

**Grantee: San Bernardino County, CA**

**Grant: B-08-UN-06-0505**

**January 1, 2014 thru March 31, 2014 Performance Report**

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**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:**

02/27/2013

**Review by HUD:**

Reviewed and Approved

**LOCCS Authorized Amount:**

\$22,758,188.00

**Grant Status:**

Active

**QPR Contact:**

Deborah D Kamrani

**Estimated PI/RL Funds:**

\$4,000,000.00

**Total Budget:**

\$26,758,188.00

## Disasters:

### Declaration Number

No Disasters Found

## 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:**

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

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

| <b>Overall</b>                                 | <b>This Report Period</b> | <b>To Date</b>  |
|--|---------------------------|-----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                       | \$28,842,780.77 |
| <b>Total Budget</b>                            | \$0.00                    | \$26,437,780.77 |
| <b>Total Obligated</b>                         | \$0.00                    | \$24,032,780.77 |
| <b>Total Funds Drawdown</b>                    | \$194.00                  | \$22,868,759.02 |
| <b>Program Funds Drawdown</b>                  | \$0.00                    | \$21,482,958.14 |
| <b>Program Income Drawdown</b>                 | \$194.00                  | \$1,385,800.88  |
| <b>Program Income Received</b>                 | \$0.00                    | \$2,950,000.00  |
| <b>Total Funds Expended</b>                    | \$2,583.00                | \$22,879,343.91 |
| <b>Match Contributed</b>                       | \$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               | \$0.00   | \$0.00         |
| Limit on Admin/Planning                | \$0.00   | \$1,111,797.74 |
| Limit on State Admin                   | \$0.00   | \$1,111,797.74 |

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

As part of an affordable housing project in the community of Bloomington, funds have been obligated for the development of a public library to provide services to the local residents.

### 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                 | \$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         | \$1,000,996.86         |



## Activities

**Project # / Title:** NSP IV / Redevelopment-Use E

**Grantee Activity Number:** Bloomington-Library GRC 3531

**Activity Title:** Bloomington Library

**Activity Category:**

Acquisition, construction, reconstruction of public facilities

**Project Number:**

NSP IV

**Projected Start Date:**

01/01/2014

**Benefit Type:**

( )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Planned

**Project Title:**

Redevelopment-Use E

**Projected End Date:**

12/31/2016

**Completed Activity Actual End Date:**

**Responsible Organization:**

County of San Bernardino

**Overall**

**Total Projected Budget from All Sources**

**Jan 1 thru Mar 31, 2014**

N/A

**To Date**

\$2,405,000.00

**Total Budget**

\$0.00

\$2,405,000.00

**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

County of San Bernardino

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Development of an estimated 6500 square foot public library in conjunction with an affordable housing project in the community of Bloomington.

**Location Description:**

Valley Blvd and Locust Ave in the community of Bloomington.

**Activity Progress Narrative:**

New activity created for the pending development of a public library in conjunction with the development of an affordable housing project in the community of Bloomington.



## Accomplishments Performance Measures

|                        | This Report Period | Cumulative Actual Total / Expected |
|------------------------|--------------------|------------------------------------|
|                        | Total              | Total                              |
| # of Public Facilities | 0                  | 0/1                                |

## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

| Address | City | County | State | Zip | Status / Accept |
|---------|------|--------|-------|-----|-----------------|
|---------|------|--------|-------|-----|-----------------|

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources                    | Amount         |
|--|----------------|
| Department Housing and Urban Development | \$2,405,000.00 |
| Total Other Funding Sources              | \$0.00         |

## Project # / Title: NSP-III / Administration

|                                 |   |
|---------------------------------|---|
| <b>Grantee Activity Number:</b> | <b>NSP-003</b>                          |
| <b>Activity Title:</b>          | <b>Project Delivery/ Administration</b> |

**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:**

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, 2014**

N/A

**To Date**

\$2,275,819.00



|  |            |                |
|--|------------|----------------|
| <b>Total Budget</b>                              | \$0.00     | \$2,275,819.00 |
| <b>Total Obligated</b>                           | \$0.00     | \$2,275,819.00 |
| <b>Total Funds Drawdown</b>                      | \$194.00   | \$1,111,797.74 |
| <b>Program Funds Drawdown</b>                    | \$0.00     | \$1,000,996.86 |
| <b>Program Income Drawdown</b>                   | \$194.00   | \$110,800.88   |
| <b>Program Income Received</b>                   | \$0.00     | \$0.00         |
| <b>Total Funds Expended</b>                      | \$2,583.00 | \$1,122,382.14 |
| Co. of San Bernardino, Community Development and | \$2,583.00 | \$1,122,382.14 |
| <b>Match Contributed</b>                         | \$0.00     | \$0.00         |

**Activity Description:**

Administration of NSP Program

**Location Description:**

Eligible Targeted Communities.

**Activity Progress Narrative:**

Admin activities.

**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

