Grantee: San Bernardino County, CA

Grant: B-11-UN-06-0505

October 1, 2012 thru December 31, 2012 Performance Report

Grant Number:
B-11-UN-06-0505

Obligation Date:

Award Date:

Grantee Name:
San Bernardino County, CA

Contract End Date:
03/03/2014

Review by HUD:
Reviewed and Approved

Grant Amount:
$10,438,181.00

Grant Status:
Active

QPR Contact:
Deborah D Kamrani

Estimated PI/RL Funds:
$0.00

Total Budget:
$10,438,181.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Activity 1) Multi-Family Redevelopment Project
The County of San Bernardino is proposing the construction of a new multifamily development utilizing NSP3 funds under Eligible Use E (Redevelopment)
>and CDBG eligible activities (a) acquisition, (b) disposition, (c) public facilities and improvements, and (i) relocation. The County is currently working on the redevelopment of a corridor located along the Interstate 10 freeway consisting of scattered single family housing, commercial/retail businesses and vacant underutilized lots. Since there is currently a limited supply of affordable rental housing in this area, the development of 80 income]restricted units will provide a much needed supply of affordable housing for this community. The County will record a minimum 20]year affordability covenant on the development to insure rents remain affordable. Under Eligible Use E, the County would purchase approximately 15 acres of existing vacant land, for the development of a newly constructed 80]unit multi]family affordable housing development as Phase I. The County will also use NSP3 funding for the development and connection of sewer facilities to this new phased development. The County will look at a number of options to layer additional funding for this project, including the possibility of 9% or 4% Low Income Housing Tax Credits as well as San Bernardino County redevelopment housing set]aside funds. The County will select an affordable housing development partner to complete/assist with the acquisition, construction and operation of this new development. The County will require the selected affordable housing developer facilitate public meetings and community focus groups to help determine which services and amenities are most needed and will benefit tenants. The developer will also be required to advertise and seek local workforce resources through the local San Bernardino County Workforce Development Department.
Activity 2) Single Family Acquisition & Rehabilitation (for resale)
The purpose of the NSP3 Single Family Acquisition, Rehabilitation and Resale Program is to acquire and rehabilitate foreclosed and abandoned homes in
>heavily impacted neighborhoods and resell them to program]eligible owneroccupants. Using NSP and/or other funds or lines of credit, the County or
>contracted intermediaries (for profit and/or non]profit) would purchase foreclosed or abandoned homes and rehabilitate them. Intermediaries (for
>profit, not for profit and/or non]profit) are expected to be selected on a competitive basis. Intermediaries would have access to purchase foreclosed
>properties through the National Community Stabilization Trust (NCST). NCST is a national non]profit corporation established to facilitate the purchase of
>foreclosed properties directly from major financial institutions prior to them being listed for sale on the open market. This program would be concentrated
>on a few block areas in focus neighborhoods heavily impacted by foreclosure activity so as to produce tangible evidence of neighborhood improvement and to entice end]owner occupants to buy. Upon the completion of rehabilitation, homes would be marketed to eligible buyers &ndash households with income at or below 120% of area median income. The County would pay for acquisition costs and a reasonable developer fee, less the difference between purchaseand sales costs. Intermediaries will fund all rehab

Summary of Distribution and Uses of NSP Funds:

ilitation and costs of resale. Owner occupants would be eligible for Homebuyer Assistance.
Activity 3) Financing Mechanism - Homebuyer Assistance Program
The purpose of the NSP3 Homebuyer Assistance Program is to enable low], moderate] and middle]income households to purchase foreclosed single family homes. Falling housing prices, which accompany the current wave of foreclosures, offer the opportunity to help lower income households to

>purchase homes previously out of reach. Under this program, the County would provide an affordability gap silent second mortgage to assist in the
>acquisition, designed to meet the FHA 203(b) first mortgage loan requirement, or similar conventional fixed rate financing, for the borrower contribution
>under the new modernization rules, and/or affordability gap financing to borrowers who can qualify for an FHA or conventional long term fixed rate
>mortgage. The gap financing amount would be the difference between the first mortgage amount and the acquisition cost of the foreclosed home. Loans
>of up to $50,000 would be made with a lien recorded to ensure the property is not sold, refinanced or rented during the affordability period. Loans under
>$15,000 will be forgiven after 5 years provided the purchaser stays in the home as their primary residence. Loans $15,000] $50,000 will be forgiven
>beginning year 11 at a rate of 1/10th per year with total forgiveness after year 20 provided the borrower continues to occupy the home. The program would be geographically focused on the County&rsquos areas of greatest need.
Activity 4) Administration
The County will set-aside 10% of the total grant award for allowable administrative costs associated with managing the NSP 3 program.

How Fund Use Addresses Market Conditions:

The County of San Bernardino has continued to compile and update foreclosure data countywide and has utilized this data to help select target areas with the greatest need. The data is available on the County&rsquos website at http://www.sbcountyadvantage.com/Housing-Development-Division.aspx. While the County reviewed all available data, the focus of the data was on the predicted 18-month foreclosure rate, high-cost subprime loan rate and total severity score. From these numbers the County determined that four areas best met the criteria. Adelanto, Barstow, Bloomington and Colton were the areas of greatest need with regards to percentage of foreclosed homes, percentage and cost of subprime loans and the areas likely to face a significant rise in foreclosures. Due to its location (approx. 35 miles) from two County redevelopment areas, the City of Adelanto is not eligible for additional redevelopment housing set-aside funding, which limits the County&rsquos ability to layer funding and better leverage the NSP3 funds. The County has already awarded $12,900,000 in NSP1 funding for 329 affordable family units in the City of Barstow, which has helped address the needs within that city. Through work with local realtors and the National Community Stabilization Trust, the County was unable to identify any substantial foreclosed or vacant inventory within the City of Colton, which proposes major issues when attempting to meet NSP expenditure deadlines. The unincorporated county area of Bloomington has a great need for affordable family, senior and multi-generational housing. In addition to affordable housing Bloomington needs infrastructure to service new development and attract future development to this part of the County. Bloomington contains a number of vacant and underutilized sites, which are ideal for new development of affordable housing. The County of San Bernardino selected Bloomington since additional funding from redevelopment housing set-aside funds can be layered in order to develop neighborhoods of focused investment. The new construction Bloomington site (see Section 7, Activity 1 below) was also selected because it contains all the nearby amenities needed for Low Income Housing Tax Credits (schools, library, bus stop, park, etc.) and is also eligible for redevelopment housing set-aside funding.

Ensuring Continued Affordability:

The County will enter into long term NSP Regulatory Agreements, and Deed Covenants will be recorded against the property to ensure long-term affordability (minimum term of 15 years, expected term of 20 years or more).

Definition of Blighted Structure:

The County will rely upon California Health and Safety Code Sections 33030 and 33031 http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=33001-34000&file=33030-33039 and the County of San Bernardino Code 6, sections 63.0603, 63.0604 and 63.0605 http://www.sbcounty.gov/landuseservices/DevCode/Default.asp will qualify as a blighted structure. The County of San Bernardino defines a &ldquosubstandard conditions/property and unsafe building/structure&rdquo in order to determine &ldquoblight.&rdquo A &ldquoblighted structure&rdquo will include, but is not limited to, the following:

- A building in which it is unsafe or unhealthy for persons to live &ndash for instance, if there are serious building code violations; if the structure is severely dilapidated or deteriorated; or if the building suffers from serious neglect;
- A building which suffers from substandard, defective design or construction given the current development standards;
- A building that has hazardous waste within;
- A building which is vacant and abandoned;
- A building in need of extensive rehabilitation;
- A building susceptible to collapse from seismic hazards; and,

A building in such a state as to cause serious public safety concerns

Definition of Affordable Rents:

The County will ensure that 100% of NSP funds be used to benefit individuals and households with incomes below 120% of the area median income (AMI). The County is using the maximum rent limits allowed for affordable units in accordance with Section 92.252 of HUD&rsquos HOME Program Regulations for households at or below 80% of the AMI. The HUD fair market rent limits will be used for households with incomes between 81% and 120% of AMI. In addition, at least 25% of the NSP funds will be used to benefit individuals and households with incomes below 50% of the AMI.

Housing Rehabilitation/New Construction Standards:

Applicable Housing Rehabilitation Standards
At a minimum, NSP grantees must use the County of San Bernardino Department of Community Development and Housing, Single-Family Housing Rehabilitation Standards and Specifications. Available at http://www.sbcountyadvantage.com/Housing-Development-Division.

aspx. If a NSP grantee chooses to use local rehabilitation standards, it must ensure that the local standard is more stringent than the Guidelines for Single-Family Residential Construction in San Bernardino County rehabilitation standards.

· All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard of Energy Star Qualified New Homes.

· All gut rehabilitation or new construction of mid- or high-rise multi-family housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90. 1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multi-family buildings piloted by the Environmental Protection Agency and the Department of Energy).

· Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.

· Water efficient toilets, showers, and faucets, such as those with the Water Sense label, must be installed.

· Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, and fires).

When applicable and/or cost feasible, the County of San Bernardino requires the NSP grantees to adopt the energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notices describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resources Exchange at www.hud.gov/nspta and http://www.federalregister.gov/articles/2010/10/19/2010-26292/notice-of-formula-allocations-and-program-requirements-for-neighborhood-stabilization-program#h-84

Vicinity Hiring:

The County will require all selected affordable housing developers to facilitate public meetings and community focus groups to help determine which services and amenities are most needed and will benefit tenants. Selected developers will also be required to advertise and seek local workforce resources through the local San Bernardino County Workforce Development Department.

Procedures for Preferences for Affordable Rental Dev.:

The County is currently working on the redevelopment of a corridor located along the Interstate 10 freeway consisting of scattered single family housing, commercial/retail businesses and vacant underutilized lots. Since there is currently a limited supply of affordable rental housing in this area, the development of 80 income restricted units will provide a much needed supply of affordable housing for this community.

Grantee Contact Information:

County of San Bernardino
EDA-Community Development and Housing
290 North D Street, Suite 600
San Bernardino, CA 92415-0040
Debbie Kamrani
dkamrani@cdh.sbcounty.gov
(909) 388-0907

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$10,438,181.00
Total Budget	$1,043,818.00	$10,438,181.00
Total Obligated	$0.00	$7,464,181.00
Total Funds Drawdown	$31,951.49	$2,548,974.73
Program Funds Drawdown	$31,951.49	$2,548,974.73
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$31,951.49	$2,548,974.73
Match Contributed	$0.00	$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	$0.00	$0.00
Limit on Public Services	$1,565,727.15	$0.00
Limit on Admin/Planning	$1,043,818.10	$262,362.02
Limit on State Admin	$0.00	$262,362.02

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	$1,043,818.10	$1,043,818.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	$2,609,545.25	$0.00

Overall Progress Narrative:

The developer for the Valley Blvd/Bloomington affordable housing project has been chosen and a Pre-Development loan agreement will be executed in February 2013 with the immediate commencement of the pre-development activities. a pre-development agreement for the 70 unit project in Colton will be executed in February 2013 with immediate commencement of the pre-development activities.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3 Activity 2, Single Family Acquisition Rehab Resale	$0.00	$0.00	$0.00
NSP3 Activity 4, Administration	$30,787.91	$1,043,818.00	$262,362.02
Use A - Activity 3, Direct Home Buyer Assistance	$0.00	$220,000.00	$0.00
Use E Activity 1, Multi-family Redevelopment	$1,163.58	$9,174,363.00	$2,286,612.71

Activities

Grantee Activity Number:	**Grant Administration**
Activity Title:	**Grant Administration**

Activitiy Category:
Administration

Activity Status:
Under Way

Project Number:
NSP3 Activity 4

Project Title:
Administration

Projected Start Date:
03/03/2011

Projected End Date:
03/03/2014

Benefit Type:
( )

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
County of San Bernardino

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	$1,043,818.00
Total Budget	$1,043,818.00	$1,043,818.00
Total Obligated	$0.00	$1,043,818.00
Total Funds Drawdown	$30,787.91	$262,362.02
Program Funds Drawdown	$30,787.91	$262,362.02
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$30,787.91	$262,362.02
County of San Bernardino	$30,787.91	$262,362.02
Match Contributed	$0.00	$0.00

Activity Description:

Administration of NSP grant

Location Description:

The communities of Bloomington and the unincorporated area of West Fontana

Activity Progress Narrative:

Administrative costs for the current reporting period.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number:	**NSP 3 001B**
Activity Title:	**Fontana-Foothill/Almeria**

Activitiy Category:
Construction of new housing

Activity Status:
Cancelled

Project Number:
Use E Activity 1

Project Title:
Multi-family Redevelopment

Projected Start Date:
01/01/2012

Projected End Date:
01/01/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

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

Responsible Organization:
San Bernardino County Housing Authority

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	$0.00
Total Budget	($2,974,000.00)	$0.00
Total Obligated	$0.00	$0.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

Construction of 80 unit affordable housing complex.

Location Description:

Valley Blvd/Cedar Ave in the unincorporated area of Bloomington.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number:	NSP 3-001A Multi
Activity Title:	Valley Blvd/Bloomington

Activitiy Category:
Construction of new housing

Activity Status:
Planned

Project Number:
Use E Activity 1

Project Title:
Multi-family Redevelopment

Projected Start Date:
01/01/2012

Projected End Date:
01/01/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
San Bernardino County Housing Authority

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	$6,200,363.00
Total Budget	$0.00	$6,200,363.00
Total Obligated	$0.00	$6,200,363.00
Total Funds Drawdown	$1,163.58	$2,286,612.71
Program Funds Drawdown	$1,163.58	$2,286,612.71
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$1,163.58	$2,286,612.71
San Bernardino County Housing Authority	$1,163.58	$2,286,612.71
Match Contributed	$0.00	$0.00

Activity Description:

Construction of an estimated 80 unit affordable housing complex.

Location Description:

Valley Blvd/Cedar Ave in the unincorporated community of Bloomington

Activity Progress Narrative:

Costs associated with the Valley Blvd/Bloomington development project. Anticipated start date of February 2013.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number:	NSP 3-002A
Activity Title:	Home Ownership Assistance

Activitiy Category:
Homeownership Assistance to low- and moderate-income

Activity Status:
Planned

Project Number:
Use A - Activity 3

Project Title:
Direct Home Buyer Assistance

Projected Start Date:
01/01/2012

Projected End Date:
01/01/2013

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
San Bernardino County Housing Authority

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	$220,000.00
Total Budget	$0.00	$220,000.00
Total Obligated	$0.00	$220,000.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
San Bernardino County Housing Authority	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

Provide home buyer assistance to eligible households.

Location Description:

Unincorporated areas of West Fontana and Bloomington

Activity Progress Narrative:

No activity for this program during the current reporting period.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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