

Grantee: San Bernardino County, CA

Grant: B-08-UN-06-0505

July 1, 2021 thru September 30, 2021 Performance

Grant Number: B-08-UN-06-0505	Obligation Date: 03/17/2009	Award Date: 02/27/2009
Grantee Name: San Bernardino County, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$22,758,188.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$22,758,188.00	Estimated PI/RL Funds: \$6,802,367.80	
Total Budget: \$29,560,555.80		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

This region is one of the greatest impacted areas in the country and County staff have been tracking foreclosures and notices of default since early 2008. California is a non-judicial foreclosure state. The foreclosure process begins with a recorded Notice of Default (NOD), which is a public notification that the borrower has fallen behind in the monthly mortgage payments. If the default is not cured, or the loan renegotiated or replaced, the NOD is followed by a Notice of Trustee's Sale (NOTS) after a minimum of three months. The actual Trustee's Sale cannot occur less than 20 days after public notice. The Trustee's Sale is a public auction, at which anyone may bid, including the lender and any junior lien holders. The foreclosure process may be stopped if the default is cured 5 days in advance of the sale date. If no one bids, and the foreclosure process was not stopped, title (ownership) of the property reverts to the lender as REO property (Real Estate Owned). The typical foreclosure process takes at least 117 days in California. There were a total of 20,366 properties taken all the way through the foreclosure process in San Bernardino County from July 1, 2007 through September 30, 2008. In relation to all housing units as estimated by California Department of Finance, this represents 2.97% in San Bernardino County. According to an article published in The Wall Street Journal (July 29, 2008) the Inland Empire region has suffered the largest decline in median home prices since prices hit their peak, with an estimated decline of 37%. In a Forbes article published on October 15, 2008 ("Where Recession Will Hit Hardest") the Riverside-San Bernardino-Ontario MSA was rated the worst area in the country. More than half of the homeowners in the area (62%) owe more on their homes than their homes are worth. The median homeowner almost owes more to get their home "above water" than the median worker makes in a year. The median equity is more than a negative \$33,000. Rising unemployment rates at 9.2% are an added element contributing to the downward economic spiral.

Distribution and Uses of Funds:

HUD has compiled a set of data at the Census Tract Block Group (CTBG) level for the entire country. The County compiled this set of data, which included low- and moderate-income eligible, foreclosure risk, home price decline, unemployment rate, percentage of high-cost sub-prime loan rate, predicted 18 month foreclosure rate, and vacancy rate. The data for the County was evaluated in a four step priority ranking for those CTBGs most at risk. These areas, defined as "Eligible Targeted Communities," are those census tracts, exclusive of regular CDBG entitlement cities, that have the "greatest need" by utilizing the HUD NSP data sets that include: (1) greatest foreclosure risk, (2) highest percentage of homes financed by a sub-prime mortgage, (3) areas likely to face a significant rise in the rate of foreclosure, and (4) census tracts predominantly low- or moderate-income. For each category, the County assigned points based on severity of the foreclosure crisis and created a "Total Severity Score" (TSS) for all census tract block groups (CTBGs) for the entire County, with the exception of CDBG entitlement jurisdictions. The County only used the standardized data supplied by HUD in the calculations. The procedure assigns points to each of the four variables as follows: (1) Foreclosure risk (based on percentage rate): Maximum of 3 points If 8%, 1 point If 9%, 2 points If 10%, 3 points (2) High cost (sub-prime) loan rate: Maximum of 3 points If $\geq 40\%$ and $< 50\%$, 1 point If $\geq 50\%$ and $< 60\%$, 2 points If $\geq 60\%$, 3 points (3) Predicted foreclosure/abandonment rate: Maximum of 2 points If $\geq 10\%$ and $< 12\%$, 1 point If $\geq 12\%$, 2 points (4) Low- or Moderate-Income: Maximum of 1 point If YES, 1 point If NO, 0 point The sum of the points awarded for all categories equals the "Total Severity Score" (TSS) for the CTBGs. Those CTBGs with a minimum TSS of 3 (which covers approximately 47% of the County administered area) are determined to be Eligible Targeted Communities and therefore eligible, though not guaranteed County NSP funding for the proposed programs. Based on the TSS analysis, the heaviest impacted cities under the County's FY 2008-09 Action Plan (participating cities) include: Adelanto, Barstow, Colton, Yucca Valley and 29 Palms. The unincorporated communities impacted, again based on the TSS analysis, include: Bloomington, Muscoy, and the unincorporated portions of Adelanto, Barstow, Fontana, and San Bernardino. A table of the data at the census tract level is attached as Appendix F. The maps identifying the Eligible Targeted Communities are located in Appendices B-E of the hard copy application. Tabular data is summarized in Appendix A of the hard copy application. This summary data does not represent the TSS analysis conducted above, but rather provides additional data on the extent of foreclosed homes in the affected communities. Due to numerous



factors, such as the number of CTBGs within a community, some communities may not be identified as an Eligible Targeted Community (e.g., Pioneer Town) even though all CTBGs received a TSS score of 3 or greater because there are only two CTBGs versus larger geographic areas that had many CTBGs with TSS scores above 3 (e.g., Barstow). The County will distribute NSP funds to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by sub-prime mortgage loans, and identified by the County as li

Distribution and and Uses of Funds:

kely to face a significant rise in the rate of home foreclosures. Accordingly, the County will meet the requirements set forth in Section 2301(c)(2) of HERA when expending NSP funds. Most of the activities eligible under the NSP represent a subset of the eligible activities under 42 U.S.C. 5305(a). Certain CDBG-eligible activities correlate to specific NSP-eligible uses and vice versa. The County will ensure that 100 percent of NSP funds will be used to benefit individuals and households with income

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$28,753,091.27
Total Budget	\$0.00	\$28,753,091.27
Total Obligated	\$0.00	\$27,998,091.27
Total Funds Drawdown	\$11,576.43	\$27,997,390.61
Program Funds Drawdown	\$0.00	\$22,303,187.20
Program Income Drawdown	\$11,576.43	\$5,694,203.41
Program Income Received	\$71,335.34	\$6,802,367.80
Total Funds Expended	\$0.00	\$28,142,170.09
HUD Identified Most Impacted and Distressed	\$0.00	\$51,318.80
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Co. of San Bernardino, Community Development and	\$ 0.00	\$ 22,901,859.59
County of San Bernardino	\$ 0.00	\$ 5,240,310.50
Related California	\$ 0.00	\$ 0.00
San Bernardino County Housing Authority	\$ 0.00	\$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$27,282,008.33	\$.00	\$.00
Limit on Public Services	\$3,413,728.20	\$.00	\$.00
Limit on Admin/Planning	\$2,275,818.80	\$2,275,819.00	\$2,275,118.83



Limit on Admin	\$.00	\$2,275,819.00	\$2,275,118.83
Most Impacted and Distressed	\$.00	\$.00	\$51,318.80
Progress towards LH25 Requirement	\$7,390,138.95		\$15,141,715.89

Overall Progress Narrative:

Financial and Progress Data is being updated and will be reflected in the most current QPR. There were \$11,576.43 of expenditures for administrative costs. Staff continued to maintain the affordable housing portfolio by conducting desk audits of client files, servicing loans, processing payments, completing quarterly performance reports, participating in HUD's onsite program monitoring, negotiation development agreements, etc. Onsite inspections have been suspended until it has been deemed safe by HUD to be resumed, alternative means are being taken to ensure compliance. Additionally, staff has been preparing a monitoring "catch up plan" and have been in the process of procuring services to assist with that plan upon the suspension of onsite inspections. Staff issued an RFP to identify compliance consultants to assist with the monitoring "catch up" plan up resumption of monitoring after the pandemic. Bloomington During this reporting period, construction continued for the final phase of the 3- phase Bloomington affordable housing project consisting of a total of approximately 300 affordable units for seniors, families and formerly homeless client with mental health conditions. The final phase is 98 units of which 20 will be Permanent Supportive Housing (PSH) units. The Bloomington Affordable Housing project is a part of an overall revitalization project that consists of affordable housing, infrastructure updates, a public library, a 7,700 square foot community center and a 5-acre public park, funded with various funding sources such as NSP1, NSP3, former Redevelopment Funding, CDBG, etc. NSP3 funded predevelopment costs for the final housing phase of the affordable housing component of the revitalization project.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DELETED-ACTIVITIES, DELETED-ACTIVITIES (Temporary)	\$0.00	\$0.00	\$0.00
NSP - 8, ARR - Bulk	\$0.00	\$0.00	\$0.00
NSP IV, Redevelopment-Use E	\$0.00	\$4,505,000.00	\$355,532.59
NSP-1A, Down Payment Assistance	\$0.00	\$0.00	\$0.00
NSP-2 A, Rehabilitation Loan Assistance	\$0.00	\$0.00	\$0.00
NSP-3.5 A, Affordability Assistance > 50%<120% AMI	\$0.00	\$0.00	\$0.00
NSP-3A, Affordability Assistance < 50%	\$0.00	\$0.00	\$0.00
NSP-4A, Partner with outside entities for aquisition and	\$0.00	\$0.00	\$0.00
NSP-5A, rental Property Acquisition-Rehabilitation	\$0.00	\$0.00	\$0.00
NSP-6A, Acquisition-Rehabilitation for Special Needs	\$0.00	\$0.00	\$0.00
NSP-7B, Homebuyer Assistance	\$0.00	\$0.00	\$0.00
NSP-I, Purchase Rehabilitation	\$0.00	\$21,233,247.00	\$19,683,424.42
NSP-II, Homebuyer Assistance - Low Income	\$0.00	\$798,537.35	\$798,536.86
NSP-III, Administration	\$0.00	\$2,275,819.00	\$1,465,693.33

Activities

Project # / NSP-I / Purchase Rehabilitation



Grantee Activity Number: NSP-001B Barstow LMMI

Activity Title: Acquisition Rehab Multi Family Rental

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-I

Projected Start Date:

01/01/2009

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Purchase Rehabilitation

Projected End Date:

01/31/2013

Completed Activity Actual End Date:

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Jul 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$6,100,000.00
Total Budget	\$0.00	\$6,100,000.00
Total Obligated	\$0.00	\$6,100,000.00
Total Funds Drawdown	\$0.00	\$6,100,000.00
Program Funds Drawdown	\$0.00	\$6,100,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$29,549.40	\$2,682,115.36
Total Funds Expended	\$0.00	\$6,100,000.00
Co. of San Bernardino, Community Development and	\$0.00	\$6,100,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-I Program is to purchase and rehabilitate foreclosed or abandoned rental housing to primarily benefit households at or below 120% of area median income. The County would use NSP funds to purchase and rehabilitate foreclosed or abandoned rental properties in Eligible Targeted Communities. Properties could be purchased for the San Bernardino County Housing Authority's own portfolio or the County could assist non-profit or for-profit partners in acquisition and rehabilitation. The form of the County's assistance would be a grant or subordinated mortgage. The County would make every effort to leverage these investments, loans and/or grants with FHA or other first mortgages, tax credit proceeds (where possible) and other subordinate financing such as AHP, state funds and its own subordinate mortgage financing. Long term agreements or deed covenants would be recorded to ensure long term affordability (minimum term of 15 years, expected term of 55 years). Subject to approval by the Housing Authority's Board of Directors, the Housing Authority is expected to be the County's primary partner for this activity. Tenure of beneficiaries-rental or homeownership: Rentals, but long-term with affordability covenant. Duration or term of assistance: Long-term subordinate loan and/or grant. Description of how design of the activity will ensure continued affordability: County would record long-term (minimum 15 years or term of loan, up to 55 years) rent regulatory agreement or covenant. Discount rate: Average 1% as set forth in Section 2301(d)(1) of HERA and described in Section Q of HUD Docket No. FR-5255-N-01. Range of interest rates: 0-7%, but non-current payment so as to maximize leverage from first mortgage, tax credits and other subordinate financing.

Location Description:

This project is located in the Barstow, California.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	2/2

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	168/168
# of Multifamily Units	0	168/168

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	84/0	34/0	168/168	70.24
# Renter	0	0	0	84/0	34/0	168/168	70.24

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / NSP-II / Homebuyer Assistance - Low Income



Grantee Activity Number: NSP-002A

Activity Title: Acquisition - Single Family

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP-II

Projected Start Date:

01/12/2010

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Homebuyer Assistance - Low Income

Projected End Date:

01/31/2013

Completed Activity Actual End Date:

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Jul 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$491,120.88
Total Budget	\$0.00	\$491,120.88
Total Obligated	\$0.00	\$491,120.88
Total Funds Drawdown	\$0.00	\$491,120.39
Program Funds Drawdown	\$0.00	\$491,120.39
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$35,769.00	\$138,177.69
Total Funds Expended	\$0.00	\$491,120.88
Co. of San Bernardino, Community Development and	\$0.00	\$491,120.88
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-2A Program is to assist Moderate Income purchaser-occupants to purchase foreclosed homes. A 10-year lien would be recorded; if the owner refinances with cash out, sells, transfers title, or sublets/rents the property within the first 10 years, the loan would immediately become due and payable. NSP funds would be leveraged 2:1 to 5:1 by this activity. This program would be geographically focused in the County's Targeted Communities and assistance could be combined with Program NSP-2B. NSP-II Housing Related Activities Tenure of beneficiaries-rental or homeownership: Long term homeownership. Duration or term of assistance: Subsequent to home purchase; long term assistance, repayable second or third loan. Description of how the design of activity will ensure continued affordability: For loan (plus any downpayment assistance) from \$15,000-\$25,000, a 10 year lien would be recorded. If the owner refinances with cash out, sells, transfers title, or sublets/rents the property within the first 5 years, the loan would immediately become due and payable. Acquisition Activities: Discount Rate: Average 15% as set forth in Section 2301(d)(1) of HERA and described in Section Q of HUD Docket No. FR-5255-N-01. Financing Activities: Range of interest rates: 0-7%

Location Description:

Eligible target communities.

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		11/16	
# of Singlefamily Units	0		11/16	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	7/16	11/16	63.64
# Owner	0	0	0	0/0	7/16	11/16	63.64

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / NSP-III / Administration

Grantee Activity Number: NSP-003
Activity Title: Project Delivery/ Administration

Activity Type: Administration	Activity Status: Under Way
Project Number: NSP-III	Project Title: Administration
Projected Start Date: 01/01/2009	Projected End Date: 06/30/2019
Benefit Type: N/A	Completed Activity Actual End Date:
National Objective: N/A	Responsible Organization: Co. of San Bernardino, Community Development and

Overall	Jul 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$2,275,819.00
Total Budget	\$0.00	\$2,275,819.00
Total Obligated	\$0.00	\$2,275,819.00
Total Funds Drawdown	\$11,576.43	\$2,275,118.83
Program Funds Drawdown	\$0.00	\$1,465,693.33
Program Income Drawdown	\$11,576.43	\$809,425.50
Program Income Received	\$6,016.94	\$146,990.97
Total Funds Expended	\$0.00	\$2,419,897.82
Co. of San Bernardino, Community Development and	\$0.00	\$2,419,897.82
Most Impacted and Distressed Expended	\$0.00	\$51,318.80

Activity Description:

Administration of NSP Program

Location Description:

Eligible Targeted Communities.

Activity Progress Narrative:

There were \$11,576.43 of expenditures for administrative costs. Staff continued to maintain the affordable housing portfolio by conducting desk audits of client files, servicing loans, processing payments, completing quarterly performance reports, participating in HUD’s onsite program monitoring, negotiation development agreements, etc. Onsite inspections have been suspended until it has been deemed safe by HUD to be resumed, alternative means are being taken to ensure compliance. Additionally, staff has been preparing a monitoring "catch up plan" and have been in the process of procuring services to assist with that plan upon the suspension of onsite inspections.

Staff issued an RFP to identify compliance consultants to assist with the monitoring "catch up" plan up resumption of monitoring after the pandemic. Bloomington During this reporting period, construction continued for the final phase of the 3- phase Bloomington affordable housing project consisting of a total of approximately 300 affordable units for seniors, families and formerly homeless client with mental health conditions. The final phase is 98 units of which 20 will be Permanent Supportive Housing (PSH) units. The Bloomington Affordable Housing project is a part of an overall revitalization project that consists of affordable housing, infrastructure updates, a public library, a 7,700 square foot community center and a 5-acre public park, funded with various funding sources such as NSP1, NSP3, former Redevelopment Funding, CDBG, etc. NSP3 funded predevelopment



costs for the final housing phase of the affordable housing component of the revitalization project.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents:

None