

Grantee: San Bernardino County, CA

Grant: B-08-UN-06-0505

October 1, 2009 thru December 31, 2009 Performance Report

Grant Number:

B-08-UN-06-0505

Obligation Date:**Grantee Name:**

San Bernardino County, CA

Award Date:**Grant Amount:**

\$22,758,188.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Tom Anderson

Disasters:

Declaration Number

NSP

Plan Description:

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.

Recovery Needs:

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 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 incomes below 120 percent of area median income (AMI). In addition, at least 25 percent of NSP funds will be used to benefit individuals and households with incomes below 50 percent of the area median income.

CDH developed specific housing programs to benefit very low (households of less than 50% of AMI), and low-, moderate-, and middle income (households between 51-120% of AMI). The chart in the hard copy of the application summarizes the funding amounts per program and program descriptions are more specifically described in Section G. The chart also describes the geographic targeting for each program. Attached to this Amendment in the hard copy of the application are maps that identify those communities by census tract that will be targeted for specific programs (see Appendices B-E). The "Eligible Targeted Communities" shall be eligible for County NSP funding for programs specified in the table below.

Given the NSP funding amount relative to the size and scope of the foreclosure problem in the County, Eligible Targeted Communities are not guaranteed funding, and no single Eligible Targeted Community is proposed to receive a specific amount. The County will determine funding based on factors including, where applicable:

- { Leverage by unit and/or with other funds;
- { Impact on neighborhood;
- { Ability to fund within program time limit; and,
- { And other criteria as deemed appropriate.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$22,758,188.00
Total CDBG Program Funds Budgeted	N/A	\$22,758,188.00
Program Funds Drawdown	\$110,948.84	\$392,962.07
Obligated CDBG DR Funds	\$0.00	\$1,000,000.00
Expended CDBG DR Funds	\$110,948.84	\$392,962.07
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	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	\$392,962.07
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The County did not have any projects starting in this quarter. The only expenditures were for administration. San Bernardino County plans to amend the NSP plan to allocate its funding to activities it will be able to commit funds to in the near future. The County does expect to close escrow on two multifamily projects in the next quarter. The amount of NSP, for these two projects, will be \$7.5 million for the purchase and rehab of two apartment complexes that will provide 300 housing units for clients that earn less than 120% of the median income. The two apartment complexes are located in the city of Barstow.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NSP - 8, ARR - Bulk	\$0.00	\$0.00	\$0.00
NSP-1A, Down Payment Assistance	\$0.00	\$2,500,000.00	\$0.00
NSP-2 A, Rehabilitation Loan Assistance	\$0.00	\$1,340,000.00	\$0.00
NSP-3.5 A, Affordability Assistance > 50%<120% AMI	\$0.00	\$8,952,822.00	\$0.00
NSP-3A, Affordability Assistance < 50%	\$0.00	\$1,500,000.00	\$0.00

NSP-4A, Partner with outside entities for aquisition and	\$0.00	\$2,000,000.00	\$0.00
NSP-5A, rental Property Acquisition-Rehabilitation	\$0.00	\$3,939,547.00	\$0.00
NSP-6A, Acquisition-Rehabilitation for Special Needs	\$0.00	\$250,000.00	\$0.00
NSP-7B, Homebuyer Assistance	\$0.00	\$0.00	\$0.00
NSP-I, Purchase Rehabilitation	\$0.00	\$0.00	\$0.00
NSP-II, Homebuyer Assistance - Low Income	\$0.00	\$0.00	\$0.00
NSP-III, Administration	\$110,948.84	\$2,275,819.00	\$392,962.07

Activities

Grantee Activity Number: NSP - 1

Activity Title: NSP - 1

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP-1A

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Down Payment Assistance

Projected End Date:

01/31/2013

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Co. of San Bernardino, Community Development and	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The purpose of the program is to assist mostly first-time homebuyers to quickly purchase and occupy foreclosed single family homes before vandalism and blight become acute. The County would make conditional second mortgage loans to purchaser-occupants of foreclosed single family properties. Assistance would be 3.5 - 5% of the total acquisition cost and 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. The target purchaser population would be FHA creditworthy borrowers (primarily first-time buyers) below 120% of County AMI. Given current area home prices, it is expected that some buyers below 50% of median income could also be served. If purchasers remain in the home for at least 5 years, the assistance would be forgiven. This feature would also allow the County to enforce continuing affordability for a maximum amount of \$15,000 per household. If this assistance were the only help received by the buyer, it is expected that foreclosed homes with relatively little damage would be purchased. For somewhat more damaged homes where the foreclosing servicer will not make repairs, this assistance could be combined with NSP-2. NSP funds would be leveraged at a minimum of 20-to-1 with first mortgage proceeds. Buyers would be required to obtain long-term fixed-rate mortgages. NSP-1: Housing Related Activities Tenure of beneficiaries - rental or homeownership: Homeownership (minimum of 5 years). Duration or term of assistance: One-time; 5-year lien on the property. A description of how the design of the activity will ensure continued affordability: Owner-occupants would receive forgiveness if they remain in the property for at least 5 years. 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. NSP-1: 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. NSP-1: Financing Activities Range of interest rates: Conditional second mortgage loan at 0% interest. Minimum 20-to-1 leverage of NSP funds.

Location Description:

Eligible Targeted Communities. It is anticipated that the program may be combined with other assistance described in Programs NSP-2 and NSP-3 in Eligible Targeted Communities. Very low income beneficiaries are expected primarily to be in High Desert areas of the County. This activity has not been successful. The funding was moved to NSP-4 through a Plan amendment approved by our Board of Supervisors on January 12, 2010.

Activity Progress Narrative:

This program has not proved to be very successful. The market for foreclosed houses did not materialize as expected. Due to

the lack of success, the County will be amending its plan in the next quarter to eliminate this program and move the funding to multifamily housing projects.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/0	0/0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Department Housing and Urban Development	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: NSP - 3.5

Activity Title: NSP - 3.5

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP-3.5 A

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Affordability Assistance > 50%<120% AMI

Projected End Date:

01/31/2013

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$0.00

Total CDBG Program Funds Budgeted

N/A

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Co. of San Bernardino, Community Development and

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The purpose of the NSP-3.5 program is to enable low 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 soft second mortgage to borrowers who can qualify for an FHA or conventional long term fixed rate mortgage. The gap amount would be the difference between the first mortgage amount and the acquisition cost of the foreclosed home. Loans of up to \$40,000 would be made with a lien recorded to ensure the property is not sold, refinanced or rented during the affordability period. Borrowers could also be eligible for Program NSP-1 (Down Payment Assistance) and Program NSP-2 (Rehabilitation Assistance). The program would be geographically focused on the County's areas of greatest need, the Eligible Targeted Communities. Housing Related Activities Tenure of beneficiaries- rental or homeownership: Long term homeownership. Duration or term of assistance: Long term second, third or fourth mortgage. Description of how the design of the activity will ensure continued affordability: A 15 year affordability lien to be recorded. If the owner refinances with cash out, sells, transfers title, or sublets/rents the property within the lien period, the loan would become immediately due and payable. 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. Range of interest rates: 0-7%

Location Description:

Eligible Targeted Communities.

This activity has not been successful. This activity has been cancelled and the funding has been moved to other NSP activities according to a Plan Amendment that was approved on January 12, 2010.

Activity Progress Narrative:

This program has not had any success in San Bernardino County. The County has not funded a single project with these funds. The County will be doing a plan amendment that will eliminate this program and move the funding from this program to three other programs two of which will be new. The funding will be moved to Homebuyer Assistance and a new Acquisition and Rehab program that was recommended by HUD.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/0	0/0

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 - 6

Activity Title: Acquisition and Rehabilitation

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP-6A

Project Title:

Acquisition-Rehabilitation for Special Needs

Projected Start Date:

06/01/2009

Projected End Date:

06/30/2013

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Co. of San Bernardino, Community Development and	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The purpose of NSP-6 is to purchase and rehabilitate foreclosed or abandoned properties and housing opportunities for MHSA eligible tenants (primarily at or below 50% AMI) to rent those properties. The County's Department of Behavioral Health (DBH) currently manages a new program called the Mental Health Services Act (MHSA) Housing Program. DBH has received approximately \$20.1 million, the fourth largest allocation in the state, to finance the capital costs associated with the development, acquisition, construction and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, including homeless individuals with mental illness and their families. Roughly \$14 million of DBH's allocation will be used for the costs associated with acquisition, rehabilitation or construction of units and the remaining \$6 million will be used for monthly rental subsidy maintaining the affordability of units to very low income families. DBH would use NSP funds to purchase foreclosed or abandoned residential units to house MHSA clients. The units would be leased to MHSA eligible tenants where DBH would provide residential support services to the tenant-clients. The units would be primarily owned and operated by non-profit entities with long-term affordability housing covenants that will be recorded as required under MHSA, but will also be compliant with NSP requirements. The County's assistance would be a grant or possibly a soft subordinated mortgage. Clients are expected to be primarily very low income (at or below 50% of area median income). Long-term covenants or a regulatory agreement assuring affordability for a minimum of 15 years would be recorded. Tenure of beneficiaries-rental or homeownership: Long-term rental. Duration or term of assistance: One-time, minimum of 15 years of affordability. Description of how the design of the activity will ensure continued affordability: Regulatory agreement requiring occupancy by MHSA eligible tenants at or below 50% of median income for a minimum of 15 years. 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. Range of interest rates: Grant or 0%.

Location Description:

Eligible Targeted Communities.

This program has not been successful, it was cancelled and the funding transferred to other NSP activities in the January 12, 2010 Plan Amendment.

Activity Progress Narrative:

This activity has not produced one project. It is being eliminated with a plan amendment, so the dollars allocated to it can be distributed to the acquisition and rehab activities that will fund other projects. The County has been in communication with its Behavioral Health Department to develop a project, but so far one has not been approved.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/0	0/0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Department Housing and Urban Development	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: NSP -3

Activity Title: NSP - 3

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP-3A

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Affordability Assistance < 50%

Projected End Date:

01/31/2013

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Co. of San Bernardino, Community Development and	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-3 program is to enable very low 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 soft second mortgage to borrowers who can qualify for an FHA or conventional long term fixed rate mortgage. The gap amount would be the difference between the first mortgage amount and the acquisition cost of the foreclosed home. Loans of up to \$40,000 would be made with a lien recorded to ensure the property is not sold, refinanced or rented during the affordability period. Borrowers could also be eligible for Program NSP-1 (Down Payment Assistance) and Program NSP-2 (Rehabilitation Assistance). The program would be geographically focused on the County's areas of greatest need, the Eligible Targeted Communities. Housing Related Activities Tenure of beneficiaries- rental or homeownership: Long term homeownership. Duration or term of assistance: Long term second, third or fourth mortgage. Description of how the design of the activity will ensure continued affordability: A 15 year affordability lien to be recorded. If the owner refinances with cash out, sells, transfers title, or sublets/rents the property within the lien period, the loan would become immediately due and payable. 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. Range of interest rates: 0-7%

Location Description:

Eligible Targeted Communities.

This activity was not successful. This activity was cancelled and the funding was transferred to other NSP activities according to the January 12, 2010 Plan Amendment.

Activity Progress Narrative:

There have been no projects started this quarter under this activity. This activity will be eliminated from the County's Plan with the up-coming plan amendment. The expected inventory of foreclosed single family homes did not materialize, so this allocation will be transferred to the rental property activity with the plan amendment.

Performance Measures

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of Households benefitting	0	0	0	0/0	0/0	0/0
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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-001A

Activity Title: Acquisition Rehabilitation sale - Single Family

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP-I

Project Title:

Purchase Rehabilitation

Projected Start Date:

06/01/2009

Projected End Date:

06/30/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$3,255,322.00
Total CDBG Program Funds Budgeted	N/A	\$3,255,322.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Co. of San Bernardino, Community Development and	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-4 program is to acquire and rehabilitate foreclosed and abandoned homes in heavily impacted neighborhoods and resell them to program-eligible owner-occupants. 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. The County hopes to cooperate with entitlement cities receiving NSP grants in selecting eligible intermediaries. Homes may be purchased individually or at bulk sale. 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 rehabilitation costs and a reasonable developer fee, less the difference between purchase and sales costs. Owner occupants would be eligible for Down Payment Assistance (NSP-1) and Affordability Assistance (NSP-2). NSP-4 Housing Related Activities Tenure of beneficiaries- rental or homeownership: Long-term Homeownership. Duration or term of assistance: During rehab and at homeowner purchase: long-term. Description of how the design of the activity will ensure continued affordability: A 15 year affordability lien to be recorded. If the owner refinances with cash out, sells, transfers title, or sublets/rents the property within the lien period, the loan would become immediately due and payable. 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. Range of interest: 0-7% Assistance to Intermediaries: Payment on sale to eligible homeowner or partial loan guarantee.

Location Description:

Eligible Targeted Communities.

This program funding was increased by \$3,000,000 due to the anticipated demand through the use of the National Community Stabilization Trust to purchase, rehabilitation, and resale additional foreclosed single family homes.

Activity Progress Narrative:

This activity did not have any projects started this quarter. The Development Partners have not submitted any new projects. The County plans for this activity to be more successful in the next few quarters. The plan amendment will allocate an additional \$3 million to this activity. The County has an agreement, with an organization, to bid on houses before they are put on the market. This new program should assist the County in making this activity a successful one.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/7	0/7

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
Activity Title:	Acquisition Rehabilitation Multi Family Rental

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Planned

Project Number:
NSP-I

Project Title:
Purchase Rehabilitation

Projected Start Date:
01/01/2009

Projected End Date:
01/31/2013

National Objective:
NSP Only - LMMI

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

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$6,787,500.00
Total CDBG Program Funds Budgeted	N/A	\$6,787,500.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Co. of San Bernardino, Community Development and	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-5 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 15% 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:

Eligible Targeted Communities.

Activity Progress Narrative:

The County did not start any projects this quarter. The proposed plan amendment will increase the funding for this program to \$10 million. The San Bernardino County Housing Authority is in negotiations to purchase two 150 unit apartment complexes in the city of Barstow. This purchase will include low income units as well as moderate income units. This project should be committed by May 1, 2010. This purchase and rehabilitation will commit \$7.5 million from the NSP grant.

Performance Measures

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of Households benefitting	0	0	0	0/0	0/150	0/150
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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-001D

Activity Title: Rehabilitation - Single Family

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP-I

Project Title:

Purchase Rehabilitation

Projected Start Date:

01/01/2009

Projected End Date:

01/31/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$250,000.00

Total CDBG Program Funds Budgeted

N/A

\$250,000.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Co. of San Bernardino, Community Development and

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The purpose of the NSP-2 Program is to assist purchaser-occupants to rehabilitate foreclosed homes. Owner occupants purchasing a foreclosed home could obtain a second mortgage rehabilitation loan of up to \$25,000 to improve the home. These second (or third) mortgage loans would be administered in the same way as the County's current CDBG-funded home rehabilitation loan program. Rehabilitated properties would have to meet City/County/CDBG habitability standards. Loan interest rates could range from 0 to 7%. Owner occupants could also obtain the Down Payment Assistance described under Program NSP-1. 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-1. NSP-2 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 Targeted Communities.

This activity has not been very successful. The funding was reduced to \$250,000, with the remaining funding transferred to another NSP activity per the Plan Amendment approved on January 12, 2010. . This will allow the funds to be obligated per NSP requirements.

Activity Progress Narrative:

This activity has not been successful. The market for foreclosed single family residences that would need rehabilitation, did not materialize. Due to the inactivity of this program, a plan amendment will be done in the next quarter to move most of the funding to multifamily purchase and rehabilitation.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/6	0/6

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-003

Activity Title: Project Delivery/ Administration

Activity Category:

Administration

Project Number:

NSP-III

Projected Start Date:

01/01/2009

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

01/31/2013

Responsible Organization:

Co. of San Bernardino, Community Development and

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$2,275,819.00
Total CDBG Program Funds Budgeted	N/A	\$2,275,819.00
Program Funds Drawdown	\$110,948.84	\$392,962.07
Obligated CDBG DR Funds	\$0.00	\$1,000,000.00
Expended CDBG DR Funds	\$110,948.84	\$392,962.07
Co. of San Bernardino, Community Development and	\$110,948.84	\$392,962.07
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Administration of NSP Program

Location Description:

Eligible Targeted Communities.

Activity Progress Narrative:

Program Administration was used to prepare for the Plan Amendment that will occur in the next quarter. Also, the County hired a PR firm to develop brochures and a website to promote the NSP Program. Administration labor was expended to enter into negotiations with the Housing Authority and the bank for the apartments in Barstow.

Performance Measures

No 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
