select developments for MSHA housing funds
3. Reach out to local jurisdictions for partnership
4. Build capacity to create supportive housing in San Bernardino County
5. Assist with the siting of MHSA housing developments

This MHSA Housing Plan and its financial models are meant to serve as a guide for project selection and financing. It is meant to be used as a comparative tool to be reviewed regularly to weigh the actual projects selected against the principles and goals included in the MHSA Housing Plan. To ensure the document stays relevant and useful, SBDBH will review and evaluate the MHSA Housing Plan at the end of each fiscal year, beginning June 2009 (the end of FY 2008-09). At this time, SBDBH should compare the project goals and policies outlined in this document with the type, quality and diversity of the projects selected.

Chapter 1: Purpose of the MHSA Housing Plan

The San Bernardino County Mental Health Services Act (MHSA) Housing Plan calls for the creation of 150 new units of dedicated permanent supportive housing for individuals with serious mental illness (SMI) who are homeless or at significant risk of becoming homeless (as defined by the State of California MHSA Housing Program) and who otherwise meet the State of California MHSA Housing Program target population description². The MHSA Housing Plan builds on the County of San Bernardino MHSA Community Services and Supports Three-Year Program and Expenditure Plan, completed in February 2006.

Supportive housing is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. Supportive housing works well for people who face the most complex challenges – individuals and families who are not only homeless or at risk of homelessness but who also have very low incomes and serious, persistent issues such as mental health disorders. People who live in supportive housing sign a lease and pay rent, just like their neighbors. The supportive housing model ensures that appropriate supports and services are available for tenants to ensure their stability in housing. The supportive housing approach is designed to meet the needs of tenants living in housing. This approach is at one end of the housing spectrum, with emergency shelters at the opposite end. Emergency shelters are designed for emergencies and short-term situations, not as long-term housing.

The supportive housing units will be dedicated for individuals designated within the CSS Plan as currently unserved and who are enrolled and/or eligible to be enrolled in full-service partnerships (FSPs). FSPs are comprehensive, low client-to-provider-ratio programs designed to provide “whatever it takes” to stabilize and support individuals with mental illness who also have significant other social/economic barriers for which they require care. New units created as an outcome of this plan will be targeted to adults and older adults with SMI and transition-aged youth (TAY) with severe emotional disorders who are homeless or at risk of homelessness. A portion of units will also be targeted to provide housing to individuals with SMI leaving or being diverted from the criminal justice system. The County of San Bernardino Housing Policy Advisory Committee (HPAC) has prioritized the creation of 150 new units of permanent supportive housing to these populations.

This MHSA Housing Plan outlines a targeted number of units, broken down by target population, building type, unit size and other criteria. The MHSA Housing Plan includes a broad financial model estimating the overall cost of leasing, developing and/or operating these units and how locally controlled MHSA housing funds may be used to leverage the additional financing needed to achieve the targets. Finally, the MHSA Housing Plan includes a proposed process for ensuring that progress is evaluated annually and recommendations are developed or modified as needed to ensure successful outcomes.

² California Housing Finance Agency, “Mental Health Services Act Housing Program Term Sheet/Program Description,” MHSA Housing Program Target Population & Certification Requirements, pg. 14.

The County of San Bernardino Department of Behavioral Health (SBDBH) commissioned the MHSA Housing Plan as part of a broad scope of work related to expanding housing opportunities for individuals with SMI who are homeless or at risk of homelessness throughout the county. SBDBH contracted with CSH to prepare for the MHSA Housing Plan. CSH dedicated the time of several members of its own local and national staff and also hired both subject and process experts as consultants to assist in the process. A full list of staff and consultants can be found in the acknowledgements section.

In addition to work around the MHSA, the County of San Bernardino is working on the broader issue of homelessness by working to develop the 10-Year Plan to End Chronic Homelessness. The county's 10-Year Plan to End Chronic Homelessness, a project of the newly created Office of Homeless Services, will seek to develop strategies that end chronic homelessness countywide. Working in conjunction with the MHSA Housing Program and services provided through the FSPs in San Bernardino County, the 10-year plan will make a significant impact on how homeless persons are served and will further ensure that permanent supportive housing is a primary strategy for addressing this issue.

The Planning Process

This MHSA Housing Plan is the result of a 10-month review and planning process, which began in July 2007 and concluded in May 2008. The HPAC served as the recommending body and provided consensus on housing priorities, principles for proposed development projects and rationale for the MHSA Housing Plan. Members of the HPAC include mental health service consumers, nonprofit housing developers, service providers and local government agencies concerned with the expansion of affordable housing linked to appropriate social services for those who have a serious mental illness and are homeless or at risk of homelessness. A full list of members and affiliations is included in Appendix A.

The goals and objectives of the HPAC were to:

- Develop recommendations for the use of MHSA housing, paying attention to housing opportunities by age categories;
- Develop region-specific housing principles and rationale for the types of housing developments that apply for MHSA housing funds;
- Plan for maximum leverage of MHSA housing funds and identify opportunities for housing development;
- Prioritize geographic areas of need;
- Strategize for outreach to local jurisdictions;
- Focus on housing with services;
- Develop standards of excellence for housing;
- Plan in coordination with the 10-Year Plan to End Chronic Homelessness;
- Identify a process/resources for obtaining resources for MHSA tenants;
- Plan opportunities for tenant involvement such as volunteer and employment opportunities; and
- Identify prevention strategies.

The HPAC met monthly throughout the planning process. Topics of discussion included:

- Objectives and parameters for MHSA planning;
- Research and review of California's MHSA Housing Program;
- Identifying local needs and priorities;
- Defining target populations;
- Funding sources and leveraging strategies;
- Unit development targets and financial modeling; and
- Housing principles and rationale for screening potential projects that apply to the MHSA Housing Program.

Additionally, three trainings were conducted by CSH staff and staff from LeSar Development Company. The first training provided basic information about the permanent supportive housing (PSH) model. It included information about the components of a PSH project, the various types of PSH, the populations best served by supportive housing and the features of a successful project. The second training focused on housing preferences, which included MHSA housing principals, housing types and production goals by FSP target populations. The third training focused on financing rental supportive housing. The training was designed to build the knowledge and capacity in San Bernardino County to site, develop, operate and sustain housing opportunities for MHSA-eligible clients. This training included an overview of supportive housing development budgets and strategies to build a development budget for rental supportive housing.

In addition to the work of the HPAC, a client survey was designed and implemented to receive information and feedback from current SBDBH clients. More than 500 surveys were completed in a span of three months. The survey collected data on current housing situations and housing needs and preferences. The majority of respondents were people with mental illness who were formerly homeless and indicated they had difficulty finding housing due to previous evictions and lack of affordable places to live. Most said they wanted to live independently with mixed populations (apartment complexes where SBDBH clients live with non-SBDBH clients) and preferred to remain in the San Bernardino County community.

Another key component of the planning process was the work of the Executive Committee. The Executive Committee is composed of the directors and key staff of the four public agencies that are working closely to create and implement the MHSA Housing Plan: the SBDBH, the Housing Authority of the County of San Bernardino, the County of San Bernardino Redevelopment Agency and the County of San Bernardino Department of Community Development and Housing (CDH). The Executive Committee met regularly to discuss a memorandum of understanding (MOU) to be executed by the four agencies. The MOU outlines each agency's role in the implementation of the MHSA Housing Plan and acknowledges the role that local resources will play in the successful development and operation of the units presented in the MHSA Housing Plan. As the MHSA Housing Plan moves toward implementation, the Executive Committee will play a critical role in identifying local resources and establishing a project review and selection process for projects that will create the MHSA housing units proposed in the plan.

Chapter 2: Background to Permanent Supportive Housing and the Mental Health Services Act

The San Bernardino County MHSAs Housing Plan was developed in response to the expanding housing need of individuals with severe mental illness who are also homeless and/or at risk of homelessness. Moreover, the SBDBH, the Housing Authority, Redevelopment Agency and CDH all agree that changes in treatment and housing philosophy, the retargeting of resources, and new housing and service outcomes in each system strongly influence the new direction of local efforts to develop and sustain independent affordable housing for mental health clients. In recognizing shared outcomes, both to increase the number of supportive housing units and to transform the mental health service delivery system, these local agencies are transforming the way they do business and finding new ways to collaborate to achieve multiple bottom lines. San Bernardino County's goal is to ensure the effective use of MHSAs housing resources while simultaneously achieving positive outcomes for its unserved and under-served client population.

This chapter summarizes some of the key national, state and local factors contributing to the current context for the MHSAs Housing Plan. It includes systems transformation information pulled from the State of California Department of Mental Health, other county mental health departments and a similar MHSAs housing plan created for San Diego County.

Transforming Mental Health Services

A fundamental shift has taken place in planning client- and family-driven mental health care across the nation and, in particular, in California. Notably, housing has been recognized as critical to recovery and wellness by the President's New Freedom Commission on Mental Health, the National Council of State Housing Agencies and the National Association of State Mental Health Program Directors. The MHSAs, passed as Proposition 63 in November 2004, has brought the necessary resources to achieve systems change in California by focusing on serving individuals and communities that have traditionally been unserved or under-served by the mental health system and by including clear goals related to housing. The MHSAs dedicates funds raised through a 1% tax on millionaires to ensure that responsive, recovery-focused programs and services are designed to engage individuals who have previously been unserved or under-served. In addition, the State of California MHSAs Housing Program provides both capital and operating resources to create permanent supportive rental and shared housing opportunities in counties across California. The State of California MHSAs Housing Program goals are aligned with counties' CSS planning. Under the State of California MHSAs Housing Program, approximately \$20 million is available for San Bernardino County. This new program provides the backdrop for the development of the San Bernardino County MHSAs Housing Plan. The MHSAs Housing Plan lays out a strategy to put these funds to the highest and best use, fully leveraging federal, state and local resources for housing development and ensuring the creation of new housing for those most in need.

There is growing consensus that the housing model incorporated into this plan, PSH, is a necessary addition to the spectrum of housing models for special needs populations. In November 2006, California voters approved Proposition 1C, a \$2.85 billion housing bond that

provides financing for new affordable rental and homeownership opportunities. The housing bond is an extension of Proposition 46, an earlier housing bond that provided \$2.1 billion in statewide housing funds. Proposition 1C provides financing for new supportive housing opportunities under several housing programs, two of which target homeless populations. They are:

- Multifamily Housing Program Supportive Housing, which will provide \$195 million in permanent low-interest loans for the construction of new affordable apartments and rehabilitation of existing affordable units linked to social services.
- Multifamily Housing Program Homeless Youth, which will provide \$50 million in permanent low-interest loans for new construction or rehabilitation projects that serve homeless youth.

The approach to addressing homelessness has concurrently shifted with the approach to mental health care. The Interagency Council on Homelessness and other national coalitions and organizations place new focus on the need to end homelessness rather than manage it. Rapid re-housing or “housing first” strategies and a strong role for service-enriched or supportive housing are increasingly recognized as essential components of a strategy to end homelessness, especially for those considered chronically homeless. Communities around the country have engaged in the creation of 10-year plans to end chronic homelessness, calling for the prioritization of housing resources to address those with the greatest needs – individuals with disabilities, including mental illness, and long histories of homelessness.

In keeping with the national emphasis to end chronic homelessness, the newly created Office of Homeless Services (OHS) is taking the lead in planning and implementing the county’s 10-Year Plan to End Chronic Homelessness. The OHS is working with other county agencies and Continuum of Care partners to create the infrastructure for the plan’s development. Participants are being assigned to work groups and are researching best practices. In March 2008, five committees were created to focus on 1) prevention; 2) outreach; 3) income and support services; 4) permanent supportive housing; and 5) rapid re-housing. The goal is to have a draft of the 10-Year Plan to End Chronic Homelessness by December 2008.

San Bernardino County government has demonstrated leadership and concern regarding the need for mental health housing prior to the enactment of the MHSA. Since 1994, SBDBH and the Housing Authority have worked together to provide housing for individuals with mental illnesses. Through the Section 8 and Shelter Plus Care programs, the Housing Authority was able to offer affordable housing to SBDBH clients. Hundreds of seniors and individuals have been able to secure affordable housing with very low rents through this interagency effort. The county is also looking to other federal, state and local sources of community development and homeless service funding to examine how these resources may compliment and further leverage the local MHSA Housing Program dollars.

San Bernardino County’s Community Services and Support Plan

On February 7, 2006, the San Bernardino County Board of Supervisors approved the CSS Plan, which represents the county’s comprehensive plan for addressing the mental health needs of

unserved and under-served populations. The CSS Plan includes all the essential elements as required by the MHSA and provides programmatic recommendations for improving mental health services and support for specific target populations, in addition to achieving the outcomes put forth by the MHSA.

The CSS Plan is the result of a lengthy and participatory planning process spearheaded by the MHSA coordination team in collaboration with the MHSA workgroups and the Community Policy Advisory Committee, who together led an outreach effort to gather input from service providers, consumers, advocates, community partners and county constituents on the contents of this plan, including defining priorities and desired outcomes. In addition, through forums, focus groups, work groups and a stakeholder survey, more than 3,000 county residents were able to participate in the CSS planning process. It is this “bottom-up” planning process that lays the foundation for the CSS Plan and MHSA Housing Plan.

Based on the extensive community input gathered during the creation of the CSS Plan, *homelessness was identified as the number-one issue in two of the four age groups.* Homelessness was the number-one issue identified by transition-age youth and adults when describing the greatest unmet needs among individuals with SMI in San Bernardino County. Homelessness was also listed as a priority issue to be addressed in the first three years for the older adult SMI population.

The county created MHSA work groups to put together the programs to be submitted to the State of California for funding. These plans submitted to the state include four FSPs, all of which recognize the critical need for housing for the targeted populations. SBDBH invested more than \$3.9 million of MHSA CSS one-time housing funds in the FSP programs. The funds provide a range of housing options for FSP clients. One-time funds are being used for the renovation of housing units, master leasing of apartment complexes and rental assistance to FSP clients through short-term rental subsidies. In Ontario, SBDBH is utilizing \$1.25 million in MHSA funding to finance an emergency Intake Center. Mercy House, the project’s nonprofit sponsor, will design and operate the Intake Center, which will include counseling offices and an emergency shelter with 15 emergency beds for single men, single women and single women with children. The Intake Center will be approximately 5,876 square feet and provide a final home for Mercy House to greet and provide basic needs and services to Ontario’s homeless individuals and families. SBDBH has also committed \$2.5 million in one-time MHSA funds to a master leasing program that will be administered jointly with the Housing Authority.

As described in the San Bernardino County MHSA CSS Plan, FSPs are programs where a small caseload of clients are assigned to a single case manager who is responsible for ensuring that the clients have access to “whatever it takes” to foster resiliency and recovery. Clients in an FSP have access to someone to provide assistance 24 hours a day, seven days a week. Through FSPs, clients have access to comprehensive services, including mental health services, case management, employment support, links to health care and substance abuse treatment and a variety of other supports that participants may need. Supportive housing provides tenants with deeply affordable housing linked to client-centered services focused on achieving the goal of successful tenancy while meeting goals related to client recovery. The services provided by FSPs will help to achieve these programs in supportive housing, which often includes many of the same services and approaches of the FSP model. Therefore, it is proposed that FSPs will be

the primary service providers connected to the units developed as part of this plan. Because these units will be connected to FSP services, the MHSA Housing Plan does not discuss the type, duration or model of services for the supportive housing, nor the specific philosophy or principles that inform how those services are delivered.

The San Bernardino County MHSA Housing Plan is fundamentally tied to the county's CSS Plan and in fact targets housing development for the populations which are targeted for service delivery in the CSS Plan. Client choice, cultural competency and recovery orientation are service philosophies emphasized in the CSS Plan and are essential elements of the housing programs targeted for development through this plan.

Table 1: San Bernardino County Full-Service Partnership Populations Targeted for Permanent Supportive Housing Units

FSP	Target population	SBDBH Service Regions
TAY-1	<p>Transition age youth (TAY) ages 16-24 with a serious mental illness who are enrolled or eligible for FSP services who also have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Repeated use of emergency mental health services; ▪ Co-occurring disorders; ▪ Homeless or at risk of homelessness; ▪ At risk of involuntary hospitalization or institutionalization; ▪ High-risk youth with serious emotional disturbances in the justice system and out-of-home placement; and/or ▪ Recidivists with significant functional impairment. 	<p>West Valley/Central Valley</p> <p>East Valley/San Bernardino</p> <p>High Desert/Mid Desert</p>
A-2 Criminal Justice	<p>Unserved adults with serious mental illness who are enrolled in or eligible for FSP services and who also have one of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Been incarcerated and treated for mental illness while in jail; and/or ▪ Are brought to outpatient clinics for service by law enforcement. 	County-wide
A-3 High User ACT	<p>Adults with serious mental illness enrolled in or eligible for FSP services who also have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Homeless or at risk of homelessness; ▪ Co-occurring substance abuse problems; ▪ Involved in the criminal justice system; and/or ▪ Recently discharged from psychiatric hospitals. 	County-wide
OA-1 Older Adults	<p>Older adults (60 and older) with a serious mental illness who are enrolled in or eligible for FSP services who have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Homeless or at risk of homelessness; ▪ Unserved, under-served or inappropriately served in the mental health system; ▪ Frequent users of emergency room services for psychiatric problems or frequently hospitalized; ▪ Reduced personal and/or community functioning due to physical and/or health problems; ▪ Co-occurring substance abuse problems; and/or ▪ Isolated and at risk for suicide due to stigma surrounding their mental health problems. 	High Desert

Chapter 3: Needs and Preferences of San Bernardino County Mental Health Clients

The San Bernardino County MHS A Housing Plan identifies strategies to create 150 FSP housing units. In order to reach this goal in a manner that is responsive to client needs, SBDBH engaged in a needs assessment to determine the housing needs and experiences of people living with mental illness in San Bernardino County. To gather this information, three primary methods were used: a review of planning and research documents, a client survey and discussions of needs and preferences with HPAC members.

Housing Needs

The San Bernardino County CSS Plan demonstrates the unmet mental health needs across the county and provides the most recent Mental Health Program gap analysis. Table 2 summarizes this county-wide gap analysis, which indicates that nearly 42,000 mentally ill individuals are unserved or under-served in the county and 3,500 may be homeless with mental illness.

Table 2: San Bernardino County Mental Health Services Gap Analysis

	Population	Transition-Age Youth	Adults	Older Adults	TOTALS
Estimated Service Needs	Unserved	5,500	9,300	6,000	20,800
	Under-served	4,594	15,062	827	20,483
	Total	10,094	24,362	6,827	41,283
<hr/>					
	<i>Estimated Homeless³</i>	<i>388</i>	<i>3,142</i>	<i>Unknown</i>	<i>At least 3,530</i>

The National Alliance to End Homelessness (www.endhomelessness.org) estimates that at any given point in time 45% of homeless persons report indicators of mental health problems and approximately 25% of the homeless population has SMI. Using these general national statistics, a roughly calculated estimate of approximately 880 units of supportive housing targeted to individuals with SMI are needed in San Bernardino County.⁴ Supportive housing is affordable housing linked to supportive services and is a model designed for those who would not be able to maintain residential stability without those support services. It is a complex intervention that is intended for those who need it most and has proven an effective model to serve people with a history of homelessness and SMI.⁵

³ Community Action Partnership of San Bernardino County, San Bernardino County 2007 Homeless Census and Survey Comprehensive Report, p. 16. The numbers represent total unsheltered people in 2007.

⁴ The 880 units were calculated by using the point-in-time numbers (3,530) multiplied by 25% = 882.

⁵ Corporation for Supportive Housing, "Estimating the Need: Identifying Priority Populations for Permanent Supportive Housing Production in the City of Los Angeles," p. 1.

Other planning studies have made the production of housing for homeless persons a priority. The County of San Bernardino Consolidated Plan projects approximately 280 homeless families and individuals will be provided permanent supportive housing over the next five years. This housing will be developed in collaboration with other public agencies and community groups dedicated to serving the homeless.⁶ Additionally, the Housing Element for the County of San Bernardino recommends the creation of new emergency and transitional shelters as a strategy to reduce homelessness.

Homelessness

The San Bernardino County 2007 Homeless Census and Survey Report indicates that 6,111 homeless people are living on the streets and an additional 1,200 homeless people are living in emergency shelters for a total of 7,331 homeless people countywide.⁷ The point-in-time homeless count was conducted by the Community Action Partnership of San Bernardino, which collected the data in a two-day span. The numbers show an increase of 2,061 homeless people since the previous homeless count was conducted in 2003.⁸ Although the methodologies differ slightly, the research shows that the homeless population is growing.

Table 2: Number of Homeless Individuals Counted in San Bernardino County
Point-in-Time Count

Region	Number of Homeless Individuals Counted
District 1	1,420
District 2	741
District 3	1,893
District 4	880
District 5	2,264
Shelters ⁹	133
TOTAL in County	7,331

The highest concentration of homeless individuals and families can be found in Fontana (9.4%), Ontario (8.2%), the City of San Bernardino (21.9%) and the unincorporated area (19.9%). Chino Hills and Twentynine Palms experienced the highest increase in homeless people since 2003.¹⁰

In addition to the point-in-time numbers, the census report includes several survey profiles that reveal additional information about the homeless population. The majority of survey respondents cited job loss or alcohol and drug abuse as the primary event or condition that led to

⁶ County of San Bernardino Final 2005-2010 Consolidated Plan Update and 2007-2008 Action Plan, p. II-11.

⁷ Community Action Partnership of San Bernardino County, San Bernardino County 2007 Homeless Census and Survey Comprehensive Report, p. 2.

⁸ Ibid, p. 2.

⁹ The domestic violence shelters are a subset of the 1,200 shelters discussed above. The 133 persons reside in domestic violence shelters whose addresses are not public and therefore cannot be assigned to any district.

¹⁰ Community Action Partnership of San Bernardino County, "San Bernardino County 2007 Homeless Census and Survey Comprehensive Report", September 25, 2007, p. 23-24.

their homelessness. When asked what the major obstacles were for securing permanent housing, 55 percent cited no job or income and 48 percent said they could not afford rent.

Housing Trends

San Bernardino County housing trends reveal significant barriers to accessing affordable housing in both the rental and homeownership markets. There has been a significant increase in housing costs and a growing number of families who cannot afford a home or keep the one they have. Since 2000, home prices have tripled (an increase of 155%) while incomes have increased only 25%.¹¹ The threat of foreclosures is real, with lenders filing close to 24,000 notices of default in 2007, up 150% from 2006.¹² Additionally, 7,727 homeowners lost their homes through foreclosure – roughly one in 20 sales and up nearly 72% from the previous year, according to Dataquick Information Systems. For those families who have lost homes, the rental market does not provide much relief as rents continue to rise. Over the past seven years the monthly rent for a two-bedroom unit has nearly doubled from \$621 in 2001 to \$1,142 in 2008.¹³ The last eight years have been extremely difficult for both homeowners and renters as homeowners paid excessive prices for homes they could not afford and renters experienced an ever-growing rent burden.

Table 3: U.S. Housing and Urban Development (HUD) Fair Market Rent (FMR) History

FMR Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2001	\$456	\$508	\$621	\$861	\$1,018
FY 2002	\$482	\$537	\$656	\$910	\$1,076
FY 2003	\$507	\$564	\$690	\$957	\$1,130
FY 2004	\$535	\$596	\$729	\$1,011	\$1,193
FY 2005	\$580	\$638	\$752	\$1,058	\$1,234
FY 2006	\$715	\$781	\$911	\$1,294	\$1,512
FY 2007	\$765	\$835	\$974	\$1,383	\$1,617
FY 2008	\$896	\$979	\$1,142	\$1,622	\$1,896

For low-income workers the struggle to find and maintain housing is particularly difficult. In San Bernardino County a minimum wage worker earns an hourly wage of \$8. In order to afford a two-bedroom apartment, a minimum wage earner would have to work 120 hours per week, 52 weeks per year.¹⁴ Given the cost of rental housing, this translates into an hourly housing wage of \$21.96. Poor renters on a fixed income face an even more challenging situation. If SSI

¹¹ County of San Bernardino Economic Development Agency, “Housing and Economic Development Needs Identification Report 2007-08 Report”.

¹² Knox, Noella, “Foreclosures Plague San Bernardino County California,” *USA Today*, January 29, 2008.

¹³ Based on HUD FMR rents.

¹⁴ National Low-income Housing Coalition, “Out of Reach 2007-2008.”

represents an individual's sole source of income,¹⁵ as is the case for many individuals with SMI, \$261 in monthly rent is affordable using the nationally recognized assumption that people should not pay more than 30% of their income toward rent. It becomes clear that the average rent of \$1,022 for a one-bedroom apartment in San Bernardino County is not attainable for this segment of the population. High and rising housing costs and low incomes drive the high rates of homelessness and housing instability among individuals with mental illness in the San Bernardino region.

Housing Survey

A housing survey was implemented by SBDBH to collect information about the housing needs and preferences of their clients. The survey was developed by CSH and was distributed through clubhouses, outpatient clinics and FSPs. A sample survey is contained in Appendix A. More than 500 surveys were collected in a four-month period. The data was collected and evaluated by SBDBH staff. When asked if they wanted to change their current housing situation, one answered, "Yes, because me, my wife and three sons live in a garage" and another responded, "Yes, because I live in my car."

Respondents were defined in three categories: TAY respondents, Adults and Older Adults. The major findings for each category are contained below:

Transition-Age Youth

- 54 percent have been homeless;
- 67 percent have lived in board and care homes;
- 61 percent cite the lack of affordable places to live as a reason for not securing housing;
- 63 percent are unwilling to share apartments;
- 65 percent want to live with mixed populations; and
- 61 percent are unwilling to move from the area.

Adults

- 59 percent have been homeless;
- 55 percent site the lack of affordable places to live as a reason for not securing housing;
- 59 percent are unwilling to share apartments;
- 73 percent want to live with mixed populations; and
- 55 percent are unwilling to move from the area.

Older Adults

- 51 percent have been homeless;
- 71 percent have lived in board and care homes;
- 60 percent cite the lack of affordable places to live as a reason for not securing housing;
- Respondents are split whether they prefer to live alone or prefer to share an apartment;

¹⁵ Monthly Supplemental Security Income (SSI) payments for an individual in California are \$870 per month.

- 73 percent want to live with mixed populations; and
- 55 percent are unwilling to move from the area.

Overall, a majority of respondents in each category has experienced homelessness and cites the lack of affordable housing as a major reason for not being able to secure housing, and most prefer to live alone in mixed-population environments. Finally, the majority prefer to remain in the area where they are currently living and are most familiar with.

Chapter 4: MHSA Housing Recommendations¹⁶

The MHSA Housing Plan is designed as a roadmap to guide the development of housing opportunities for clients enrolled in or eligible for San Bernardino County's new MHSA-funded FSPs. Four FSPs will provide a range of mental health services linked with safe and affordable housing. SBDBH identified the greatest number of housing units given available funding and has set a goal of creating 150 housing opportunities over a five-year period. Clients served under the MHSA may also be living in alternate housing arrangements (e.g. board and care homes, living with family, in transitional housing, etc.) and some will have access to non-MHSA-funded housing, such as current Shelter Plus Care, Section 8 or other existing subsidized housing. By FSP priority population, the housing creation goals are:

- Transition-Age Youth – 40 units;
- Homeless and At-Risk Adults – 90 units (within two FSPs); and
- Older Adults – 20 units.

Different strategies for developing or providing housing are appropriate based on the nature of the housing needs, resources available, local real estate market dynamics, the sub-population to be served and the capacity of the local community to provide housing services.

The Housing Policy Advisory Committee and county staff concur that the MHSA Housing Plan's goal is to provide adequate supportive housing for FSP clients. Generally, supportive housing is community-based housing that is affordable to clients with no length-of-stay requirements, provides all the rights and responsibilities of tenancy and is accompanied by appropriate, voluntary services that assist clients to retain their housing. In the case of San Bernardino County FSPs, intensive supportive services are built into the programs and the housing created generally will not need additional services attached to the housing to be considered supportive housing.

As part of the planning process for this MHSA Housing Plan, the HPAC created housing project development guidelines for supportive housing that reflect client preferences and promote client choice voiced through the client survey. The housing project development guidelines also recognize the needs and realities of the local housing market and the terms of the MHSA Housing Program. In addition, the HPAC participated in an exercise to determine the key principles that should guide the type and quality of housing developed through the MHSA Housing Program in San Bernardino County. These principles were incorporated into the Housing Project Development Guidelines.

¹⁶ A list of housing development preferences and policies was taken from the San Diego County MHSA Housing Plan and presented to the San Bernardino HPAC on April 16, 2008 as an example to help guide the local discussion around priorities and preference in San Bernardino. The San Bernardino HPAC then developed their own guidelines, which are contained in this chapter. The San Diego County MHSA Housing Plan was used as a template for this section. A copy of the plan can be found at www.sandiego.networkofcare.org/contentFiles/SDMHSAHousingPlanAug2007.pdf.

The San Bernardino County HPAC based the following Housing Project Development Guidelines on the understanding that decisions for MHSA housing funds must be guided by the overarching goal of system transformation, which is to clearly support the implementation of the county's CSS Plan, while planning in collaboration with county efforts to end homelessness. Further, the HPAC developed these guidelines to work in conjunction with the State of California MHSA Housing Program.

Housing Project Development Guidelines

The guidelines below shall apply to projects developed using MHSA housing funds.

1. MHSA housing funding should be targeted for the provision of housing to specific populations in need living in San Bernardino County. Therefore, housing proposals selected for development should target the specific populations as called out in the San Bernardino County CSS Plan including transition-age youth, adults and older adults, and individuals leaving institutionalization and incarceration.¹⁷
2. Developers must involve client representatives and family members in the design and planning process for all new projects that have not already been through the design process.
3. Housing proposals selected for development should give FSP clients a variety of choices in the type and geographic location of housing accessible to them.
4. Housing proposals selected for development should be balanced between buildings that are 100% targeted for MHSA clients with buildings that include MHSA clients and units serving other populations. SBDBH must ensure that a variety of projects are developed, that efforts are made to minimize concentration of clients and that at least some projects funded are mixed tenancy and some projects are small in size (25 units or less).
5. Housing proposals selected for development should serve FSP clients who have the most difficulty finding housing, particularly those below 30% of the area median income.
6. In order to promote housing stability, projects selected for development should be retained as dedicated to mental health clients for the maximum time possible based on other funding requirements and continued need and availability of services.
7. Housing proposals selected for development should have community space within the rental housing to include common meeting spaces, communal kitchens and/or gardens.

¹⁷ There may be additional funding and/or policy restrictions that would prevent housing individuals with criminal records. Project sponsors are encouraged to talk to SBDBH regarding this issue.

8. Housing proposals selected for development should be located near transportation, with access to health services, groceries, and other community amenities and services not provided on site.
9. Housing development teams selected should include experienced housing developers and service providers committed to partnering and working together over the long term.
10. Studio apartments dedicated to individual FSP clients should be designed for unit livability, meaning the space in the unit can accommodate the potential number of occupants and the basic pieces of common furniture necessary for daily activities.

Chapter 5: Financial Modeling Results

Based on the recommendations described in Chapter 4 as well as more specific targets established regarding affordability, building type and project size, a financial model was created to estimate the costs associated with reaching the overall FSP housing target.

NOTE: This financial model is a projection of how the goals of the MHSA Housing Plan may be met over time through the targeted balance of different project types and models. It is certain that the actual implementation of the MHSA Housing Plan will vary in some ways because actual projects developed are unlikely to conform exactly to the projections. The complete model is found in Appendix D.

The scenario described in this financial model is useful in outlining the general assumptions about what it will take in terms of both time and resources to develop the number and types of units projected. The model should be re-evaluated, updated and revised on a regular basis as projects are funded and new funding resources become available.

Modeling Considerations

The populations to be housed under the MHSA Housing Plan, discussed in Chapter 4, are described in Table 4 below. In all, the financial model estimates the creation of 150 MHSA housing units.

Table 4: Housing Goals by FSP Population

Population	Housing Goal
• TAY	40 units
• Adults High User ACT	60 units
• Adults – Justice System	30 units
• Older Adults	20 units
TOTAL	150 units

Given the established housing unit goals, the HPAC recommended that all new housing be offered as newly constructed or rehabilitated units.¹⁸ Some projects are 100% MHSA units and some are mixed with affordable units, creating a mixed-population environment. The model also takes into consideration the abundance of foreclosed properties, smaller in size, that could be acquired and rehabilitated for MHSA clients. All of the units should be affordable for the

¹⁸ Master leasing is not being considered as a housing production strategy under the MHSA Housing Plan.

longest possible term and can be offered at both single-site and scattered-site developments.¹⁹ The financial model assumes the MHSA goal will be met through the development of 10 projects.

Table 5: Single Site versus Scattered Site

FSP	Total # of Units	Total # of Projects	Single Site	Scattered Site
A-2 Criminal Justice	30	2	1	1
A-3 High User ACT	60	4	2	2
TAY – 1	40	2	1	1
OA-1 Older Adults	20	2	2	0
TOTALS	150	10	6	4

Table 5 shows that half of the projects will be developed as single sites and half scattered sites (one project with multiple buildings). Scattered-site development enables developers to achieve economies of scale by pooling several smaller sites into one larger one.

Table 6 distributes the project geographically. The HPAC emphasized the need to allocate the MHSA projects between urban centers and rural communities. This would enable clients to have a diversity of housing options. Also, for some projects community acceptance in rural areas may be more attainable than in urban communities. It should be noted that rural projects are not easily accessible via public transportation. In the event a rural project is proposed, transportation for MHSA clients should be considered and evaluated in the project review process.

Table 6: Rural versus Urban

FSP	Total # of Units	Total # of Projects	Rural	Urban
A-2 Criminal Justice	30	2	1	1
A-3 High User ACT	60	4	2	2
TAY – 1	40	2	1	1
OA-1 Older Adults	20	2	0	2
TOTALS	150	10	4	6

The following unit mix was recommended based on the likely mix of families and individuals in the MHSA client populations. Most of the units are studios given the populations to be served and based on the general expectation that the individuals will be those most likely in need of housing.

Table 7: Unit Mix

FSP	Total # of Units	Unit Mix	
		0 -1 BR	2 BR
A-2 Criminal Justice	30	25	5

¹⁹ Scattered-site developments are one project with multiple buildings or sites.

A-3 High User ACT	60	40	20
TAY – 1	40	40	0
OA-1 Older Adults	20	15	5
TOTALS	150	120	30

The three tables above show the targets that were used to develop the model in terms of rural versus urban, unit size, building size and unit mix. The following additional factors were taken into account in developing the financial model for the MHSA Housing Plan.

- Nature of the San Bernardino County housing market: It was assumed that the housing program would rely on the creation of a greater number of new construction projects given the high supply of vacant land. Additionally, an acquisition/rehabilitation strategy is appropriate for the scattered-site buildings since those properties may be acquired quickly and perhaps below market if the property is a foreclosed property.
- Developer capacity in San Bernardino County: There is currently limited capacity among housing developers to take on a major supportive housing production program. In general, it was felt that, given the supply of likely developers and development consultants available, no more than five projects are likely to be created in any given year. As will be discussed in more detail below, this results in a timeline of five years for the planned production program.
- Mixed-tenancy projects: In addition to meeting the housing goals listed above, the financial model assumes the creation of some general affordable units not targeted to the FSP population. Such units are rented to low-income tenants (generally earning at or below the 50-60% area median income level) who may be employed or have other sources of income and are not MHSA clients. As a result, units targeting low-income tenants do not need to be as deeply subsidized as supportive housing units and do not require the same level of services. Adding these units can also help to:
 - Promote integration of MHSA clients with non-MHSA individuals or families;
 - Create larger projects, which can better leverage key housing resources such as low-income housing tax credits;
 - Lower the overall per-unit development and operating cost to promote cost-effectiveness;
 - Attract mainstream affordable housing developers to better meet the production timeline; and
 - Help leverage state and local housing resources, which might normally support mainstream affordable projects.

In all, 93 affordable housing units were integrated into the housing goal of 150 MHSA units for a total of 243 units to be created under the production plan.

Production Plan

Given the considerations outlined above as well as the housing preferences described in Chapter 4, the following production plan for the MHPA units was developed:

Table 8: Production Plan

Project No.	Description	Type	Unit Mix				Year Online
			Supportive Housing Units		Affordable Housing Units		
			0 -1 BR	2 BR	0 -1 BR	2 BR	
1	10-Unit Building	TAY-1	10	0	0	0	2011
2	35-Unit Building	A3	11	5	13	6	2011
3	25-Unit Building	A2	5	5	12	3	2011
4	25-Unit Building	OA	10	2	10	3	2011
5	10-Unit Building	A3	5	5	0	0	2011
	10-Unit Building	A3	5	5	0	0	2011
Total Units 2011			46	22	35	12	
6	4-Unit Building	A2	4	0	0	0	2012
	4-Unit Building	A2	4	0	0	0	2012
	4-Unit Building	A2	4	0	0	0	2012
	4-Unit Building	A2	4	0	0	0	2012
	4-Unit Building	A2	4	0	0	0	2012
7	35-Unit Building	A3	11	5	14	5	2012
Total Units 2012			31	5	14	5	
8	25-Unit Building	OA	5	3	13	4	2013
9	4-Unit Building	A3	4	0	0	0	2013
	4-Unit Building	A3	4	0	0	0	2013
10	20-Unit Building	TAY-1	10	0	5	5	2013
	20-Unit Building	TAY-1	20	0	0	0	2013
Total Units 2013			43	3	18	9	

Given the capacity constraints mentioned earlier, a five-year production plan was established for the financial model. This timeline assumes the commitment of funding for five projects in the first production year, two projects in the second year and three projects in the final year.

Table 9 is an overview of the annual unit production by housing type. *Two hundred and forty three units will be produced between 2010 and 2013. Of the 243 new units, 150 will be supportive housing units targeted to FSP clients.*

Table 9: Unit Production by Year

	Unit Production by Year²⁰				
	Total Units	2010	2011	2012	2013
Supportive Housing Units	150	0	68	36	46
Affordable Housing	93	0	47	19	27
TOTAL UNITS	243	0	115	55	73

Table 10 represents the building type being developed over the five-year production timeline. The model assumes a mix of small- to medium-sized buildings, ranging in size from four²¹ to 30 units. Seventeen buildings (10 projects) will be developed in five years.

Table 10: Building Production by Year

Building Type	Building Type Production by Year					
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
4-Unit Buildings	0	0	0	5	2	7
10-Unit Buildings	0	0	3	0	0	3
20-Unit Buildings	0	0	0	0	2	2
25-Unit Buildings	0	0	2	0	1	3
35-Unit Buildings	0	0	1	1	0	2
Totals	0	0	6	6	5	17

²⁰ Fiscal Year (e.g. 2009 = 2008-2009)

²¹ Four-unit buildings are assumed to be four-bedroom single family homes where each bedroom is considered a unit. This is a “shared” housing strategy that is allowable under the MHSA housing program. A small apartment complex could also satisfy this four-unit building type.

Table 11: Capital Costs by Building Type

Building Type	Building Type Production by Year					
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
4-Unit Buildings	\$0	\$0	\$2,060,000	\$848,720	\$0	\$2,908,720
10-Unit Buildings	\$0	\$8,500,000	\$0	\$0	\$0	\$8,500,000
20-Unit Buildings	\$0	\$0	\$0	\$11,802,513	\$0	\$11,802,513
25-Unit Buildings	\$0	\$14,075,000	\$0	\$7,479,345	\$0	\$21,554,345
35-Unit Buildings	\$0	\$9,900,000	\$10,171,250	\$0	\$0	\$20,071,250
Totals	\$0	\$32,475,000	\$12,231,250	\$20,130,578	\$0	\$64,836,828

The financial model assumes that the year indicated is the year in which final capital commitments are made to the development of a particular project. (In all, the process of obtaining capital financing for a project can last from 12 to 24 months total.) As a result, it is anticipated that actual construction will take place in the year following that in which final funding is committed, thereby resulting in units being operational as soon as the following year assuming a construction timeline of approximately 12 months. The actual construction timeline may be shorter or longer depending on whether the project is a rehabilitation project or new construction, as well as issues that may arise during the construction process.

Table 12 describes the total funding needed to be committed per year to develop the 10 projects, including capital costs, the costs of operating the units and the services costs.

Table 12: Financing Commitments Required for Production of the Units

	Total Costs	Financing Commitment by Year²²				
		2009	2010	2011	2012	2013
Capital Financing Commitments	\$64,836,828	\$32,475,000	\$12,231,250	\$20,130,578	\$0	\$0
Operating Financing Commitments	\$2,715,684	\$644,148	\$432,708	\$546,276	\$546,276	\$546,276
Services Financing Commitments	\$9,329,230	\$0	\$1,344,120	\$2,046,569	\$2,925,390	\$3,013,151
TOTAL UNITS	\$76,881,741	\$33,119,148	\$14,008,078	\$22,723,422	\$3,471,666	\$3,559,427

²² Ibid.

Supportive housing requires a variety of capital, operating and services resources. Capital funding is what funds the actual construction or rehabilitation of the project, operating funds keep the project operational once construction is complete and services must be ongoing during operation to keep the project functional as a supportive housing project.

While services resources for the projects anticipated in the MHSA Housing Plan are being supplied entirely through the MHSA, the capital and operating resources available through MHSA only partially provide what is needed. As a result, MHSA funds need to leverage local, state and federal resources. The financial model included in the MHSA Housing Plan provides an example of how this leveraging might occur given the realities of the real estate market, as well as the likely resources that the production program will leverage. Without leveraging, local MHSA funds could build and operate only a small fraction of the total units contemplated in the MHSA Housing Plan. Further, the MHSA Housing Program requires that counties leverage the housing resources provided through the program to the greatest extent possible.

The strategy to meet the capital costs anticipates the use of funding that will come from the local jurisdictions in which the projects will be located. This means that counties, and cities within those counties, should look to available housing resources outside of the MHSA Housing Program for development funding. This might include the value of land controlled by the jurisdiction and/or development resources for affordable housing controlled by that jurisdiction. At the state level, anticipated sources include funding from the California Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA). Low-income housing tax credits (LIHTC) originate at the federal level but are managed by state entities (including the Tax Credit Allocation Committee, or TCAC) and are also a major source of capital funding. Competitive 9% tax credits are the most lucrative but also the most competitive source; 4% credits are non-competitive but must be paired with tax-exempt bonds, another source of low-cost funding, as well as additional leveraged subsidies.

Table 13: Sources of Capital Financing

Finance Sources	Terms of Financing	Amount of Financing Per Unit	Total Amount of Financing
9% Low-income Housing Tax Credits	Equity	\$90,635	\$22,024,397
4% Low-income Housing Tax Credits	Equity	\$10,185	\$2,475,000
CalHFA MHSA Housing Program	0%, 55-Year	\$55,556	\$13,500,000
HCD Prop 1C MHP Program	3%, 55-Year	\$6,687	\$1,625,000
HCD Prop 1C MHP – SH	3%, 55-Year	\$37,713	\$9,164,186
HCD Prop 1C MHP – Youth	3%, 55-Year	\$5,367	\$1,304,170
Federal Home Loan Bank Affordable Housing Subsidy (AHP)	Grant	\$4,630	\$1,125,000
Other (including local financing and sponsor equity)		\$56,046	\$13,619,075
TOTAL CAPITAL FINANCING			\$64,836,828

To cover the costs of operations, anticipated resources include MHSA Housing Program funds, tenant rents and funding from the federal government through the Department of Housing and Urban Development’s McKinney-Vento homeless assistance programs. Priorities for these federal funds are established by the local Regional Continuum of Care Councils and therefore MHSA project sponsors should engage in the San Bernardino County Continuum of Care process.

Table 14: Sources of Operating Subsidies

Sources	Terms	Number of Supportive Housing Units		Subsidy Amount		Average Subsidy Per Unit	Total Annual Subsidies for Units (Year 1)
		0 -1 BR	2 BR	0 -1 BR	2 BR		
Tenant-Based Vouchers	5 Years	60	30	\$979	\$1,142	\$12,400	\$1,116,000
MHSA Housing Program		60	0	\$979	\$1,142	\$11,748	\$704,880
TOTALS		120	30				\$1,820,880
TOTAL SUBSIDIES NEEDED FOR ALL UNITS FOR YEAR 1							\$1,820,880

Financing Considerations

- The model's predictive value is dependent on the accuracy of many forecasting assumptions as well as local market conditions.
- There may be other sources that can help fill any potential financing gaps.

Annual updates to the MHSA Housing Plan – and to the model – will enable the MHSA Housing Plan stakeholders to assess the availability of such resources on a regular basis and either anticipate additional resources or adjust the program accordingly.

Chapter 6: Local Housing Funding Sources

This MHSA Housing Plan assumes significant sources of leveraged funds from a range of local, state and other sources for capital, operating and services costs in order to provide 150 units of affordable housing with supportive services. Services costs are fully funded under the MHSA.²³ Potential sources of capital and operating funds include:

- 4% and 9% LIHTC;
- State of California Multifamily Housing Program (MHP/Prop 1C);
- MHSA Housing Program (administered by CalHFA) – includes capital and operating funds;
- Local Continuum of Care resources (Shelter Plus Care);
- Locally controlled sources of capital and operating funds (described below);
- Federal Home Loan Bank (AHP);
- Conventional financing/loans; and
- Other possible resources, including developer equity (such as land) or private philanthropy.

The model also projects that local housing resources will contribute to the financing of MHSA housing projects. There are several potential sources for local housing funds and the availability of these funds will vary depending on:

- The specific location of a project;
- The amount of funds available each year;
- The competitiveness of the project against the criteria for each of these sources, as each agency or jurisdiction that provides development resources has different programs and criteria to support housing development and operations; and
- The target population being proposed and the consistency of serving that population with the policies that govern local resources.

Potential Local Sources of Financing for MHSA Housing

A. County Agencies

County of San Bernardino Department of Behavioral Health

SBDBH is the chief administrator of MHSA funding for San Bernardino County. The State of California MHSA Housing Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental housing

²³ The Substance Abuse and Mental Health Services Administration (SAMHSA) provides service funding for projects serving homeless individuals with substance abuse or mental health problems. Project sponsors should inquire about this potential source of funding for services.

and shared housing, to serve persons with SMI who are homeless or at risk of homelessness and who otherwise meet the MHSA Housing Program target population description.

San Bernardino County has received an allocation of \$20 million in State of California MHSA Housing Program funds. The funds are for capital and capitalized operating subsidies and were allocated by the State Department of Mental Health. Project sponsors must seek out and receive SBDBH project approval prior to requesting funds from the CalHFA, the state agency responsible for underwriting and approving capital loan requests. Project sponsors are encouraged to contact SBDBH for more information.

County of San Bernardino Department of Community Development and Housing

CDH offers funding for housing through two programs: the Multifamily Mortgage Revenue Bond Program and the HOME Program. The Multifamily Mortgage Revenue Bond (MRB) Program provides below-market interest rate loans for development of new multifamily rental units, or acquisition and rehabilitation of existing multifamily rental units within the county and its cooperating cities. The units must contain separate and distinct facilities for living, sleeping, eating, cooking and sanitation. Affordability requirements are as follows: 40% of the units must serve households with incomes at or below 60% of the county median income or 20% of the units must serve households with incomes at or below 50% of county median income. Financing is available for construction, acquisition and rehabilitation.

The HOME Program serves individuals and households earning 80% or less of the area median income level established by HUD who agree to reside in housing located within the County of San Bernardino HOME Consortium program area. The HOME Program area includes all unincorporated areas of the county as well as most cities within the county. HOME funds may *not* be used within the city limits of the following excluded cities: Fontana, San Bernardino, Upland, Ontario, Chino and Hesperia, as well as the town of Apple Valley.

County of San Bernardino Redevelopment Agency

The Redevelopment Agency is required to allocate at least 20% of its tax increment financing revenue into low and moderate affordable housing projects. Interested parties should contact the Redevelopment Agency for more information.

Housing Authority of the County of San Bernardino

The Housing Authority's mission is to help low-income individuals and families in San Bernardino County by providing and promoting affordable housing, self-sufficiency programs, safe housing environments and non-discriminatory housing assistance services. The agency administers several programs that offer operating assistance to projects and rental subsidies to low-income individuals and families. The program most likely to serve as a source of operating funds for MHSA projects is the Shelter Plus Care Program. Under Shelter Plus Care I, assistance is limited to families requiring one- or two-bedroom units. Shelter Plus Care II is for all bedroom sizes but tenants must participate in the Family Self-Sufficiency Program. Both programs, I and II, have a five-year limitation on assistance. Other programs that offer operating

assistance to low-income individuals and families include: the Housing Choice Voucher Program, the Tenant-Based Assistance Program, the Family Reunification Program, the Veterans Affairs Supportive Housing Program, the Mainstream Program and Housing Opportunities for People with AIDS (HOPWA) Program.

The HUD Project-Based Voucher Program (PBV) is an important and useful tool in assuring the successful operation of new units of PSH in communities across the country. In fact, the new HUD PBV rules make it much easier for public housing authorities to target PBV for supportive housing projects, to create set-asides of supportive housing units in multi-family projects (mixed-use) and to create tenant-selections policies that work for supportive housing and do not violate HUD Section 8 waiting list regulations. Creating a PBV program in San Bernardino County would provide another tool to ensure the successful completion of 150 units of new permanent supportive housing for people with SMI who are homeless or at risk of homelessness.

B. City Agencies

Ontario Housing and Neighborhood Revitalization Agency

The City of Ontario provides support to developers of affordable housing through two programs: the Community Development Block Grant (CDBG) Program and the HOME Program. The primary objective of the CDBG Program is the development of viable communities to benefit low- and moderate-income persons. A project must meet program objectives, which include support to low- and moderate-income persons, the elimination of blight and other urgent needs. The city's HOME Program is designed to expand the supply of decent, safe, sanitary and affordable housing for low- and very low-income households.

For additional information about state and local capital resources that may be available for the development of supportive housing, interested parties can reference the document titled "Sources of Capital Financing for Permanent Supportive Housing in San Bernardino County." This document was created to provide developers an overview of the terms and conditions for these resources as well as contact information to find out how a specific resource may be leveraged to support the development of a supportive housing project in San Bernardino County. A copy of this document is included as an addendum to the MHSA Housing Plan.

Chapter 7: First Year Action Plan

1. Implement Recommendations Outlined in the MHSA Housing Plan

The recommendations outlined in Chapter 4 delineate key implementation targets and guidelines that will shape the successes of housing production strategies for individuals with SMI in the county. These recommendations should be incorporated into a process to announce funding, review and select target projects and guide the selection of projects.

2. Create a Process to Select Developments for MSHA Housing Funds

To leverage local housing expertise, SBDBH should partner with a local housing agency or agencies to create a project review and selection process along with a plan for the recommendation of projects for MHSA Housing Program funding. This entails creating an MOU and policies and procedures that outline the responsibilities of each organization, the resources that are available and their allowable uses, the process by which organizations can apply for funds and how projects will be reviewed and selected.

The first step in securing expertise and planning for the administration of MHSA housing funds should include a discussion of macro planning issues. SBDBH and its partners should engage in an exercise that focuses on the types and locations of projects proposed in this plan. The partners should discuss and document appropriate FSP partners for the proposed project types, general locations of proposed projects within the county and opportunities for siting, and strategies to engage local city participation.

In developing the parameters for recommending projects for the MHSA Housing Program, SBDBH and its housing partner(s) will need to determine the process and criteria to assess and recommend potential projects for MHSA Housing Program funds, along with such issues as per-unit subsidy levels.

In addition, SBDBH should review the funding and selection tools used by other counties in order to incorporate best practices into their process.

3. Outreach to Local Jurisdictions for Partnership

SBDBH and its partners should develop a strategy to engage the leadership of local jurisdictions to partner with the county to achieve the unit goals outlined in the MHSA Housing Plan. This may include multiple meetings or may be planned as a symposium that lasts the length of a day or half of a day. City housing leaders and local elected officials from Rancho Cucamonga, Fontana, Victorville, Chino, Rialto and other cities as appropriate would be invited to hear presentations on the MHSA Housing Program and the resources targeted to San Bernardino County for housing. Most important would be to present the housing targets, both the number of units and target populations, outlined in the MHSA Housing Plan. Presenting the financial model to the group would

communicate the funding available for housing, leveraged funding from the state and federal governments and the need for local resources to achieve the unit goals.

4. Build Capacity to Create Supportive Housing in San Bernardino County

The housing targets outlined in the MHSA Housing Plan map a new and transformative approach to mental health services that responds to the needs of individuals with SMI in the county. In order to achieve the targets identified in the plan, it is essential to support and strengthen potential housing development partners in the region, particularly those organizations that have no previous experience providing housing opportunities for people with mental illness.

SBDBH, local housing agencies and the CSH will provide training and support strategies in the first year of the MHSA Housing Plan's implementation to ensure supportive housing developers and service providers have access to the skills, knowledge and experience necessary to successfully house individuals with SMI. These activities may include education and training for developers or property management agencies and service providers, information about grants or loans that make supportive housing development more attractive or feasible and other methods to strengthen the local development community.

5. Assist with the Siting of MHSA Housing Developments

SBDBH and its partners will work with CSH to proactively provide assistance to sponsors as they search for and locate potential sites for MHSA housing. SBDBH and CSH will help sponsors determine if sites meet the needs of MHSA clients to facilitate recovery and a stable living environment. In addition, CSH will work with local communities, lenders, advocates and public officials to address any misconceptions about supportive housing and to ensure projects are successful in finding appropriate sites.

Chapter 8: Annual Evaluation and Update Process

This MHSA Housing Plan and its financial models are meant to serve as a guide for project selection and financing. They are meant to be used as a comparative tool to be reviewed regularly to weigh the actual projects selected against the principles and goals included in the MHSA Housing Plan. To ensure the document stays relevant and useful, SBDBH will review and evaluate the MHSA Housing Plan at the end of each fiscal year, beginning June 2009 (the end of FY 2008-09). At this time, SBDBH should compare the project goals and policies outlined in this document with the type, quality and diversity of the projects selected. This review process will include the following steps:

- The HPAC will be provided project presentations by selected teams on a quarterly basis. It is important that the HPAC get up-to-date information on the projects selected and recommended housing models so they can monitor the progress that San Bernardino County makes in reaching the goals set forth in the MHSA Housing Plan. Because the HPAC is made up of service providers and consumers, it is important to institute a transparent and regular communication process. Although the HPAC will not have a role in the formal review or selection of projects, it does serve as an entity for SBDBH to communicate progress and demonstrate alignment with the MHSA Housing Plan.
- The Executive Committee will meet monthly to discuss progress made in identifying local funding and resources that can leverage the MHSA funds and other critical housing dollars. SBDBH and its partners on the Executive Committee will work together to establish the best process for announcing funding availability as well as reviewing and selecting projects. The Executive Committee will hold itself accountable for assuring that projects selected through this process align with the goals of the MHSA Housing Plan.
- In its role as housing technical consultant to SBDBH, CSH will provide financial analysis, including updating the financial model used for this plan, and other relevant information to assist the review and update process. CSH will also continue to provide technical assistance to the County of San Bernardino on specific issues related to the successful implementation of the MHSA Housing Plan.

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Appendices

- A Housing Survey
- B List of Stakeholder Participants
- C San Bernardino County Supervisorial Districts
- D Description of Full-Service Partnerships in San Bernardino County
- E Financial Model
- F Housing Survey Results
- G Sources of Capital Financing for Permanent Supportive Housing in San Bernardino County

Appendix A

Housing Survey

QUESTIONS FOR CONSUMERS ABOUT THEIR HOUSING NEEDS

The Mental Health Services Act (MHSA) provides state funds to the counties to provide services for mental health clients. Some of that money can be spent on providing more housing opportunities. The County of San Bernardino wants to know what kind of help you want with your housing.

1. I am: Transitional Aged Youth (18-25 yrs) Adult (26-59 yrs) Older Adult (60 yrs +)

a) Male Female

2. What kind of housing situation do you have?

- | | |
|--|--|
| <input type="checkbox"/> Rent a house or apartment alone | <input type="checkbox"/> Own my own house |
| <input type="checkbox"/> Rent a house or apartment with other people | <input type="checkbox"/> Live with my family |
| <input type="checkbox"/> Live in a Board and Care | <input type="checkbox"/> I do not have a place to live |
| <input type="checkbox"/> Live in a Room and Board | <input type="checkbox"/> Live in a Sober Living |
| <input type="checkbox"/> Live in a Temporary/Transitional Shelter | <input type="checkbox"/> Live in a Foster Care Home |
| <input type="checkbox"/> Live in a Group Home | <input type="checkbox"/> Other: please describe _____ |

3. How well would you say your housing needs are currently being met?

Very well Somewhat well Not well at all

Do you want to change your housing situation? Why or why not?

4. Are you concerned about losing your housing situation? Yes No If yes, why?

5. Have you ever been homeless? Yes No If yes, how many times: _____

6. Are there any housing programs that you know are good models that we should create more of in San Bernardino County? Please describe.

7. What is your ideal housing situation? What is your ideal home like? Please describe.

8. Have you ever lived in a:

Board and Care home Yes No

Group Home Yes No

Foster Care? Yes No

Was that a good housing experience for you? Why or why not?

9. What makes it hard to find housing? (Check all that apply.)

- | | |
|--|--|
| <input type="checkbox"/> Credit history | <input type="checkbox"/> Not enough affordable places |
| <input type="checkbox"/> Getting the information you need | <input type="checkbox"/> Previous evictions |
| <input type="checkbox"/> Problems with income or getting SSI | <input type="checkbox"/> Having a mental illness |
| <input type="checkbox"/> Emancipating from Foster Care | <input type="checkbox"/> First and last months rent (security deposit) |
| <input type="checkbox"/> Other: please describe _____ | |

10. Would you mind sharing an apartment with another person? Yes No Please explain.

11. Would you like to be in an apartment complex where a majority of persons have a form of mental illness or would you prefer a mixed populations of all types of individuals?

Most with mental illness Mixed populations

12. What region in the County would you like to live in West Valley (e.g. Upland, Montclair, Ontario, Chino, Chino Hills, Rancho Cucamonga, Fontana); East Valley (San Bernardino, Rialto, Colton, Grand Terrace, Loma Linda, Redlands, Yucaipa); Desert/Mountain (Needles, Trona, Barstow, Victorville, Apple Valley, Hesperia, Phelan, Lucerne Valley, Baker); Morongo Basin (Yucca Valley, Twenty-Nine Palms, Joshua Tree)?

13. Would you be willing to move from your current location to another area of the County if housing was available in another community? Yes No

14. Where do you go for services, such as health care or case management?

Thank you for your input!

Appendix B

List of Stakeholder Participants

Appendix B: Stakeholder Participants

Name		Organization
Sharon	Alston	County of San Bernardino Department of Behavioral Health
Susan	Benner	Housing Authority of the County of San Bernardino
Julie	Bjork	City of Ontario
Donia	Brooks	County of San Bernardino Department of Behavioral Health
Betty	Corsaro	NAMI/ Patton
Arvita	Crabtree	Agewise Clinic
Julie	Dobrick	St. John of God
Jerry	Dowdall	County of San Bernardino Department of Behavioral Health
Doug	Fazekas	County of San Bernardino Department of Behavioral Health
Jonathon	Gilman	Desert Manna Ministries
Katryna	Gonzalez	City of Ontario
Candace	Hache	Guiding Light Home for Boys
Wayne	Hamilton	Morongo Unified School District
Isaac	Jackson	Office of Homeless Services
Darrel	Johnson	Nabahood Community Development
Debbie	Kamrani	Community Development and Housing
Vivien	Limon	County of San Bernardino Department of Behavioral Health
Patti	Long	Mercy House
Kristy	Loufek	Department of Childrens Services
Lisa	McGinnis	County of San Bernardino Department of Behavioral Health
David	Miller	County of San Bernardino Department of Behavioral Health
Angela	Myles	Vision of Hope Outreach
Victor	Myles	Vision of Hope Outreach
Dan	Nackerman	Housing Authority of the County of San Bernardino
Tom	Ramirez	San Bernardino County Department of Community Development and Housing
Allan	Rawland	County of San Bernardino Department of Behavioral Health
Adriane	Rich	Community Development and Housing
Angela	Ross	County of San Bernardino Department of Behavioral Health
Beverly	Scott	NAMI
Diane	Stewart	Beacon Path, LLC
Jimmy	Walker	Golden City Mortgage
Josie	Williams	County of San Bernardino Department of Behavioral Health

Appendix C

San Bernardino County Supervisory Districts

Appendix D

Description of Full-Service Partnerships in San Bernardino County

FSP	Target population	Service Provider	Housing in Model
TAY-1	<p>Transition Age Youth (TAY) ages 16 – 24 with a serious mental illness who are enrolled or eligible for FSP services who also have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Repeated use of emergency mental health services, ▪ Have co-occurring disorders, ▪ Homeless or at-risk of homelessness, ▪ At risk of involuntary hospitalization or institutionalization, ▪ High risk youth with serious emotional disturbances in the Justice System and Out-of-home placement, and/or ▪ Recidivists with significant functional impairment. 	TAY One Stop	40
A-2 Criminal Justice	<p>Unserviced adults with serious mental illness who are enrolled in or eligible for FSP services and who also have one of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Been incarcerated and treated for mental illness while in jail ▪ Who are brought to outpatient clinics for service by law enforcement. 	Forensics Services FACT Program	30
A-3 High User ACT	<p>Adults with serious mental illness enrolled in or eligible for FSP services who will have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Homeless or at-risk of homelessness, ▪ Co-occurring substance abuse problems, ▪ Involved in the criminal justice system, ▪ Recently discharged from the psychiatric hospitals 	High User ACT Program	40
OA-1 Older Adults	<p>Older Adults (60 and older) with a serious mental illness who are enrolled in or eligible for FSP services who will have one or more of the following situational characteristics:</p> <ul style="list-style-type: none"> ▪ Homeless or at-risk of homelessness, ▪ Unserved or, underserved, or inappropriately served in the mental health system, ▪ Frequent users of emergency room services for psychiatric problems or are frequently hospitalized, ▪ Reduced personal and/or community functioning due to physical and/or health problems, ▪ Co-occurring substance abuse problems, and/or ▪ Isolated and at-risk for suicide due to stigma surrounding their mental health problems. 	Circle of Care	20

Appendix E

Financial Model



San Bernardino County - MHSA Permanent Supportive Housing Production Program
Worksheet #1: Program Summary and Timeline

Table 1: Production Program Summary			
TOTAL NUMBER OF UNITS:	236	TIME FRAME IN YEARS:	5

Table 2: Overview of Unit Production Plans by Unit Type, Unit Size, and Year											
	Total Units	Unit Production by Year*									
		2010		2011		2012		2013		Total by Unit Size	
		0 - 1 BR	2 BR	0 - 1 BR	2 BR	0 - 1 BR	2 BR	0 - 1 BR	2 BR	0 - 1 BR	2 BR
Supportive Housing Units:	150	0	0	38	10	44	10	38	10	120	30
Affordable Housing Units:	86	0	0	10	3	26	15	24	8	60	26
TOTAL UNITS:	236	0	0	48	13	70	25	62	18	180	56

Table 3: Financing Commitments Required for the Production of the Units						
	Total Costs	Financing Commitments by Year*				
		2009	2010	2011	2012	2013
Capital Financing Commitments:	\$63,470,705	\$14,300,000	\$25,353,500	\$23,817,205	\$0	\$0
Operating Financing Commitments:	\$722,859	\$184,048	\$226,011	\$156,400	\$156,400	\$0
Services Financing Commitments:	\$7,151,324	\$0	\$610,000	\$1,606,800	\$2,430,800	\$2,503,724
TOTAL FINANCING COMMITMENTS:	\$71,344,888	\$14,484,048	\$26,189,511	\$25,580,405	\$2,587,200	\$2,503,724

Note: Expenditures typically occur two budget years after a funding commitment is secured for capital and operating funds and one budget year for services funding, as reflected in Table 4.

Table 4: Financing Expenditures Required for the Production of the Units (By Year)						
	Total Costs	Financing Expenditures by Year*				
		2010	2011	2012	2013	2014
Capital Financing Expenditures:	\$63,470,705	\$0	\$14,300,000	\$25,353,500	\$23,817,205	\$0
Operating Financing Expenditures:	\$1,883,425	\$0	\$184,048	\$410,059	\$566,459	\$722,859
Services Financing Expenditures:	\$7,151,324	\$0	\$610,000	\$1,606,800	\$2,430,800	\$2,503,724
TOTAL FINANCING EXPENDITURES:	\$72,505,454	\$0	\$15,094,048	\$27,370,359	\$26,814,464	\$3,226,583

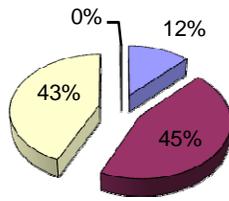
Appendix F

Housing Survey Results

Total Respondents		514	
		count	percentage
Q1 - Age	<i>no response</i>	11	2.14%
	<i>Transitional Ages Youth (18-25 yrs)</i>	54	10.51%
	<i>Adult (26-59 yrs)</i>	384	74.71%
	<i>Older Adult (60 yrs +)</i>	65	12.65%
Q1a - Gender	<i>no response</i>	63	12.26%
	<i>Female</i>	229	44.55%
	<i>Male</i>	221	43.00%
	<i>transgender</i>	1	0.19%
Q2 - Housing Situation	<i>no response</i>	11	2.14%
	<i>Rent a house or apartment alone</i>	74	14.40%
	<i>Rent a house or apartment with other people</i>	54	10.51%
	<i>Live in a Board and Care</i>	75	14.59%
	<i>Live in a Room and Board</i>	49	9.53%
	<i>Live in a Temporary/Transitional Shelter</i>	51	9.92%
	<i>Own my own house</i>	26	5.06%
	<i>Live with my family</i>	88	17.12%
	<i>I do not have a place to live</i>	31	6.03%
	<i>Live in a Sober Living</i>	17	3.31%
	<i>Other</i>	38	7.39%
Q3 - How well housing needs met	<i>3</i>	1	0.19%
	<i>no response</i>	9	1.75%
	<i>Very well</i>	222	43.19%
	<i>Somewhat well</i>	197	38.33%
	<i>Not well at all</i>	85	16.54%
Q4 - Concerned about losing Housing Situation	<i>No</i>	369	71.79%
	<i>Yes</i>	145	28.21%
Q5 - Ever been homeless	<i>No</i>	222	43.19%
	<i>Yes</i>	292	56.81%
Q6 - Housing programs as good model Result - Individual responses must be categorized before possible analysis to be made			
Q7 - Ideal housing situation Result - Individual responses must be categorized before possible analysis to be made			
Q8 - Ever lived in a Board and Care home	<i>No</i>	328	63.81%
	<i>Yes</i>	186	36.19%
Q9 - Reason for difficult to find housing			
Q9.1 - Credit history	<i>No</i>	301	58.56%
	<i>Yes</i>	213	41.44%
Q9.2 - Lacking hosing information	<i>No</i>	414	80.54%
	<i>Yes</i>	100	19.46%
Q9.3 - Income or SSI problems	<i>No</i>	283	55.06%
	<i>Yes</i>	231	44.94%
Q9.4 - Lacking affordable places	<i>No</i>	228	44.36%
	<i>Yes</i>	286	55.64%
Q9.5 - Previous evictions	<i>No</i>	466	90.66%
	<i>Yes</i>	48	9.34%
Q9.6 - Mental illness	<i>No</i>	386	75.10%
	<i>Yes</i>	128	24.90%
Q9.7 - Others	<i>No</i>	425	82.68%
	<i>Yes</i>	89	17.32%
Q10 - Willing to share apartment	<i>No</i>	301	58.56%
	<i>Yes</i>	213	41.44%
Q11 - Preferred population to live with	<i>no response</i>	93	18.09%
	<i>Most with mental illness</i>	42	8.17%
	<i>Mixed population</i>	365	71.01%
	<i>Other</i>	14	2.72%
Q12 - Preferred region in SB county	<i>no response</i>	154	29.96%
	<i>West Valley</i>	127	24.71%
	<i>East Valley</i>	174	33.85%
	<i>Desert/Mountain</i>	30	5.84%
	<i>Morongo Basin</i>	17	3.31%
	<i>East Valley and West Valley</i>	5	0.97%
	<i>East Vellay and Desert/Mountain</i>	1	0.19%
	<i>Riverside county</i>	2	0.39%
	<i>No preference</i>	4	0.78%
Q13 - Willing to move to another area	<i>No</i>	291	56.61%
	<i>Yes</i>	223	43.39%
Q14 - Where to seek health care or CM services Result - Individual responses must be categorized before possible analysis to be made			

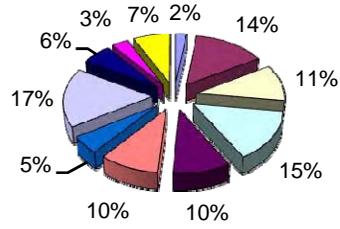
Gender Analysis

- no response
- Female
- Male
- transgender



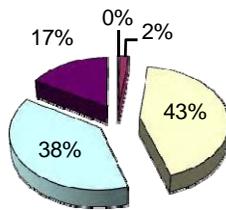
Housing Situation Analysis

- no response
- Rent a house or apartment alone
- Rent a house or apartment with other people
- Live in a Board and Care
- Live in a Room and Board
- Live in a Temporary/Transitional Shelter
- Own my own house



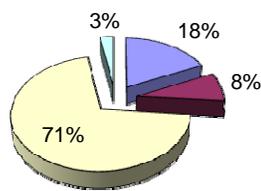
Hosing Needs Met Analysis

- 3
- no response
- Very well
- Somewhat well
- Not well at all



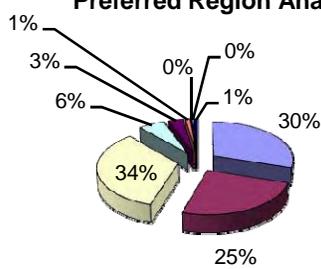
Preferred Population Analysis

- no response
- Most with mental illness
- Mixed population
- Other



Preferred Region Analysis

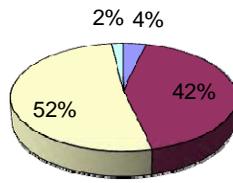
- no response
- West Valley
- East Valley
- Desert/Mountain
- Morongo Basin
- East Valley and West Valley
- East Vellay and Desert/Mountain
- Riverside county
- No preference



TAY (18-25 yrs) Respondents		54	
		count	percentage
Age	TAY (18 - 25 yrs)		
Q1a - Gender	<i>no response</i>	2	3.70%
	<i>Female</i>	23	42.59%
	<i>Male</i>	28	51.85%
	<i>transgender</i>	1	1.85%
Q2 - Housing Situation	<i>no response</i>	2	3.70%
	<i>Rent a house or apartment alone</i>	3	5.56%
	<i>Rent a house or apartment with other people</i>	4	7.41%
	<i>Live in a Board and Care</i>	6	11.11%
	<i>Live in a Room and Board</i>	12	22.22%
	<i>Live in a Temporary/Transitional Shelter</i>	4	7.41%
	<i>Own my own house</i>	1	1.85%
	<i>Live with my family</i>	10	18.52%
	<i>I do not have a place to live</i>	3	5.56%
	<i>Live in a Sober Living</i>	3	5.56%
	<i>Other</i>	6	11.11%
Q3 - How well housing needs met	3	0	0.00%
	<i>no response</i>	1	1.85%
	<i>Very well</i>	32	59.26%
	<i>Somewhat well</i>	15	27.78%
	<i>Not well at all</i>	6	11.11%
Q4 - Concerned about losing Housing Situation	No	47	87.04%
	Yes	7	12.96%
Q5 - Ever been homeless	No	25	46.30%
	Yes	29	53.70%
Q6 - Housing programs as good model Result - Individual responses must be categorized before possible analysis to be made			
Q7 - Ideal housing situation Result - Individual responses must be categorized before possible analysis to be made			
Q8 - Ever lived in a Board and Care home	No	36	66.67%
	Yes	18	33.33%
Q9 - Reason for difficult to find hosing			
Q9.1 - Credit history	No	35	64.81%
	Yes	19	35.19%
Q9.2 - Lacking hosing information	No	50	92.59%
	Yes	4	7.41%
Q9.3 - Income or SSI problems	No	28	51.85%
	Yes	26	48.15%
Q9.4 - Lacking affordable places	No	21	38.89%
	Yes	33	61.11%
Q9.5 - Previous evictions	No	50	92.59%
	Yes	4	7.41%
Q9.6 - Mental illness	No	43	79.63%
	Yes	11	20.37%
Q9.7 - Others	No	43	79.63%
	Yes	11	20.37%
Q10 - Willing to share apartment	No	34	62.96%
	Yes	20	37.04%
Q11 - Preferred population to live with	<i>no response</i>	15	27.78%
	<i>Most with mental illness</i>	3	5.56%
	<i>Mixed population</i>	35	64.81%
	<i>Other</i>	1	1.85%
Q12 - Preferred region in SB county	<i>no response</i>	21	38.89%
	<i>West Valley</i>	9	16.67%
	<i>East Valley</i>	20	37.04%
	<i>Desert/Mountain</i>	1	1.85%
	<i>Morongo Basin</i>	2	3.70%
	<i>East Valley and West Valley</i>	0	0.00%
	<i>East Vellay and Desert/Mountain</i>	0	0.00%
	<i>Riverside county</i>	1	1.85%
	<i>No preference</i>	0	0.00%
Q13 - Willing to move to another area	No	33	61.11%
	Yes	21	38.89%
Q14 - Where to seek health care or CM services Result - Individual responses must be categorized before possible analysis to be made			

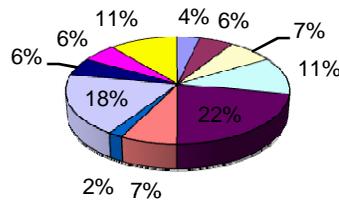
Gender Analysis

- no response
- Female
- Male
- transgender



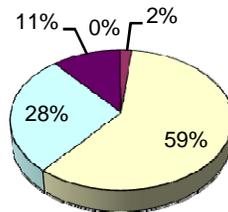
Housing Situation Analysis

- no response
- Rent a house or apartment alone
- Rent a house or apartment with other people
- Live in a Board and Care
- Live in a Room and Board
- Live in a Temporary/Transitional Shelter
- Own my own house



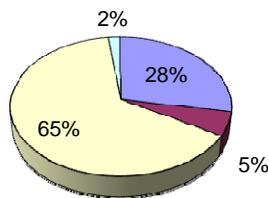
Hosing Needs Met Analysis

- 3
- no response
- Very well
- Somewhat well
- Not well at all



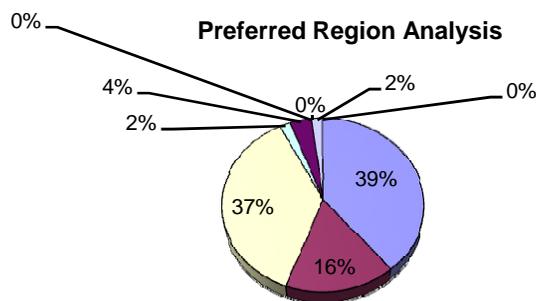
Preferred Population Analysis

- no response
- Most with mental illness
- Mixed population
- Other



Preferred Region Analysis

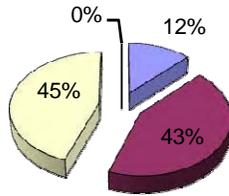
- no response
- West Valley
- East Valley
- Desert/Mountain
- Morongo Basin
- East Valley and West Valley
- East Vellay and Desert/Mountain
- Riverside county
- No preference



Adult (26 - 59 yrs) Respondents		384	
		count	percentage
Age	Adult (26 - 59 yrs)		
Q1a - Gender	<i>no response</i>	48	12.50%
	<i>Female</i>	165	42.97%
	<i>Male</i>	171	44.53%
	<i>transgender</i>	0	0.00%
Q2 - Housing Situation	<i>no response</i>	4	1.04%
	<i>Rent a house or apartment alone</i>	54	14.06%
	<i>Rent a house or apartment with other people</i>	40	10.42%
	<i>Live in a Board and Care</i>	61	15.89%
	<i>Live in a Room and Board</i>	35	9.11%
	<i>Live in a Temporary/Transitional Shelter</i>	40	10.42%
	<i>Own my own house</i>	14	3.65%
	<i>Live with my family</i>	69	17.97%
	<i>I do not have a place to live</i>	26	6.77%
	<i>Live in a Sober Living</i>	13	3.39%
	<i>Other</i>	28	7.29%
Q3 - How well housing needs met	3	1	0.26%
	<i>no response</i>	6	1.56%
	<i>Very well</i>	166	43.23%
	<i>Somewhat well</i>	143	37.24%
	<i>Not well at all</i>	68	17.71%
Q4 - Concerned about losing Housing Situation	No	271	70.57%
	Yes	113	29.43%
Q5 - Ever been homeless	No	158	41.15%
	Yes	226	58.85%
Q6 - Housing programs as good model Result - Individual responses must be categorized before possible analysis to be made			
Q7 - Ideal housing situation Result - Individual responses must be categorized before possible analysis to be made			
Q8 - Ever lived in a Board and Care home	No	239	62.24%
	Yes	145	37.76%
Q9 - Reason for difficult to find housing			
Q9.1 - Credit history	No	219	57.03%
	Yes	165	42.97%
Q9.2 - Lacking hosing information	No	309	80.47%
	Yes	75	19.53%
Q9.3 - Income or SSI problems	No	207	53.91%
	Yes	177	46.09%
Q9.4 - Lacking affordable places	No	173	45.05%
	Yes	211	54.95%
Q9.5 - Previous evictions	No	344	89.58%
	Yes	40	10.42%
Q9.6 - Mental illness	No	288	75.00%
	Yes	96	25.00%
Q9.7 - Others	No	321	83.59%
	Yes	63	16.41%
Q10 - Willing to share apartment	No	228	59.38%
	Yes	156	40.63%
Q11 - Preferred population to live with	<i>no response</i>	58	15.10%
	<i>Most with mental illness</i>	32	8.33%
	<i>Mixed population</i>	283	73.70%
	<i>Other</i>	11	2.86%
Q12 - Preferred region in SB county	<i>no response</i>	116	30.21%
	<i>West Valley</i>	96	25.00%
	<i>East Valley</i>	127	33.07%
	<i>Desert/Mountain</i>	17	4.43%
	<i>Morongo Basin</i>	15	3.91%
	<i>East Valley and West Valley</i>	7	1.82%
	<i>East Vellay and Desert/Mountain</i>	1	0.26%
	<i>Riverside county</i>	1	0.26%
	<i>No preference</i>	4	1.04%
Q13 - Willing to move to another area	No	210	54.69%
	Yes	174	45.31%
Q14 - Where to seek health care or CM services Result - Individual responses must be categorized before possible analysis to be made			

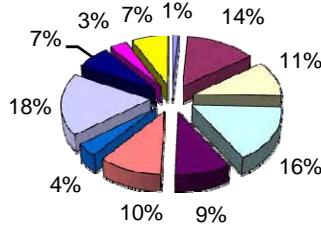
Gender Analysis

- no response
- Female
- Male
- transgender



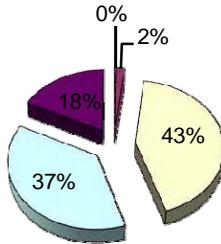
Housing Situation Analysis

- no response
- Rent a house or apartment alone
- Rent a house or apartment with other people
- Live in a Board and Care
- Live in a Room and Board
- Live in a Temporary/Transitional Shelter
- Own my own house



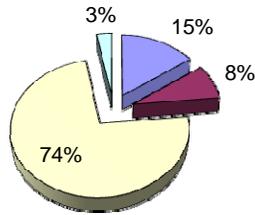
Housing Needs Met Analysis

- 3
- no response
- Very well
- Somewhat well
- Not well at all



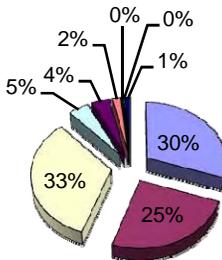
Preferred Population Analysis

- no response
- Most with mental illness
- Mixed population
- Other



Preferred Region Analysis

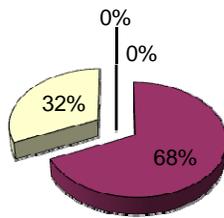
- no response
- West Valley
- East Valley
- Desert/Mountain
- Morongo Basin
- East Valley and West Valley
- East Valley and Desert/Mountain
- Riverside county
- No preference



Older Adult (60 yrs+) Respondents		65	
		count	percentage
Age	Older Adult (60 yrs +)		
Q1a - Gender	<i>no response</i>	0	0.00%
	<i>Female</i>	39	60.00%
	<i>Male</i>	18	27.69%
	<i>transgender</i>	0	0.00%
Q2 - Housing Situation	<i>no response</i>	1	1.54%
	<i>Rent a house or apartment alone</i>	13	20.00%
	<i>Rent a house or apartment with other people</i>	10	15.38%
	<i>Live in a Board and Care</i>	8	12.31%
	<i>Live in a Room and Board</i>	1	1.54%
	<i>Live in a Temporary/Transitional Shelter</i>	7	10.77%
	<i>Own my own house</i>	11	16.92%
	<i>Live with my family</i>	8	12.31%
	<i>I do not have a place to live</i>	1	1.54%
	<i>Live in a Sober Living</i>	1	1.54%
	<i>Other</i>	4	6.15%
Q3 - How well housing needs met	3	0	0.00%
	<i>no response</i>	0	0.00%
	<i>Very well</i>	19	29.23%
	<i>Somewhat well</i>	36	55.38%
	<i>Not well at all</i>	10	15.38%
Q4 - Concerned about losing Housing Situation	No	43	66.15%
	Yes	22	33.85%
Q5 - Ever been homeless	No	32	49.23%
	Yes	33	50.77%
Q6 - Housing programs as good model Result - Individual responses must be categorized before possible analysis to be made			
Q7 - Ideal housing situation Result - Individual responses must be categorized before possible analysis to be made			
Q8 - Ever lived in a Board and Care home	No	46	70.77%
	Yes	19	29.23%
Q9 - Reason for difficult to find housing			
Q9.1 - Credit history	No	38	58.46%
	Yes	27	41.54%
Q9.2 - Lacking hosing information	No	46	70.77%
	Yes	19	29.23%
Q9.3 - Income or SSI problems	No	39	60.00%
	Yes	26	40.00%
Q9.4 - Lacking affordable places	No	26	40.00%
	Yes	39	60.00%
Q9.5 - Previous evictions	No	61	93.85%
	Yes	4	6.15%
Q9.6 - Mental illness	No	47	72.31%
	Yes	18	27.69%
Q9.7 - Others	No	51	78.46%
	Yes	14	21.54%
Q10 - Willing to share apartment	No	32	49.23%
	Yes	33	50.77%
Q11 - Preferred population to live with	<i>no response</i>	16	24.62%
	<i>Most with mental illness</i>	3	4.62%
	<i>Mixed population</i>	42	64.62%
	<i>Other</i>	4	6.15%
Q12 - Preferred region in SB county	<i>no response</i>	13	20.00%
	<i>West Valley</i>	19	29.23%
	<i>East Valley</i>	21	32.31%
	<i>Desert/Mountain</i>	11	16.92%
	<i>Morongo Basin</i>	0	0.00%
	<i>East Valley and West Valley</i>	0	0.00%
	<i>East Vellay and Desert/Mountain</i>	1	1.54%
	<i>Riverside county</i>	0	0.00%
	<i>No preference</i>	0	0.00%
Q13 - Willing to move to another area	No	42	64.62%
	Yes	23	35.38%
Q14 - Where to seek health care or CM services Result - Individual responses must be categorized before possible analysis to be made			

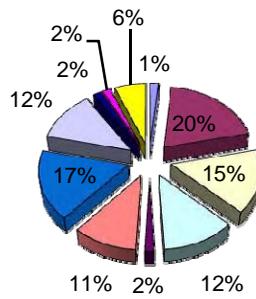
Gender Analysis

- no response
- Female
- Male
- transgender



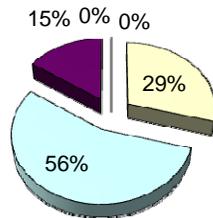
Housing Situation Analysis

- no response
- Rent a house or apartment alone
- Rent a house or apartment with other people
- Live in a Board and Care
- Live in a Room and Board
- Live in a Temporary/Transitional Shelter
- Own my own house



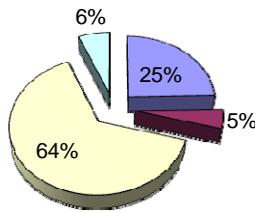
Hosing Needs Met Analysis

- 3
- no response
- Very well
- Somewhat well
- Not well at all



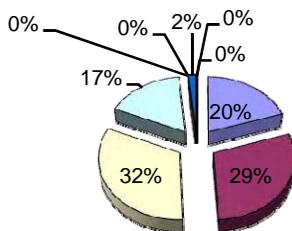
Preferred Population Analysis

- no response
- Most with mental illness
- Mixed population
- Other



Preferred Region Analysis

- no response
- West Valley
- East Valley
- Desert/Mountain
- Morongo Basin
- East Valley and West Valley
- East Vellay and Desert/Mountain
- Riverside county
- No preference



Complete housing survey data available upon request to the County of San Bernardino Department of Behavioral Health, Housing and Employment Program:

Phone: (909) 387-8619

Fax: (909) 386-8578

700 E. Gilbert St., Building 6

San Bernardino, CA 92415

Appendix G

Sources of Capital Financing for Permanent Supportive Housing in San Bernardino County

November 2008



Sources of Capital Financing for Permanent Supportive Housing in San Bernardino County

Corporation for Supportive Housing

www.csh.org

ACKNOWLEDGEMENTS

The Corporation for Supportive Housing helps communities create permanent housing with services to prevent and end homelessness. As the only national intermediary organization dedicated to supportive housing, CSH provides a national policy and advocacy voice, develops strategies and partnerships to fund and establish supportive housing projects across the country and builds a national network for supportive housing developers to share information and resources. CSH is a national organization that delivers its core services primarily through six geographic hubs: California, Great Lakes (Illinois, Indiana, Michigan and Ohio), Minnesota, New Jersey, New York and Southern New England (Connecticut and Rhode Island). CSH also operates targeted initiatives in Kentucky, Maine, Oregon and Washington, and reaches many other communities that request assistance through its national program support teams.

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Information provided in this publication is suggestive only and is not legal advice. Readers should consult their government program representative and legal counsel for specific issues of concern and to receive proper legal opinion regarding any course of action.

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This report was written by LeSar Development Company for CSH.

LeSar Development Company is a specialized consulting firm providing both technical and public policy services to a range of clients including local government agencies, multi-partner teams, financial intermediaries, foundations, private developers, private citizens and nonprofit clients.

Core competencies include financial structuring, feasibility analysis, work-outs, and transaction management for redevelopment and affordable housing projects; leading inter-governmental teams through policy and program development and implementation; development and implementation of affordable housing development programs; and strategic planning for management and department teams.

Founded in 2005, LeSar Development Company is based in San Diego, and also has an office in Los Angeles. LeSar Development Company works across California and currently works in four counties. For more info, please see www.lesardevelopment.com.

Sources of Capital Financing for Permanent Supportive Housing in San Bernardino

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Section I: Sources of Capital Financing for Permanent Supportive Housing from the State of California

Note: Various State of California departments oversee and administer the following programs. To obtain additional details and confirm application requirements and due dates it is best to check the website for the funding source in question and contact the appropriate department directly.

Governor's Homeless Initiative

Contact: Marie Ramos
Phones: (916) 327-3755
Web: www.hcd.ca.gov/fa/ghi

The Governor's Initiative to End Chronic Homelessness is a finance model that combines financing from the California Housing Finance Agency (CalHFA), the California Department of Housing and Community Development (HCD), the Department of Behavioral Health (with funds from the Mental Health Services Act) with low-income housing tax credits. The initiative aims to encourage the development of small projects that target chronically homeless individuals with serious mental illness. The multi-agency initiative features a non-traditional centralized loan approval process under which HCD and CalHFA funding will be approved jointly. A single review panel that includes CalHFA, HCD and DMH will approve the loan request. County mental health departments will have to make a long-term commitment of MHSAs funds to a project as a condition of funding approval.

Program Highlights:

1. An important component of the proposal is the involvement of the local mental health agencies. These local agencies will assess and identify the populations most in need of this type of housing. This close attention to assessment of local needs coupled with committed service dollars will result in more effective utilization of HCD funds.
2. Eligible activities include new construction, rehabilitation, or acquisition and rehabilitation of permanent rental housing, and the conversion of nonresidential structures to rental housing. Projects are not eligible if construction has commenced as of the application date.
3. Projects must have commitments of Mental Health Services Act funds for supportive services, and typically require rent subsidies as well.

Loan Terms:

1. HCD Multifamily Housing Program (MHP) permanent loans – 55 years. Up to three years for the CalHFA bridge loan, and up to 30 years for CalHFA permanent loans.
2. 3% simple interest on unpaid principal balance. 0.42% payments are due annually, with the balance of principal and interest due and payable upon completion of loan term.

As of May 23, 2008 there was approximately \$6,800,000 available. Applications are being accepted until the funds are used.

Mental Health Services Act (MHSA) Housing Program

Contact: Jean Laciste, Chief, MHSA and Special Projects (MHSA Questions)
Phone: (916) 654-3529
Web: www.dmh.ca.gov

Contact: Kathy Weremiuk, Special Lending Program Manager (CalHFA Questions)
Phone: (310) 342-1256
Web: www.calhfa.ca.gov/multifamily/mhsa/index.htm

The Mental Health Service Act Housing Program (MHSA Housing Program) offers permanent financing and capitalized operating subsidies for permanent supportive housing, including both rental housing and shared housing, to serve persons with serious mental illness who are homeless or at-risk of homelessness and who otherwise meet the MHSA Housing Program target population description. The program is jointly administered by the California Housing Finance Agency (CalHFA) and the Department of Mental Health (DMH). Initially, \$400 million is available for counties for this program.

Each County will have MHSA Housing Program capital and capitalized operating subsidy funds allocated to them by DMH. The permanent (capital) loans and operating subsidy awards made under the MHSA Housing Program in a given county will be limited to the funds available to each county under the DMH allocation formula, plus any interest earned on the county-specific funds while they are being held by CalHFA.

Program Highlights:

1. In rental buildings with 5 to 100 units, at least 10%, but no fewer than 5 units per development, shall be set aside for MHSA eligible residents. In buildings with more than 100 units, a minimum of 10 units must be set aside for MHSA eligible.
2. Shared Housing Development may consist of 2- to 4-unit apartment buildings. The maximum number of bedrooms per Shared Housing Residence is five.
3. Each residential housing unit funded by the MHSA Housing Program must be occupied by an MHSA eligible resident, as determined by DMH and the sponsoring county mental health department.
4. The MHSA will fund one-third of the costs of a Rental Housing Development up to a maximum of \$100,000 per MHSA Housing program unit (apartment unit).
5. The MHSA will fund all of the costs of a Shared Housing Development up to \$100,000 per MHSA Housing Program unit (bedroom).

6. Leveraging other funding sources will be strongly encouraged to maximize these resources. Leveraging must be at a \$3:\$1 ratio.
7. Funding must be restricted to households earning 50% or less of county median income; but developers are encouraged to restrict funds to those earning 30% or less.
8. Only those applicants who can demonstrate that they have not been able to obtain operating subsidies elsewhere would be eligible to receive MHSA operating subsidies.
9. Supportive Service Plans appropriate for the target population will be required. Counties will review and approve Service Plans for adequacy prior to forwarding them to CalHFA for underwriting. Supportive service plans must show how services will maximize housing stability for the target population.
10. The Department of Mental Health will verify the completeness of the plans.
11. CalHFA will conduct the project financial review.
12. Funds can be used with either 4% or 9% tax credits.
13. Funds can be used in tandem with other CalHFA financing as long as the overall project meets CalHFA's programmatic requirements.

Loans Terms:

1. Origination Fee: 1% of the MHSA permanent loan amount.
2. Servicing Fee: 0.42% of the original principal balance of the permanent loan.
3. The interest rate on the Rental Housing Developments is fixed at 3% simple interest but may differ if tax credits are involved. When tax credits are involved, interest rates may be lower than 3%. Interest rate on Shared Housing Developments is fixed at 3%.
4. The loan term is 20 years or longer if required by other funding sources or if tax credits are involved.

Application Process:

Project sponsors will be required to submit a completed application with all attachments. The application form is posted on the DMH and CalHFA web sites. It will include MHSA Housing Program-specific requirements and the joint CalHFA, TCAC, CDLAC and HCD application ("the Universal Application").

California Department of Housing and Community Development Predevelopment Loan Program (PDLP)

Agency Contact: Lorraine French
Phone: (916) 327-3579
Web: www.hcd.ca.gov/fa/pdlp

This program is administered by the Department of Housing and Community Development.

Under this program, predevelopment costs, including acquisition are eligible activities for funding. Loans are for up to two years and are loaned at 3% simple interest. The amount of the loan may vary, though the maximum for purposes other than site control is \$100,000.

California Department of Housing and Community Development Multifamily Housing Program (MHP)

The General Pool, Supportive Housing and Homeless Youth programs are all administered by the Department of Housing and Community Development.

General Pool:

Agency Contact: Kim Lasoya
Phone: (916) 449-5607
Web: www.hcd.ca.gov/fa/mhp

The Multifamily Housing Program is a statewide affordable housing finance program designed to assist with the development of permanent and transitional rental housing for lower income households. Through the General Pool, \$345 million has been made available with Proposition 1C funds. HCD released a NOFA in January and will announce a second funding round later in the year.

Key Program Guidelines:

1. Eligible activities include new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing, and the conversion of nonresidential structures to rental housing. Projects are not eligible if construction has commenced as of the application date.
2. MHP funds are provided for post-construction permanent financing only. Eligible costs include the real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements, reasonable fees and consulting costs; and capitalized reserves.
3. Local public entities, non-profit organizations, for-profit entities, limited equity cooperatives, limited partnerships, individuals, Indian reservations, and rancherias are eligible to apply for funding. Applicants of their principals must have successfully developed at least one affordable housing project.
4. The lower the income of the population served, the greater the capital subsidy that can be awarded.

Loan Terms:

1. Loans are for 55 years

2. Interest: 3 percent simple interest on unpaid principal balance. 0.42 percent payments are due annually, with the balance of principal and interest due and payable upon completion of the loan term.
3. The Maximum Loan amount for the General Fund Pool is \$10,000,000.

Supportive Housing Program:

Agency Contact: Marie Ramos
Phone: (916) 327-3755
Web: www.hcd.ca.gov/fa/mhp

Through Proposition 1C, \$195 million has been allocated to this pool of funds. The process is an over-the-counter one with applications currently being accepted. It is anticipated that there will be two NOFAs per year until all the funds are exhausted.

Program Highlights

1. Project development costs for new construction, rehabilitation, or conversion are eligible expenses, though funds can be used only for permanent financing.
2. Projects must include supportive housing units equal to the greater of 5 units or 35% of total project units. Supportive housing units mean permanent housing units linked to services where occupancy is restricted to households that are both homeless or at risk of homelessness and include a disabled adult. Supportive Housing units must be restricted to households with income not exceeding 30% of area median income or State median income whichever is greater.
3. A formal supportive services plan must be submitted as part of the application.
4. Supportive Housing projects restricting at least 35% of the total project units for households which are homeless may opt for either (1) higher loan amounts or (2) allowance to utilize 9% tax credits.
5. The Maximum Loan amount for the Supportive Housing Pool is \$10,000,000.
6. To encourage the development of mixed Supportive Housing projects, HCD plans to offer MHP Supportive Housing funds along with MHP General funds under the next competitive MHP General NOFA Round, scheduled for August 2008. These applications are subject to the MHP General competitive rating and ranking process
7. Mental Health Services Act funding committed by local governments will qualify for bonus points.

Homeless Youth Supportive Housing Pool:

Agency Contact: Marie Ramos
Phone: (916) 327-3755
Web: www.hcd.ca.gov/fa/mhp

Through Proposition 1C, \$50 million has been made available in this category. An over-the-counter application process has been implemented for award of funds until all funds are exhausted.

Program Highlights

1. Projects must contain at least 5 units (rooms in single family houses or apartments do not count as units).
2. Projects may include new construction buildings or the rehabilitation of existing properties. Program funds pay for the costs associated with the development of the project.
3. The target population is individuals between the ages of 18-24 who are homeless, at-risk of homelessness, or have aged out of the foster care system; have run away from home or a person less than 18 who is emancipated and homeless or at risk of homelessness.
4. The maximum loan per project is \$5,000,000.

Application Process

All developments will be required to submit a completed application with all attachments. The application form is posted on HCD web site. It will include HCD Housing Program-specific requirements and the joint CalHFA, TCAC, CDLAC, MHSA application ("the Universal Application").

California Housing Finance Agency (CalHFA)

Sources of Capital Financing

Agency Contact: Kathy Weremiuk, Special Lending Program Manager
Phone: (310) 342-1256
Web: www.calhfa.ca.gov/multifamily

Four of the programs below are administered by the California Housing Finance Agency (CalHFA). CalHFA will also administer the financial components for the MHSAs program. The Agency has a full spectrum of its lending products available on its website.

Special Needs Financing Program:

The CalHFA Special Needs Financing Program offers low interest rate permanent financing for the development of rental housing to serve special needs tenants requiring an array of supportive services to live independently. Funds are available to non-profit and public agency sponsors, and must be used for the real estate development aspect of the project and not for direct services. Funds from other government entities are encouraged to leverage the CalHFA funds and ensure project feasibility, and these loans must be subordinated. At least 35% of the units must be restricted to special needs households. Loans up to \$10,000,000 are available. The interest rate is fixed at 3.5% on the first \$2,000,000. Any amount over \$2,000,000 will be computed at CalHFA current market interest rate. The loans are fully amortizing and must be in first position. Loan terms are 5 to 30 years. The project must meet CalHFA project design and underwriting standards. Adequate space must be provided for offices for on-site supportive services staff, and meeting space for the delivery of on-site social services. An application fee of \$500 and an origination fee of .25% of the requested loan amount are required.

To obtain the CalHFA Special Needs loan, the development must also utilize CalHFA construction financing or the CalHFA Preservation/Acquisition financing.

Housing Enabled by Local Partnerships (HELP) Program:

Agency Contact: Amanda Rose
Phone: (916) 445-9313
Web: www.calhfa.ca.gov/localities/help

The HELP Program offers to local government entities an opportunity to apply for funds to increase housing opportunities consistent with their housing priorities. HELP Funds are available to a local government entity as an unsecured loan for CalHFA for up to 10 years at 3.5% simple interest, and carry minimal restrictions and conditions. Proposals are limited to a maximum request of \$1,500,000.

As of May 2008, CalHFA has temporarily suspended the issuance of new loan commitments under the HELP Program. Funding may resume within the next two fiscal years as funding sources become available.

CalHFA Construction Loan Tax-Exempt Program:

Agency Contact: Ruth Vakili
Phone: (916) 445-7953
Web: www.calhfa.ca.gov/multifamily/financing/programs/construction.pdf

CalHFA provides construction loans at competitive rates and terms. The construction loan may be converted to a CalHFA permanent loan (eligible projects must be approved for CalHFA permanent financing). The program provides cost savings to borrowers by not charging bond issuance fees or lender legal costs. The maximum loan amount is 90% loan to cost or 90% loan to value, whichever is less. Interest rates vary and include both fixed and variable rates. CalHFA requires a \$500 application fee due at time of application and a .50% loan origination fee. Construction inspection fees and extension fees also apply.

CalHFA Residual Gap Loan Program:

Agency Contact: Laura Whittall-Scherfee
Phone: (916) 327-2588
Web: www.calhfa.ca.gov/multifamily/financing/programs/residualgap.pdf

The Residual Gap Loan Program provides low-cost funds to cover the financing gap associated with the high cost of constructing affordable rental housing. The program is for tax credit projects that use both CalHFA construction and CalHFA permanent financing. The CalHFA permanent loan may not be less than \$2,000,000. Eligible sponsors include for-profit, non-profit and public agencies. Loan amounts are \$5,000 per unit up to a maximum loan amount of \$500,000. There are no fees. The interest rate is 3% and payments are due on a residual receipts basis.

Mental Health Services Act (MHSA):

CalHFA will be doing all financial reviews and underwriting of proposals for funding submitted under the Mental Health Services Act (MHSA) (see page 2).

California Tax Credit Allocation Committee Programs (TCAC) Sources of Capital Financing for Permanent Supportive Housing

Federal 9% and 4% and State Tax Credit Programs:

Agency Contact: Ed Johnson
Phone: (916) 654-5882
Web: www.treasurer.ca.gov/ctcac

There are two federal tax programs administered by the California Tax Credit Allocation Committee; the 9% and 4% federal tax credit program. In addition, there is also a State of California tax credit program. To be eligible for State Tax Credits, a project must first be awarded tax credits under the 9% or 4% federal tax credit program.

The Federal program was created in 1986. Rent and income restrictions apply. Rents are capped at 30% of the household income and units must be restricted so that:

- at least 40% of the units must be occupied by households are 60% or less of the area median gross income; or
- 20% of the units are occupied by households with incomes 50% or less than the area median.

There is a maximum dollar amount of credits allowed per project based on HUD 221d3 formula calculations which are annually revised. The amount of credits awarded are only sufficient to fill the project gap and are calculated on the total development cost of which only some items are considered, "eligible basis", that is deemed eligible for an award of tax credits. Project rent reserves are not eligible, nor are land costs, permanent financing or marketing costs. The 9% program allows an investor to buy twice as many credits and consequently invest more capital as does the 4% program; however the 9% program is extremely competitive.

This year, the program made homeless assistance a priority. A separate apportionment was created within the nonprofit set pool. McKinney Act funded projects, HCD Supportive Housing projects, and MHSA projects are given priority for funding. Applications for the 9% tax credit are due in March and July.

The 4% program can be used with CDLAC tax exempt bonds whereas the 9% can not be. The 4% tax credits are generally awarded as a matter of right for those applicants who compete successfully in the CDLAC review process outlined below.

California Debt Limit Advisory Committee (CDLAC) Sources of Capital Financing for Permanent Supportive Housing

Agency Contact: Misti Armstrong
Phone: (916) 653-3461
Web: www.treasurer.ca.gov/cdlac

The California Debt Limit Allocation Committee (CDLAC), a three-member body comprised of the State Treasurer (as Chair), the Governor, and the State Controller; was created in response to the 1984 Tax Reform Act to allocate the state's bond ceiling.

The California Debt Limit Advisory Committee (CDLAC) is responsible for establishing procedures and allocating the annual debt ceiling which is done through a series of funding pools, including:

- a general pool which has more than 50% of the units designated as restricted rental units; and
- a mixed income pool having 50% or less of the units designated as restricted rental units.

The current State ceiling for issuing bonds is \$2.9 billion. Public agencies or joint powers authorities (JPA) may file an application. Private and non-profit developers may apply for funding through one of the recognized public bodies. Applications are ranked according to points specified for categories in the application. The California Tax Credit Allocation Committee (TCAC) has 4% tax credits reserved for projects which receive a CDLAC allocation and meet the TCAC requirements. An application fee is required. Applications in 2008 are accepted at any time.

Section II: County of San Bernardino Sources of Capital Financing for Permanent Supportive Housing

Note: Various County and City Departments oversee and administer the following programs. To get additional details and to confirm application requirements and due dates, it is best to check the website for the funding source you are researching and to contact the appropriate department directly.

County Agencies in the County of San Bernardino

County of San Bernardino Department of Behavioral Health

Agency Contact: Douglas M. Fazekas, Administrative Manager; Jerry Dowdall, Clinic Supervisor
Phone: (909) 387-8619
Web: www.co.san-bernardino.ca.us/dbh/mhsa/mhsa.asp#

The County of San Bernardino Department of Behavioral Health (DBH) is the chief administrator of Mental Health Services Act funding for the County. The Mental Health Service Act Housing Program (MHSA Housing Program) offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental housing and shared housing, to serve persons with serious mental illness who are homeless or at-risk of homelessness and who otherwise meet the MHSA Housing Program target population description.

San Bernardino County has received an allocation of \$20 million in MHSA Housing Program funds. The funds are for capital and capitalized operating subsidies. The funds were allocated to them by the State Department of Mental Health. Project sponsors must seek-out and receive DBH project approval prior requesting funds from the California Housing Finance Agency, the state agency responsible for underwriting and approving capital loan requests. Project sponsors are encouraged to contact DBH for more information.

County of San Bernardino Department of Community Development and Housing

Agency Contact: Mitch Slagerman, Director; Tom Ramirez, Supervising Analyst
Phone: (909) 388-0803
Web: www.sbcounty.gov/eda/CDH/housing_dev/default.asp

The County of San Bernardino Department of Community Development and Housing (CDH) administers a wide range of programs, many of which are funded through the U.S. Department of Housing and Urban Development (HUD) under its' Community Development Block Grant (CDBG) program. The program aims to support local government and community organizations by providing funding for the capital-improvements projects, public services, and housing and economic development.

Multifamily Mortgage Revenue Bond Program

The Multifamily Mortgage Revenue Bond (MRB) Program provides below market interest rate loans for the development of new multifamily rental units, or acquisition and rehabilitation of existing multifamily rental units within the County and its cooperating cities. The units must contain separate and distinct facilities for living, sleeping, eating, cooking and sanitation. Affordability requirements are as follows: 40% of the units must serve households with incomes at or below 60% of the County median income or 20% of the units must serve households with incomes at or below 50% of County median income as defined by HUD.

Financing is available for construction, acquisition and rehabilitation. Below market rate permanent loans are available for eligible projects.

HOME Program

The Home Investment and Partnerships Act (HOME) programs are federally funded housing programs created as a result of the Cranston-Gonzales National Affordable Housing Act of 1990. The HOME Program serves individuals and households earning 80% or less of the area median income level established by HUD, who agree to reside in housing located within the County of San Bernardino HOME Consortium program area. The HOME Program area includes all unincorporated areas of the County, as well as most cities within the County of San Bernardino. HOME funds may NOT be used within the city limits of the following excluded cities: Fontana, San Bernardino, Upland, Ontario, Chino, Hesperia, and the town of Apple Valley.

Tenant-Based Rental Assistance Program

The Tenant-Based Rental Assistance Program provides \$1.1 million in HOME funding to the Housing Authority of the County of San Bernardino for its Section 8 program. The HOME dollars enable the Housing Authority to provide monthly rental and security deposit assistance to families on the Section 8 waiting list.

Housing Authority of the County of San Bernardino

Agency Contact: Susan Benner, Interim Executive Director
Phone: (909) 890-0644
Web: www.hacsb.com/main.htm

The Housing Authority of the County of San Bernardino (HACSB) was organized in 1941, under the U.S. Housing Act of 1937 and the State of California Housing Authorities Law of 1938. Pursuant to said laws the Authority was authorized to function by resolution adopted by the Board of Supervisors on June 23, 1941. Since then the Housing Authority has grown to become one of the largest agencies in the United States. The Agency's mission is to help low-income individuals and families in San Bernardino County by providing and promoting affordable housing, self-sufficiency programs, safe housing environments, and non-discriminatory housing assistance services.

CAPITAL

HACSB can issue various bonds to assist developers with below market financing for housing. To-date, nineteen projects was been funded through this program. The bond program enables developers to develop housing with monthly rents that are affordable to lower income households.

DEVELOPMENT

HACSB has an affiliate development arm that is a designated Community Housing Development Organization (CHDO) and 501(c)(3) non-profit corporation. Partnerships with the affiliate group may enable housing developers access to business tax credits, tax increment set aside funds, HOME funds and other public subsidies that only non-profit developer qualify for.

OPERATING SUBSIDIES

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, subsidy payments are made by the Housing Authority to property owners on behalf of the family. Assistance is provided to very low-income families including senior citizens, disabled, handicapped, and other individuals. The program uses a payment standard to determine the maximum amount of assistance that will be paid on behalf of the family. The family's portion will be a minimum of 30% of their adjusted gross monthly income up to a maximum of 40% if they choose. The owner is required to provide decent, safe, and sanitary housing to tenants at a reasonable rent. Inspections are performed initially and at least once annually thereafter to insure that tenants and owners comply with Housing Quality Standards, and other lease and contract provisions.

Tenant Based Rental Assistance Program (TBRA)

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The Tenant Based Assistance Program is a partnership between the Housing Authority and participating cities within San Bernardino County. The program provides rental assistance to qualifying families and individuals. The term of the program is two years and tenants must reside within participating cities only.

Family Unification Program

The purpose of the Family Unification Program is to promote family unification by providing housing assistance to families for whom the lack of adequate housing is a primary factor in the separation, or imminent separation of children from their families. The Housing Authority integrates the Housing Choice Voucher program with counseling and services provided by the County of San Bernardino Department of Children's Services that will allow children to make an early return or remain in the home.

Shelter Plus Care Program

The Shelter Plus Care Program was designed to contribute to the countywide public/private partnership system to strengthen services available to families and individuals. Linking affordable housing to resources and services ranging from job training, health care, day care, and education allows the tenants an opportunity to attain economic and social independence without undue hardship and concern for the welfare of their families. Under Shelter Plus Care I, assistance is limited to families requiring 1 or 2 bedroom units.

Veterans Affairs Supportive Housing Program (VASH)

The Veterans Affairs Supportive Housing Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center (VAMC) have partnered to provide rental vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VAMC that he/she is homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.

Mainstream Program

The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private market. Mainstream applicants are offered a Housing Choice Voucher as allocations become available. Participants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.

Housing Opportunities for People With AIDS (HOPWA)

The Housing Authority has partnered with Foothill AIDS Project to offer rental assistance and supportive services to individuals with AIDS. Participants are given housing choice vouchers and ongoing assistance with medical and emotional needs.

County of San Bernardino Redevelopment Agency

Agency Contact: Kathleen Thomas
Phone: (909) 387-9804
Web: www.co.san-bernardino.ca.us/rda/rda.htm

The County of San Bernardino Redevelopment Agency seeks to create economic opportunities and affordable living conditions within established redevelopment project areas in the unincorporated county. The SBRA accomplishes this through effective and efficient utilization of redevelopment law, appropriate use of tax increment revenues, and cooperative programs with other county agencies and communities. Housing dollars may be available through the following four redevelopment project areas:

Speedway Redevelopment

In 1995 the former Kaiser site and other blighted industrial properties located in the unincorporated area west of Fontana were incorporated into the Speedway Redevelopment Area. The major objectives of the project are to encourage private sector investment in the development and redevelopment of the area by removing impediments to growth, eliminating and/or preventing the spread of blight and deterioration, and correcting infrastructure deficiencies. The Speedway Redevelopment Area is approximately 3,500 acres.

Victor Valley

In 1993 the Victor Valley Redevelopment Project was established for the purpose of providing economic development as the result of closing the former George Air Force Base. The Project Area was a joint project of the Cities of Adelanto, Hesperia, Victorville, the Town of Apple Valley, and the County of San Bernardino. The Project Area is under the direction of the Victor Valley Economic Development Authority (VVEDA) and is administered by the City of Victorville. The County receives a portion of the tax increment generated within the unincorporated area of the project. The goal of this project is to promote industrial and other development utilizing the airport facilities. The total unincorporated portion of the Project Area is approximately 10,500 acres.

Mission Boulevard

In 2003 the Mission Boulevard Joint Redevelopment Project was approved as a joint project with the City of Montclair. Pursuant to the terms of the Redevelopment Plan and a Cooperation and Implementation Agreement the City of Montclair has administrative responsibility for managing general redevelopment activities. The County administers the housing set-aside funds generated, focusing on housing opportunities around the unincorporated portion of the Mission Boulevard area. The total Project Area is approximately 404 acres.

Cedar Glen

In November 2004 the Cedar Glen Disaster Recovery Redevelopment Project Area was approved to assist with the rebuilding of an area destroyed by the 2003 Old Fire. The major goal of the project is to construct improvements within the Project Area that will promote the reconstruction of homes destroyed in the fire,

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and to provide infrastructure improvements to assist in preventing future disasters from causing this degree of devastation in the community. The total Project Area is approximately 837 acres.

County of San Bernardino HOME Consortium

Agency Contact: Tom Ramirez, Supervising Analyst
Phone: (909) 388-0803
Web: www.sbcounty.gov/eda/CDH/housing_dev/default.asp

The HOME Program provides funding for acquisition and rehabilitation of rental housing, homeowner repairs, rental assistance and first-time homeownership to increase the supply of affordable housing. The San Bernardino HOME Consortium pools participating cities' HOME funds for use within the program area. To be a member of the consortium, the government of each participating community is required to adopt a formal resolution and execute a participation agreement. The San Bernardino HOME Program area includes all unincorporated areas of the county, as well as most cities within the county. The following cities do not participate in the county's HOME Consortium: Fontana, San Bernardino, Upland, Ontario, Chino, Hesperia, and the town of Apple Valley.

City Agencies in the County of San Bernardino

City of Adelanto

Agency Contact: James Hart, City Manager / Executive Director of Redevelopment
Phone: (760) 246-2300 ext. 3016
Web: http://207.234.208.13/index.php?option=com_content&task=view&id=31&Itemid=57

Town of Apple Valley Department of Economic Development and Housing

Agency Contact: Emily Wong
Phone: (760) 240-7000 ext. 7900
Web: www.applevalley.org/Index.aspx?page=178

The town of Apple Valley encourages and supports the development of affordable housing projects. Interested development entities with relevant expertise in this area are encouraged to submit a Statement of Qualifications.

Housing programs and resources:

- HOME funds
- RDA housing set-aside funds
- CDBG
- Residential Rehabilitation Loan Program

City of Barstow

Agency Contact: Brent Morrow, Community Development Director
Phone: (760) 255-5160
Web: www.barstowca.org/CityDepts.asp?ContentID=358&nav=Housing%20Programs

City of Big Bear Lake

Agency Contact: Jeff Mathieu, City Manager
Phone: (909) 866-5832
Web: www.citybigbearlake.com

City of Chino Housing Division

Agency Contact: Chris Corbain
Phone: (909) 464-8311
Web: www.cityofchino.org/depts/cd/housing/default.asp

The Housing Division of the City of Chino's functions include building, planning, code enforcement and housing. Specific programs and services include permits and inspections, housing rehabilitation grants and loans, new developments review, zoning and sign codes and property maintenance enforcement.

Housing programs and resources:

- HOME funds
- RDA housing set-aside funds
- CDBG
- Section 8 Rental Assistance
- Mortgage Revenue Bond Program (San Bernardino County)
- Home Improvement Program (CalHome grant)
- Density Bonus Program
- Development Fees Program
- Infill Housing Program
- Section 108 Loan Guarantee

City of Chino Hills

Agency Contact: Christine Kelly, Community Development Director
Phone: (909) 364-2710
Web: www.chinohills.org

City of Colton

Agency Contact: Candace Cassel, Economic Development Director
Phone : (909) 370-5167
Email: rda@ci.colton.ca.us
Web: www.ci.colton.ca.us/Housing.html

City of Fontana

Fontana Redevelopment Agency

Agency Contact: Kenneth Hunt
Phone: (909) 350-7697
Web: www.fontana.org/main/redev_agency/default.asp

The Fontana Redevelopment Agency's mission is to plan and implement specific activities designed to forge an economically viable, attractive and humane urban environment in project areas.

Fontana Housing Authority

Department of Housing and Business Development – Housing Authority
Agency Contact: Brent Mickey
Phone Contact: (909) 350-6657
Web: www.fontanabusiness.org/housing/index.html

The Fontana Housing Authority assists Fontana's lower- and moderate-income families by increasing, preserving and improving housing that is affordable and livable and contribute to neighborhood revitalization. Its goals are to encourage and participate in strategic redevelopment of the city's neighborhoods and to offer all residents equal access to desirable housing.

Housing programs and resources:

- HOME funds
- RDA housing set-aside funds
- CDBG
- Section 8 Rental Assistance (San Bernardino County)
- Public Housing Program (San Bernardino County)
- Community Assistance Program
- Lease-to-Purchase Program
- Emergency Grant Program

City of Grand Terrace

Agency Contact: Alisa Flann, Housing and Redevelopment
Phone: (909) 825-3825
Email: aflann@cityofgrandterrace.org
Web: www.cityofgrandterrace.org

City of Hesperia Economic Development Division

Agency Contact: Steve Lantsberger
Phone: (760) 947-1906
Web: www.cityofhesperia.us/section.cfm?id=193

The city's Economic Development Department serves real estate professionals, site selectors and business owners looking to expand or relocate. The division includes the city's redevelopment agency, business attraction programs, housing programs and demographics information.

Housing programs and resources:

- HOME funds
- RDA housing set-aside funds
- CDBG

City of Highland

Agency Contact: Jeffrey Court, Housing Programs
Phone: (909) 425-5766
Web: www.ci.highland.ca.us

City of Loma Linda

Agency Contact: Deborah Woldruff, Community Development Director
Phone: (909) 799-2830
Email: dwoldruff@lomalinda-ca.gov
Web: www.ci.loma-linda.ca.us

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City of Montclair

Agency Contact: Marilyn J. Staats, Director of Redevelopment / Public Works
Phone: (909) 625-9412
Email: mjstaats@ci.montclair.ca.us
Web: www.ci.montclair.ca.us

Housing Programs Overview

www.ci.montclair.ca.us/depts/redev_agency/housing/default.asp

Questions regarding the Agency's general housing programs can be directed to Christine S. Caldwell, Assistant Director of Redevelopment, via email at ccaldwell@ci.montclair.ca.us or by phone at (909) 625-9413.

Redevelopment Overview

www.ci.montclair.ca.us/depts/redev_agency/redevelopment/default.asp

For additional information, please contact Marilyn J. Staats, Director of Redevelopment / Public Works, via email at mjstaats@ci.montclair.ca.us or by phone at (909) 625-9412.

City of Needles

Agency Contact: William Way, City Manager / Executive Director of Redevelopment
Phone: (760) 326-2113 ext. 315
Email: ndlscity@cityofneedles.com
Web: www.cityofneedles.com/City_Departments.asp#Manager

The Planning Division develops and implements programs that guide the City's growth and development. The Division also preserves and enhances the aesthetic character of the community, and provides staff support for the City's Redevelopment Authority and the City Council.

City of Ontario

Housing and Neighborhood Revitalization Agency

Agency Contact: Brent Schultz
Phone: (909) 395-2006
Web: www.ci.ontario.ca.us/index.cfm/3624

The City of Ontario has programs designed to create, preserve, enhance, expand, and improve the City's housing stock through rehabilitation and new construction activities. The City primarily utilizes the following funding sources to provide gap financing for affordable housing projects: Low- and Moderate-Income Housing Fund (LMIHF) and HOME. The City of Ontario Housing and Neighborhood Revitalization Agency will accept applications from housing developers requesting financial assistance for high quality housing projects that will enhance the City's efforts to create and preserve a variety of housing opportunities for Ontario residents with a range of affordability.

All units assisted with HOME funds will be restricted to households at or below 80% of area median income adjusted for family size, and units assisted with housing LMIHF funds must be at or below 120% of area median income. In addition, the City will strive to require the maximum affordability covenants allowable (45-year covenant for for-sale and 55-year covenant for rental).

The Agency also has the ability to issue multi-family Mortgage Revenue Bonds to provide low interest loans for acquisition or rehabilitation of affordable housing projects. The type of assistance provided will be determined on a case-by-case basis.

City of Rancho Cucamonga

Agency Contact: Linda Daniels, Director of Redevelopment
Phone: (877) 578-6246
Email: rda@cityofrc.us
Web: www.ci.rancho-cucamonga.ca.us/dept_rda.htm

The Rancho Cucamonga Redevelopment Agency administers a variety of economic development, redevelopment, and housing-related programs that support businesses and residents in the City of Rancho Cucamonga. Established in 1981, the Agency has assisted in the elimination of blighted conditions resulting in the development of new public facilities and affordable housing projects, improved infrastructure, and in the creation of a strong local economy through business attraction/retention, work force development and tourism efforts.

City of Redlands

Agency Contact: Dan Hobbs, City Manager
Phone: (909) 335-4755
Web: www.redlandsrda.org

City of Rialto

Agency Contact: Robb Steel, Director of Redevelopment
Phone: (909) 879-1140
Email: rsteel@rialto.ca.gov
Web: www.ci.rialto.ca.us/redevelopment_704.php

Housing Programs

The Redevelopment Agency is responsible for preserving, increasing and improving the supply of affordable housing in the community. Twenty percent (20%) of all tax increment funds that the Agency receives is reserved or "set aside" to expand the availability of affordable housing opportunities for families and individuals with low to moderate income. The Agency uses these housing set aside funds in a variety of ways to help preserve and encourage the development of affordable housing in the community. The Agency's Housing Division provides several home repair and home purchase programs to homeowners to improve their homes and to assist the homebuyer.

City of San Bernardino Economic Development Agency

Agency Contact: Jerry Jenkins
Phone: (909) 663-1044
Web: www.sbrda.org/cdbg.shtml

The Economic Development Agency is a focused, diversified organization whose mission is to enhance the quality of life for the citizens of San Bernardino by creating and retaining jobs, eliminating physical and social blight, supporting culture and the arts, developing a balanced mix of quality housing, along with attracting and assisting businesses both independently and through public-private partnerships.

Housing programs and resources:

- HOME funds
- RDA housing set-aside funds
- CDBG

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City of Twentynine Palms

Agency Contact: Michael Tree, City Manager
Phone: (760) 367-6799
Email: cmanager@ci.twentynine-palms.gov
Web: <http://www.ci.twentynine-palms.ca.us/Departments.20.0.html>

City of Upland Redevelopment Department

Agency Contact: Liz Chavez
Phone: (909) 663-931-4146
Web: www.ci.upland.ca.us/asp/Site/ReDev/Introduction/index.asp

The Redevelopment Department administers the city's Economic Development, Redevelopment, Asset Management, Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Affordable Housing Programs.

Housing programs and resources:

- This city is eligible to obtain HOME funds directly from HUD.
- RDA housing set-aside funds
- CDBG
- Section 8 Rental Assistance
- Historic Home Rehabilitation Program
- Housing Improvement Program
- Rental Acquisition and Rehabilitation Program (funded with HOME, Mortgage Revenue Bonds and RDA set-aside funds)
- Preservation of At-Risk Units (funded with RDA set-aside and program income)

City of Victorville Economic Development Department

Agency Contact: Tamara Torres
Phone: (760) 243-1923
Web: <http://ci.victorville.ca.us/Site/CityDepartments2.aspx?id=118>

The City of Victorville provides housing assistance through its Community Development Block Grant

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program (CDBG) and HOME (HOME) Investment Partnership. The CDBG program provides eligible entitlement communities with annual grants that can be used to provide decent housing, suitable living environments, and expanded economic opportunities, primarily for low and moderate income persons. The City expects to receive approximately \$900,486 annually. Reprogrammed dollars may also be available.

The City's HOME program dollars are used for affordable housing activities. The City expects to receive \$343,578 in HOME funds for FY 2008-09. Priority needs include: preserve the existing housing stock; expand the supply of affordable housing; assist in reducing the housing cost of extremely low- and low-income households; increase affordable homeownership opportunities; and, eliminate blighted conditions and substandard housing through code enforcement activities and demolition.

City of Yucaipa

Agency Contact: John Took, City Manager / Executive Director of Redevelopment
Phone: (909) 797-2489 ext. 223
Web: www.yucaipa.org