

Grantee: San Bernardino County, CA

Grant: B-08-UN-06-0505

January 1, 2019 thru March 31, 2019 Performance Report



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:

Shaniqua Freeman

LOCCS Authorized Amount:

\$22,758,188.00

Estimated PI/RL Funds:

\$4,000,000.00

Total Budget:

\$26,758,188.00

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 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:

likely 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	N/A	\$27,763,401.77
Total Budget	\$0.00	\$25,898,091.27
Total Obligated	\$0.00	\$26,437,780.77
Total Funds Drawdown	\$83,804.59	\$25,663,853.66
Program Funds Drawdown	\$0.00	\$22,303,187.20
Program Income Drawdown	\$83,804.59	\$3,360,666.46
Program Income Received	\$85,285.48	\$4,835,589.73
Total Funds Expended	\$0.00	\$25,918,286.66
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$3,413,728.20	\$0.00
Limit on Admin/Planning	\$2,275,818.80	\$2,041,581.88
Limit on Admin	\$0.00	\$2,041,581.88
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$6,689,547.00	\$15,141,715.89



Overall Progress Narrative:

During this quarter, staff continued long-term monitoring including onsite inspections and client file review to ensure compliance. Staff also continued the financial management of the NSP 1 property portfolio by servicing loans and processing payments.

Per HUD's direction to address flags on clean up report, the following modifications were made to the Action Plan and/or data submitted during previous reporting periods:

Activity # NSP-001C Colton Las Terrazas - deleted activity from Action Plan during 1st Qtr QPR process to remove red flag from clean up report. The activity was cancelled years ago, but still reflected in the Action Plan. There was no activity, budget, performance data or expenditures for the activity.

Activity # NSP-001C Barstow Low - removed erroneous "single family units" performance measure. The project was comprised of only multi-family units. Also, removed the ELI measure, deep targeting to 30% was not an intended measure.

Activity # NSP-001C Garden Drive - changed the unit count to match the national objective. The project consisted of 6 total units; however, only 4 of the units were targeted toward the LH-25 population, not all 6 as initially projected. Also, removed the ELI measure, deep targeting to 30% was not an intended measure.

Activity # NSP-001C Hillcrest Apt - added the property count of 1 as a measure, the actual had never been updated. Also, removed the ELI measure, deep targeting to 30% was not an intended measure.

Activity # NSP-001C Rialto - added the property count of 2 as a measure, the actual had never been updated.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP IV, Redevelopment-Use E	\$0.00	\$2,405,000.00	\$355,532.59
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 # / Title: NSP-I / Purchase Rehabilitation

Grantee Activity Number: NSP - 001C Garden Drive

Activity Title: Aquisition Rehab Multi Family

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-I

Projected Start Date:

01/01/2009

Benefit Type:

Direct (Household)

National Objective:

NSP Only - LH - 25% Set-Aside

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

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2019

N/A

To Date

\$666,113.11

Total Budget

\$0.00

\$666,113.11

Total Obligated

\$0.00

\$666,113.11

Total Funds Drawdown

\$0.00

\$666,113.11

Program Funds Drawdown

\$0.00

\$666,113.11

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$1,628.33

\$67,466.18

Total Funds Expended

\$0.00

\$666,113.11

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Purchase and rehabilitate 6 units of an apartment complex in the City of San Bernardino;(4 of the 6 units will be households meeting LH-25 criteria).

Location Description:

Units are located at 7207 Garden Drive, San Bernardino, California.

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	1/1

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	6/6
# of Multifamily Units	0	6/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	4/4	2/0	6/6	100.00
# Renter Households	0	0	0	4/4	2/0	6/6	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number:	NSP - 001C Hillcrest Apts
Activity Title:	Acquisition Rehabilitation of Multifamily

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Completed

Project Number:
NSP-I

Project Title:
Purchase Rehabilitation

Projected Start Date:
07/15/2010

Projected End Date:
01/31/2013

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

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

Responsible Organization:
Co. of San Bernardino, Community Development and

Overall	Jan 1 thru Mar 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$6,093,186.31
Total Budget	\$0.00	\$6,093,186.31
Total Obligated	\$0.00	\$6,093,186.31
Total Funds Drawdown	\$0.00	\$6,093,186.31
Program Funds Drawdown	\$0.00	\$6,093,186.31
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$31,530.99	\$599,985.04
Total Funds Expended	\$0.00	\$6,093,186.31
Co. of San Bernardino, Community Development and	\$0.00	\$6,093,186.31
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Financing for the rehabilitation of 67 units located at 15430 Culebra Road, Victorville. Per HUD guidance \$43,186.31 of this activity is for program delivery.

Location Description:

Financing for the rehabilitation of 67 units located at 15430 Culebra Road, Victorville.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	1/1



	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	65/67
# of Multifamily Units	0	65/67

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	65/67	0/0	65/67	100.00
# Renter Households	0	0	0	65/67	0/0	65/67	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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



Grantee Activity Number:	NSP-001B Barstow LMMI
Activity Title:	Acquisition Rehab Multi Family Rental

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Completed

Project Number:
NSP-I

Project Title:
Purchase Rehabilitation

Projected Start Date:
01/01/2009

Projected End Date:
01/31/2013

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
Co. of San Bernardino, Community Development and

Overall	Jan 1 thru Mar 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$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	\$44,324.10	\$2,238,874.36
Total Funds Expended	\$0.00	\$6,100,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$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 Households	0	0	0	84/0	34/0	168/168	70.24

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-001C Rialto
Activity Title:	Rialto-Park Place Apt

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Completed

Project Number:
NSP-I

Project Title:
Purchase Rehabilitation

Projected Start Date:
01/01/2013

Projected End Date:
12/31/2013

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

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

Responsible Organization:
County of San Bernardino

Overall	Jan 1 thru Mar 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$1,275,000.00
Total Budget	\$0.00	\$1,275,000.00
Total Obligated	\$0.00	\$1,275,000.00
Total Funds Drawdown	\$0.00	\$1,275,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$1,275,000.00
Program Income Received	\$0.00	\$252,160.60
Total Funds Expended	\$0.00	\$1,275,000.00
County of San Bernardino	\$0.00	\$1,275,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Activity includes the rehabilitation of 8 units in a larger project.

Location Description:

309 and 330 W Jackson St Rialto, CA

Activity Progress Narrative:

Accomplishments Performance Measures

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



	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		8/8	
# of Multifamily Units	0		8/8	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	8/0	0/0	8/8	100.00
# Renter Households	0	0	0	8/0	0/0	8/8	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Project # / Title: NSP-III / Administration

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

Activity Category:

Administration

Project Number:

NSP-III

Projected Start Date:

01/01/2009

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

06/30/2019

Completed Activity Actual End Date:

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2019

N/A

To Date

\$2,275,819.00



Total Budget	\$0.00	\$2,275,819.00
Total Obligated	\$0.00	\$2,275,819.00
Total Funds Drawdown	\$83,804.59	\$2,041,581.88
Program Funds Drawdown	\$0.00	\$1,465,693.33
Program Income Drawdown	\$83,804.59	\$575,888.55
Program Income Received	\$7,802.06	\$102,706.36
Total Funds Expended	\$0.00	\$2,296,014.39
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Administration of NSP Program

Location Description:

Eligible Targeted Communities.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

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

