

SECTION II

STRATEGIC PLAN

This Strategic Plan identifies the priorities for allocating resources and specific programs to meet priority needs over the plan period. It contains HUD Table 2, which is a HUD-required listing of the county's housing and community development priority needs. The Plan divides into four (4) elements: Homelessness Plan; Affordable Housing Plan; Special Housing Plan; and Non-housing Community Development Plan. The Strategic Plan includes a discussion of implementation considerations, including the institutional structure through which the county will carry out its housing and community development programs, agency coordination, and resources that may be used in implementing the programs identified in each plan component. The Plan also includes an antipoverty strategy, a strategy for addressing lead-based paint hazards, and a detailed description of the county's Neighborhood Initiative Grant program.

OVERALL PROGRAM GOAL AND STATUTORY OBJECTIVES

The national goal of the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and HOME Investment Partnership Act (HOME) is the development of viable urban communities, by providing decent housing, a suitable living environment and the expansion of economic opportunities, principally for persons of low- and moderate-income.

It is the intent of the County of San Bernardino to pursue the national goal through implementation of this Strategic Plan. Consistent with this goal, the federal assistance applied for herein is for the support of community planning, development and housing programs and activities directed toward achieving the following statutory objectives:

- The elimination of slums and blight and the prevention of blighting influences and the deterioration of property, neighborhood and community facilities of importance to the welfare of the community, principally for persons of low- and moderate-income.
- The elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, demolition, interim rehabilitation assistance, and related activities.

- The conservation and expansion of the Nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low- and moderate-income.
- The expansion and improvement of the quantity and quality of community services, principally for persons of low- and moderate-income, which are essential for sound community development and for development of viable urban communities.
- The reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial de-concentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods to attract persons of higher income.
- The restoration and preservation of properties of special value for historic, architectural, or aesthetic reasons.
- The alleviation of physical and economic distress through the stimulation of private investment and community revitalization in areas with population out-migration or a stagnating or declining tax base.
- The conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.

HOMELESSNESS PLAN

This section identifies the priorities for allocating assistance to address the needs of homeless individuals and families in the county. In addition, the section outlines the programs and benefits authorized by Congress under the Stewart B. McKinney Homeless Assistance Act of 1987 to assist the homeless.

PRIORITIES FOR HOMELESSNESS ASSISTANCE

The county considered the number of homeless and the special housing needs of homeless sub-populations in determining funding allocation priorities. The San Bernardino County 2003 Homeless Census and Survey identified between 5,270 and 8,351 homeless persons in the county at any given point in time, 1,220 within the County Consortium area as reported in Section I on HUD Table 1. By comparison, the 1990 Census data identified 2,149 homeless persons in the county, 874 were reported from the County Consortium area. At that time, Rancho Cucamonga was not in the Consortium, however, the city reported having between twenty-five (25) and 156 homeless at any given time.

The more recent survey published in 2003 showed that the more realistic number of homeless persons in the County of San Bernardino at any given time ranged between 5,270 to as many as 8,351 persons and that as many as 23,549 persons may be homeless at sometime during a given year. The Homeless Coalition survey also identified the prevailing reasons for homelessness in the county. About 32% of the homeless indicated they had been forced out or evicted from their home. Other reasons included illness, substance abuse and domestic violence.

The top priority for providing housing assistance to the homeless is the implementation of a Continuum of Care System. The best approach to alleviating homelessness is through a community-based process that provides a comprehensive response to the different needs of homeless individuals and families. The Continuum of Care System involves both public and private efforts coordinated in a manner that avoid duplication of services and fills gaps in services.

All services needed by the homeless community are critical, but these represent the most pressing unmet needs in establishing and maintaining the county's comprehensive Continuum of Care System. The Continuum of Care: Housing Gaps Analysis Chart, Table II-1a (shown on pg. II-4) is excerpted from the Department of Housing and Urban Development (HUD) 2004 Continuum of Care Homeless Assistance Competition application prepared by County Community Action Partnership of San Bernardino County (CAPSBC) staff and coordinated through the San Bernardino County Homeless Coalition. This chart provides an analysis of the gaps in housing for the homeless that have been identified for this county. Data provided in the chart are based on information collected in the 2003 Homeless Census and Survey. Determining needs for transitional housing and permanent housing is inexact because of difficulty in determining a separate breakdown of need for each category. All homeless persons could conceivably need either kind of housing at some point during their homelessness.

HOMELESSNESS - HOUSING GAPS ANALYSIS

Based on information provided by the County Community Action Partnership's Homeless Coalition and the 2003 Homeless Study, Gaps Analysis Table 11-1b, identifies unmet needs, and is presented on page II-5. Many factors were considered, including, but not limited to the number of survey respondents and available agency statistics. Data provided for beds/units are the same in all three categories - Emergency Shelters, homeless in the more urban centers of San Bernardino County. It is projected that over the next five years approximately 612 homeless families and 847 homeless individuals will participate in transitional housing programs. These programs are provided by approximately 15 organizations throughout the county operating transitional housing programs in combination with supportive services.

**Table 1A
Homeless and Special Needs Populations**

Continuum of Care: Housing Gaps Analysis Chart

		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
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Individuals

Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	297	0	350
	Transitional Housing	812	35	145
	Permanent Supportive Housing	240	0	2,000
	Total	1,379	35	2,495

Persons in Families with Children

Beds	Emergency Shelter	305	0	50
	Transitional Housing	433	179	50
	Permanent Supportive Housing	119	0	150
	Total	857	179	250

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Example:	75 (A)	125 (A)	105 (N)	305
1. Homeless Individuals	347	364	3,047	3,758
2. Homeless Families with Children	67	97	160	324
2a. Persons in Homeless Families with Children	237	306	575	1,118
Total (lines 1 + 2a)	584	670	3,622	4,876
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
1. Chronically Homeless	29			
2. Seriously Mentally Ill	142			
3. Chronic Substance Abuse	483			
4. Veterans	123			
5. Persons with HIV/AIDS	6			
6. Victims of Domestic Violence	164			
7. Youth	31			

Source:
2003 San Bernardino County Homeless Survey

Table II-1b

Continuum of Care: Gaps Analysis

Based on 5,270 Homeless Persons on any given night

Category of Need		Estimated Need	Current Inventory	Unmet Need/ Gap	Relative Priority
Individuals					
Beds/Units	Emergency Shelter	1,835	132	1,703	H
	Transitional Housing	1,507	695	812	H
	Permanent Supportive Housing	809	276	533	H
	TOTAL	4,151	1,103	3,048	
Estimated Supportive Services Slots	Job Training	292	30	262	H
	Case Management	557	299	258	H
	Substance Abuse Treatment	607	532	75	M
	Mental Health Care	500	158	342	H
	Housing Placement	278	60	218	H
	Life Skills Training	557	174	383	H
Estimated Sub-populations	Chronic Substance Abusers	1,162	483	679	M
	Seriously Mentally Ill	512	142	370	H
	Dually Diagnosed	346	29	317	H
	Veterans	623	123	500	H
	Persons with HIV/AIDS	83	6	77	H
	Victims of Domestic Violence	249	164	85	M
	Youth	104	31	73	H
Persons in Families with Children					
Beds/Units	Emergency Shelter (beds)	474	223	251	H
	Transitional Housing (units)	450	356	94	H
	Permanent Housing (units)	195	90	105	H
	TOTAL	1,119	669	450	
Estimated Supportive Services Slots	Job Training	968	30	938	H
	Case Management	1,843	304	1,539	H
	Child Care	432	108	324	M
	Substance Abuse Treatment	348	177	171	H
	Mental Health Care	288	105	183	H
	Housing Placement	922	90	832	H
	Life Skills Training	1,843	304	1,539	H
Estimated Sub-populations	Chronic Substance Abusers	313	0	313	H
	Seriously Mentally Ill	239	55	184	H
	Dually Diagnosed	194	35	159	H
	Veterans	168	0	168	H
	Persons with HIV/AIDS	22	0	22	H
	Victims of Domestic Violence	201	164	37	H

* Please note that domestic violence shelters treat both single women and women with children

** Totals reflect the aggregate numbers of emergency shelter beds, transitional housing units, and permanent supportive units

"N/A" Is used to indicate that data is not available

HOUSING GAPS ANALYSIS CHART

Unmet need was estimated by Polis Consulting Group, Inc., which followed the following methodology. First, Dr. Gilbert-Hamerling compared the housing inventory and the count of emergency shelter and transitional housing residents on the night of the County-wide enumeration. This comparison identified the number of unutilized shelter beds on the night of the count. Relative to homeless individuals, this comparison showed 109 persons in emergency shelter and 344 in transitional housing, with an inventory of 297 and 812 units respectively. The idle capacity of the emergency shelter was 188 beds (or 63%) and 468 (or 58%) for the transitional housing. The unsheltered homeless population on the night of the enumeration was 2,955 persons, so even if all emergency shelter and transitional housing beds were occupied by street homeless persons, there would still remain an unmet need of 2,300 beds/units for homeless persons ($2,955 - 188 - 468 = 2,300$). Recognizing that any enumeration of homeless persons will likely result in an undercount, and because some vacancy factor must necessarily be considered because of unit/bed turnover, demographic shifts, geographic needs, and the like, the analyst rounded upward the gross need of 2,300 units by a factor of 10% to arrive at an estimated unmet need gap of 2,530 beds/units.

To declare the unmet need relative to housing type, Dr. Gilbert-Hamerling reviewed the data pertaining to housing preferences included in the 2003 Homeless Census and Survey. While homeless persons clearly stated a preference for additional transitional housing (including residential recovery) and emergency shelter, the largest number of respondents stated their preference for *permanent, affordable housing*. This factor, combined with the low utilization rates of the shelters at the time of the enumeration, was taken by the analyst as indicative that the far greatest unmet need was in fact permanent supportive housing. Of the 2,530 needed units, 2,000 were thus characterized as needed for permanent housing, 350 for emergency shelter units (primarily in parts of the County where the shelter-bed capacity is low), and 180 needed still in need of being developed as transitional housing. But because 35 transitional units for homeless individuals are already in development, this number was reduced by 35 to 145.

As regards the estimate of the unmet need or gap for families, the analyst conducted a comparable analysis. 186 homeless family members were in shelter on the night of the enumeration, filling 61% of the 305 available units. 306 family members resided in one of the 433 transitional housing spaces available for families, resulting in a vacancy rate of 19%. On the night of the enumeration, there were 575 persons in 160 family units found on the streets. The researcher subtracted the un-utilized units (246) from the street homeless family population (575) to obtain an estimated result of unmet gross need of 330 units. As with the homeless individual population, the researcher then rounded up to account for: 1) natural vacancy losses; 2) demographic factors, 3) and the challenge of accessing certain shelters because of the extreme geographic scale of the County. Sheltering homeless families also involves a complicating factor that is not present for most homeless individuals, namely the need to find an appropriate unit size given the size of the family, particularly for large families. All things being equal, the fit between family and unit size necessarily results in an expression of higher potential vacancies in family units for homeless persons, thus the

researcher rounded upwards by 30% to arrive at a final estimate of gross unmet need for housing for homeless families of 430 ($330 \times 30\% = 430$). Because there are nearly 180 new transitional housing units in active development, the researcher then reduced this figure to 250 ($430 - 180 = 250$) and attributed the bulk of this unmet need to emergency and permanent housing. Accordingly, the researcher determined unmet family shelter need as 50 beds of emergency housing, 50 beds of transitional housing, and 100 beds needed as permanent housing.

The Homeless Policy Council reviewed this methodology, and on July 14, 2004, it endorsed the estimate of need developed by Dr. Gilbert-Hamerling.

STRATEGY AND ACTIONS

This section identifies the strategy and programs intended to address the gap between the estimated need of the county's homeless population for facilities and services, and the current inventory. The strategy focuses on the implementation of a Continuum of Care system.

STRATEGY 1: IMPLEMENT A CONTINUUM OF CARE SYSTEM

As described in Section I of this Consolidated Plan, the County Board of Supervisors through the Community Action Partnership of San Bernardino County (CAPSBC) (formerly Community Services Department), the San Bernardino County Homeless Coalition, and the Department of Economic and Community Development (ECD) has conceptualized a Continuum of Care system for the county which addresses outreach and assessment, emergency shelter, transitional housing, and permanent housing. The Continuum of Care system identifies the Homeless Coalition as responsible for investigation of existing programs and the identification of gaps in service.

The Community Action Partnership of San Bernardino County (CAPSBC) develops the Supportive Housing Program (SHP) grant application for the County of San Bernardino. CAPSBC mails a Request for Proposal (RFP) to approximately one hundred fifty (150) known providers of homeless services countywide, explaining the Continuum of Care Notice of Funding Availability (NoFA). The RFP packet contains materials provided by HUD to assist agencies in preparing individual proposals. In order to give the maximum amount of time for preparation, agencies are advised to begin preparing their project proposals utilizing the instructions and HUD references provided in the packet. A workshop is conducted by Community Action Partnership to explain the local process and timelines. The presentation is given in PowerPoint, and time is allotted for questions and answers. In addition, CAPSBC arranges for a live satellite broadcast by HUD in which the Continuum of Care Homeless Assistance Programs are reviewed. Maximum flexibility is given to agencies, in extending the proposal deadline to the extent possible.

After preliminary screening by CAPSBC, all eligible project proposals are provided to members of an independent panel to review and score, using criteria and scoring sheets provided. The review panel then ranks each project in funding priority.

The county's Continuum of Care system provides a community-based process that offers a comprehensive response to the different needs of homeless individuals and families. The following make up the four fundamental components of the system: (1) Emergency shelter through a homeless shelter or a motel voucher and outreach and assessment will be provided to identify an individual's or family's needs and connect them to the appropriate facilities and services. (2) Supportive services such as job training, drug and alcohol rehabilitation, mental health services, special services to Specific Subpopulations will be provided. (3) Transitional housing for homeless families and individuals will be provided. (4) Finally, permanent housing and homelessness prevention will be available in the final phase.

The four components of the Continuum of Care system will not be needed by all homeless persons. However, by providing all the components, real success can be achieved in the fight against homelessness. Once all four components are fully funded and in place the Continuum of Care system will provide for the specific needs of all the homeless populations in a coordinated and balanced effort.

In addition, the county will continue to encourage the Housing Authority in its role as project sponsor for activities carried out countywide by subrecipients of Housing for People With Aids (HOPWA) funds from the City of Riverside in fostering development of a continuum of home and community-based care for individuals with AIDS and HIV.

Proposed Accomplishments

The following components and service projections for the Continuum of Care System are based upon research performed through telephone surveys to agencies, the 2003 Homeless Census and Survey, Homeless Coalition meetings, and work performed by CAPSBC each year in preparing the Consolidated Applications for Continuum of Care Homeless Assistance Funding. Projections are made for the five year consolidated plan period. The annual action plan calls for one-fifth of the needed units to be produced each year. It is important to note that these projections are based upon current services in San Bernardino County. Each year, through successful grant applications to HUD, the county is able to add new programs and services to address the needs of various homeless subpopulations.

As a working definition of a Continuum of Care, the following components were examined against the information obtained through the recent survey efforts, and expert advice from individuals and organizations knowledgeable about the needs of the homeless:

Emergency Shelter Services

Homeless Shelter Services: Emergency shelter for approximately 25,000 cold weather nights for homeless individuals and families within the County Consortium. It is projected

that over the next five years approximately 5,000 homeless persons will be served with emergency shelter. The four major emergency shelters in San Bernardino County are: High Desert Homeless Services (55 beds), Salvation Army (70 beds), Desert Manna (50 beds) and Frazee Palm House (32 beds).

Domestic Violence Shelter: Domestic violence shelter services and outreach throughout the County Consortium; and, domestic violence transitional housing and shelter services.

Outreach and Assessment - Prevention/Early Intervention: Community Action Partnership of San Bernardino County has been funded for a comprehensive, long-term case management project that will target homeless families with children as early in the process as possible. CAPSBC's project addresses two areas of unmet need. First, it will address the pressing, unmet need of care coordination, client advocacy and long-term case management. Second, through the case management process it proposes to ensure that each homeless client will be provided maximum assistance in receiving the broadest range of supportive services.

Families will be identified early on through shelter visits, referrals from shelter providers, "walk-ins" hearing about the project and referrals from other organizations, such as schools, churches, or public agencies. The goal of this CAPSBC project is to stabilize homeless families and assist them, through supportive services, to ultimately move into permanent housing, so as to prevent them encountering further adversity.

Homeless families are in crisis and immediately require the most basic human needs be met - food, shelter, medical attention, personal hygiene, etc. This project will provide a case management team that can move them from crisis to stability.

Continuity will be provided, and families will be able to adjust at their own pace, with their needs tracked and evaluated at each step. The team will screen clients, address immediate needs, provide counseling and training, and ultimately assist in transitioning the family into housing they can call home - in some cases, housing they can own. This effort will empower homeless families to achieve self-sufficiency and break their cycle of homelessness.

The Provisional Accelerated Learning (PAL) Center has designed a project that would attempt to "turn off the flow of new individuals" into the homeless population by offering transitional housing to the younger homeless population as they "age out" of public supported group homes and institutions. In addition, this project would provide the critical skills (including employment related and life skills) to transition into permanent housing and full adult independence. The PAL Center's project will assist an under-served ethnic minority within the homeless population (African Americans) in an under-served area of the Continuum of Care service area (Muscoy).

Emergency Services (food, clothing, medical care, emergency shelter): As stated in Section I, many of these services are provided, as funding permits, throughout the county by various community-based organizations. They include Desert Manna Ministries,

Salvation Army, Frazee Community Center, Foothill Family Shelter, the County Medical Center, the Jerry L. Pettis Veterans Medical Center, the County Department of Public Health, the County Food Bank, and many area churches.

Supportive Services (counseling, advocacy, legal services, vocational education and job related services, case management, etc.)

Supportive services for the homeless are costly and sufficient funds are a continual problem. A critical need in continued counseling, vocational education and job training could be met through projects such as the county Department of Behavioral Health and the San Bernardino County Housing Authority's Project Crossroads. This project addresses the specialized housing needs of families with a member who is seriously and/or chronically mentally ill and proposes a range of supportive services for this difficult-to-serve population. It is projected that over the next five years approximately 1,875 homeless families and 3,360 homeless individuals will receive supportive services in the areas of case management, job training, drug and alcohol rehabilitation, mental health services, and other supportive services. These services are provided by more than 100 community-based organizations, churches, and local governmental agencies countywide.

Special Services to Specific Subpopulations (pregnant women, HIV+ individuals, the mentally ill, etc.): Homeless subpopulations such as pregnant women, the homeless mentally ill (often dual diagnosed), and people who are HIV+ or AIDS infected, require very specialized services.

Emergency shelters provide an important, though not wholly appropriate, resource for homeless people living with HIV Disease. These emergency resources are limited in length and amounts of assistance allowed, and are in high demand. Each has different requirements about length of stay or the number of times people can use a voucher, but all are a short-term, stopgap measure. The following organizations provide emergency housing assistance to persons with HIV Disease:

Catholic Charities, San Bernardino/Riverside, Inc. provides an array of social service programs in both Riverside and San Bernardino Counties. It operates a Housing Opportunities for Persons with AIDS (HOPWA) Grant-funded rental assistance and motel payment program in both counties. Assistance is provided case-by-case based on a monthly analysis of a client's financial need, and there is no set percentage of client participation for rent. The agency also provides counseling and case management services to people with HIV Disease in the San Bernardino area.

Inland AIDS Project provides rental assistance funded with HOPWA and Federal Emergency Management Assistance (FEMA) funds throughout the county.

Although not AIDS-specific, other emergency shelter and voucher programs are regularly accessed by people living with HIV Disease. There are approximately 726 emergency shelter beds for homeless single men, women and families in the County of San Bernardino.

Transitional Housing

The Office of Alcohol and Drug Programs in the County Department of Behavioral Health, will expand the capacity of transitional housing for persons addicted to drugs and alcohol, many of whom are pregnant women and/or women with young children. Most treatment programs are currently limited to twenty-eight (28) days, yet research shows that life-long sobriety is much more likely if a person spends 120 days in a drug and alcohol free living environment. Chronic substance abusers make up another under-served sub-population requiring transitional housing and comprehensive case management. There is an additional critical need for housing and supportive services for pregnant and parenting women struggling to remain in recovery, with children. In addition to their current homeless community services, Desert Manna Ministries has established a transitional housing project in Barstow with an array of supportive services in their service area. Otherwise, the high desert region is somewhat isolated and devoid of many of the opportunities for the homeless in the more urban centers of San Bernardino County.

Permanent Housing

The county will continue to support all efforts of the Housing Authority of the County of San Bernardino for any grant applications to HUD which provide funding for homeless housing assistance, as well as pursue all available options for assisting in the development of affordable permanent housing.

While these actions are on-going, the county recognizes inadequacies which exist in the Continuum of Care system and hopes to fill as many of the identified gaps in service provision as possible. Insufficient funds reduce the long-term level of service that can be provided to homeless clients, but it is hoped that funding will continue to be forthcoming to assist in the implementation of a viable Continuum of Care system and to help fill the gaps in that system.

While the ultimate goal of serving the homeless population is to assist them in becoming self-sufficient, thus enabling them to move them into permanent housing, there is not as critical a need for permanent housing as there is for other homeless services. Housing in the County of San Bernardino is relatively less expensive than other counties in Southern California, and the County Board of Supervisors has implemented a variety of affordable housing programs to enable the people in this county to obtain decent, safe, affordable housing. Information on these programs was provided earlier in this Section, and additional information relative to the special housing needs of certain sub-populations is provided later in this section. It is projected that over the next five years approximately 280 homeless families and individuals will be provided permanent supportive housing through the Department of Behavioral Health in collaboration with the Housing Authority, the Veterans Administration Supportive Housing Program (V.A.S.H.), and Central City Lutheran Mission. This housing supports the mentally ill, dually-diagnosed, and HIV/AIDS homeless population.

2004 HUD Funded Continuum of Care Projects

The projects selected for funding through HUD's 2004 Continuum of Care Homeless Assistance Competition will assist the county in addressing many of the unmet needs identified in the county's Continuum of Care. A brief summary of each selected project is contained in the tables on the following pages.

**Table II-2
HUD 2004 CONTINUUM OF CARE HOMELESS ASSISTANCE FUNDING
COUNTY OF SAN BERNARDINO**

Agency Name	Project Description	Number of Homeless To be Served Annually	Amount of Award
Institute for Urban Research and Development (IURD)	New project for Single Room Occupancy (SRO) program for chronically homeless individuals. Permanent housing project.	35	\$2,020,200 (for 10 yrs.)
Community Action Partnership	New project for a Homeless Management Information System (HMIS) to network all service providers and track services to homeless clients.	N/A	\$750,477 (3 yrs.)
Community Action Partnership	New project for a homeless services mall; a one-stop with services under one roof. Outreach to homeless in and around San Bernadrino.	6,000	\$1,995,040 (3 yrs.)
Morongo Basin Mental Health	Renewal project for transitional housing and supportive services for homeless with mental illness/substance abuse problems. Provides 14 beds; located in Joshua Tree.	14	\$87,606 (1 yr.)
Central City Lutheran Mission	Renewal project for permanent supportive housing for persons with HIV/AIDS. Provides 28 beds; located in Rialto and Fontana.	28	\$76,794 (1 yr.)
Inland Temporary Homes	Renewal project for transitional housing for homeless families. 25 beds; located in Loma Linda.	25	\$69,402 (1 yr.)
Foothill Family Shelter	Renewal project for transitional housing and supportive services for homeless families; provides 32 beds; located in Upland.	32	\$34,125 (1 yr.)
Inland Behavior and Health Services	Renewal project for supportive services only; provides outreach and support to homeless families and individuals in and around San Bernardino.	400	\$67,063 (1 yr.)
New Hope Village	Renewal project for transitional housing for homeless in Barstow. Provides 13 beds.	13	\$66,675 (1 yr.)

Table II-2 (Continued)
HUD 2004 CONTINUUM OF CARE HOMELESS ASSISTANCE FUNDING
COUNTY OF SAN BERNARDINO

Agency Name	Project Description	Number of Homeless To be Served Annually	Amount of Award
Knott's Family Agency	New project for construction of a transitional housing facility for homeless women and children.	48	\$420,000 (3 yrs.)
Luvlee's Residential Care, Inc.	New project for a transitional housing program for homeless youth. Will provide 24 beds; location to be determined.	48	\$912,150 (3 yrs.)
The Salvation Army – Path to Prosperity	Renewal project for a transitional housing and job training program for homeless men. Provides 27 beds; located in San Bernardino.	27	\$158,522 (1 yr.)
Frazer Community Center	Renewal project for transitional housing and services for homeless veterans. Provides 28 beds; located in San Bernardino.	28	\$26,250 (1 yr.)
Victor Valley Domestic Violence, Inc.	Renewal project for transitional housing for victims of domestic violence (women and children). Provides 116 beds; located in High Desert.	116	\$276,379 (1 yr.)
Central City Lutheran Mission	Renewal project for St. Martin's House, a transitional housing program for homeless persons with HIV/AIDS. Provides 6 beds; located in San Bernardino.	10	\$17,672 (1 yr.)
St. John of God Health Care Services	Renewal project for transitional housing and services for individuals recovering from substance abuse. Provides 27 beds; located in Victorville.	60	\$311,960 (1 yr.)

TOTAL FUNDING FOR 2004 COMPETITION: \$7,762,515

AFFORDABLE HOUSING PLAN

This section identifies the priorities for allocating assistance to increase affordable housing opportunities and the strategies and programs to address affordable housing needs.

PRIORITIES FOR HOUSING ASSISTANCE

The county considered the following factors in developing priorities for the Affordable Housing Plan:

- the number of extremely low- and low-income families (including single person families) paying more than 30% of household income to cover housing costs;
- the extent of that burden (30-50% of income dedicated to housing costs or more than 50% of income dedicated to housing costs);
- the cost of providing affordable rental and homeownership opportunities;
- the extent to which existing residents are living in substandard units; and
- the extent of overcrowded conditions among existing residents.

Based on these factors, priorities for developing programs and allocating assistance were established. The top priority for the county is to expand housing opportunities for extremely low-income households (households earning 30% or less than the median income). Extremely low-income households have a pressing need for affordable, decent housing. Rising housing costs, cutbacks in federal and state funding, and loss of affordable units severely impact this household group. In analyzing affordable housing needs, Census data for 2000 indicated that 84% of renters and 73% of owners in this income group were cost-burdened. Low-income households (households earning up to 50% of the median) were similarly cost-burdened.

Another high priority in the Affordable Housing Plan is providing decent, safe and sanitary housing. Lower income households inhabit the majority of units constructed before 1939. While there was no specific analysis of housing conditions by age of housing, in general older housing units are more prone to be in substandard condition. Thus, extremely low-income households are more likely to inhabit substandard housing. In addition, extremely low-income households are more likely to inhabit housing with lead-based paint hazards.

HOME funding rental projects will be distributed through a Request for Proposals (RFP) process. The RFP will encourage Community Housing Development Organizations

(CHDO's) to submit applications to develop varied and diverse affordable housing activities in the County's HOME Consortium communities. The geographic distribution of funding is achieved through marketing and advertising of program information throughout the county. ECD's Housing Division targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve subpopulations e.g., Hispanic papers. The portion of CDBG funding which is set aside for housing preservation activities is also allocated on a first-come-first-served basis.

The HOME Homeownership Assistance Program (HAP) makes brochures available through its eighteen approved lenders. These lenders have thirty-two offices located throughout the County. In addition, County ECD staff provides presentations and distributes brochures and applications at various community functions such as chamber of commerce meetings, municipal advisory commission meetings and city council meetings.

Community Housing Development Organizations (CHDO's) apply directly to ECD for assistance. Currently, the County has fifteen certified CHDO's representing all cities participating in the HOME program, as well as, the unincorporated areas. During the past year three non-profit organizations approached ECD regarding special housing needs (victims of domestic violence, HIV and Hepatitis C victims and the elderly). All three organizations were assisted in becoming CHDO's and have applied for HOME funding for eligible projects which provide affordable rental housing to persons with special needs.

HOME Program/Rental Property Acquisition and/or Rehabilitation Programs have information made available through the distribution of program brochures. Brochures are available through participating cities, county libraries, chamber of commerce offices and various county departments.

HUD Table 2 – Housing Priorities, a HUD requirement, identifies affordable housing needs. The estimated number of units and dollars required represents a five (5) year projection. The categories listed are prescribed by HUD and may not reflect all of the county's needs.

HUD Table 2A Priority Needs Summary Table

PRIORITY HOUSING NEEDS (households)	Priority Need Level High, Medium, Low		Unmet Need	Goals	
Renter	Small Related	0-30%	High	1,500	25
		31-50%	High	1,500	25
		51-80%	Medium	500	10
	Large Related	0-30%	High	1,500	50
		31-50%	High	1,500	50
		51-80%	Medium	500	30
	Elderly	0-30%	High	1,500	300
		31-50%	High	1,500	300
		51-80%	Medium	500	100
	All Other	0-30%	High	2,000	100
		31-50%	High	2,000	100
		51-80%	Medium	1,000	50
Owner	0-30%	Low	500	25	
	31-50%	Medium	1,000	50	
	51-80%	High	1,500	75	
Special Needs	0-80%	High	500	100	
Total Goals				1,390	
Total 215 Goals				1,390	
Total 215 Renter Goals				1,140	
Total 215 Owner Goals				250	

STRATEGIES AND ACTIONS

This section identifies strategies and programs intended to address the housing affordability gap in the county. The strategies focus on supply factors to increase affordable housing development as well as demand factors that address income levels of households in greatest need. Objectives and implementation time frames are included for each strategy.

STRATEGY 1: EXPAND THE SUPPLY OF AFFORDABLE HOUSING

A central element to addressing housing needs is expanding the supply of affordable housing through new construction and/or rehabilitation. Compared to adjacent counties, the price of housing is less costly in the County of San Bernardino. The availability of relatively affordable housing is a major factor in its growth since the 1970s. However, the 2000 Census identified 53,794 extremely low- and 51,184 low-income households in the county, or approximately 23% of the total households. The data on cost burden demonstrate that there is an insufficient supply of affordable housing for these two (2) household types.

This strategy will be implemented primarily through two (2) mechanisms. First, the county will continue to support activities of nonprofit housing developers and the Housing Authority in their efforts to provide affordable housing. In addition, the county will continue to provide incentives, including bond financing, density bonuses, and priority processing to developers in order to stimulate production and/or remove obstacles to the provisions of additional affordable units.

Proposed Accomplishments

Lease Purchase Program: The County began participating in a lease-purchase program in 2000 and anticipated that 200 households countywide would be assisted over the five-year plan period. That goal was met as of October 2003 when funding expired. Demand is still strong for the program. The County joined a new joint powers authority to implement the lease purchase program, which will become available again starting in late 2005.

Section 8 Homeownership Assistance Program: The Section 8 Homeownership Assistance Program administered by the Housing Authority of San Bernardino provides an option for a family with a Section 8 Voucher to choose rental assistance or homeownership assistance.

Based on fair market rents for the area as designated by HUD, payment standards for rental assistance are set by the Housing Authority. Payment standards are used to calculate the housing assistance payment to the landlord. Under the homeownership program, the portion paid to the landlord is paid directly to the lender and applied to monthly mortgage payments.

HOME Homeownership Assistance Program (HAP): The county currently provides down payment and closing cost assistance to supplement a buyer's cash investment so that payments on the first mortgage are affordable to the purchaser. Over the five (5) year

period, the county expects to assist approximately 200 low-income home buyers in purchasing a home under this program.

American Dream Downpayment Initiative: The county will apply for funding under a federally-funded initiative under the HOME Program, to assist low-income, first-time homebuyers with up to \$10,000 or 6% of the purchase price, whichever is greater, toward down payment and closing costs. ADDI funds will be used to provide down payment assistance to low-income first-time homebuyers, with a priority on assisting residents and tenants of public and manufactured housing, and other families assisted by public housing agencies in the county. The county will work directly with the San Bernardino County Housing Authority and other non-profit housing organizations on ensuring potentially eligible households are made aware of the funds that are available through this newly created program. Participants must be able to demonstrate that they are ready to undertake and maintain home ownership by 1) Qualifying for a first mortgage loan from a participating lender; and by, 2) Having completed a homebuyer training course conducted by an approved housing counseling agency. We will work directly with non-profit entities on creating a pool of eligible households who are interested in the ADDI program. The county's ADDI Program was implemented during fiscal year 2004-05. The funding available will serve approximately 50 low-income households. The program will continue during the fiscal year 2005-06.

CHDO New Construction, and Acquisition/Rehabilitation: The county is required to allocate 15% of its HOME funds for use by Community Housing Development Organizations (CHDOs) for new construction, acquisition and/or rehabilitation of affordable rental housing. The county has consistently allocated more than the minimum 15% requirement to CHDOs for affordable housing developments and will continue to do so relative to the need. The county encourages CHDOs to direct their activities towards very low- and low-income special needs households, which include homeless families, large families, and elderly and disabled households.

HOME Program/Rental Property Acquisition and/or Rehabilitation Program: The county currently provides loans to both for-profit and non-profit developers of affordable housing who propose to acquire and/ or rehabilitate existing rental units, which may or may not already be affordable to low- and very low-income families. After rehabilitation, the units must be rented to low- and very low-income families. The county has had an abundance of existing housing that has deteriorated over time due to the recessive local economy over the last decade. While recent upturns in the local economy have had some impact on these properties, acquisition and/or rehabilitation of these properties continues to be more feasible than new construction. The county will continue to support these affordable housing developments as long as the need exists. Over the five (5) year plan period, the county plans to rehabilitate approximately 150 multi-family and/or single-family rental units to be rented to income-eligible tenants at affordable rents.

Programs

Revenue Bond Financing for New Construction: The County Department of Economic and Community Development (ECD) has a program to issue Mortgage Revenue Bonds (MRBs) that finance multifamily rental housing. The popularity of these programs has decreased due to the historical low interest rates we have experienced over the past few years. We anticipate interest rates to go up along with the demand for this financial tool.

Currently there are approximately 1,500 affordable, set-aside units provided through the Multifamily Revenue Bond Program. To the extent possible, the county will continue to preserve the existing affordable units by extending the financing terms for existing multifamily projects already funded with mortgage revenue bonds, and will continue to encourage the issuance of new bonds for additional multifamily projects as appropriate.

Lease Purchase Program: The county has joined a new Joint Powers Authority (JPA) bond program to provide a financing mechanism that allows low-to-moderate income prospective homebuyers to move in now to the home they want to ultimately buy. The JPA purchases the homes, and after 39 months, allows the potential homebuyer to assume the in-place financing and take ownership of the property. It is targeted toward prospective homebuyers with stable incomes, who may not have the required down payment, closing costs or credit scores to purchase a home at the present time. The program provides a silent second trust deed for the down payment and closing costs are gifted to the participant by JPA. There is a commitment fee of one percent of the sales price that can be paid by the participant, seller or by gift. All participants are required to attend an approved Homebuyer Training Program, and Consumer Credit Counseling is provided as needed.

New Programs: As always, the county will look to develop new programs to meet the needs of our citizens. One such program the county is looking at is the use of Mortgage Credit Certificate (MCC).

Homeowners Assistance Program (HAP): The county uses a portion of its HOME funds to provide down payment and closing cost assistance in the form of a silent second trust deed loan. The county targets its assistance to low-income households earning 80% or less of the area median income. In addition to providing closing cost funds, Gap funding of up to \$40,000 or more depending on household income, plus \$2,000 for additional household members is provided to make up the difference between the sales price of the property and the sales price that would be affordable to the purchaser based on the first mortgage the buyer can afford. The Program includes recapture provisions so that all or a portion of the original HOME investment is repaid upon resale of the home.

The actual amount of the HOME subsidy recaptured at sale will be used to assist another low-income homebuyer. These "net proceeds," (sale price/value less first mortgage balance and closing costs) could be less than the original HOME investment depending on market conditions. The county will attempt to recapture an amount equal to its original investment during the Recapture Period, to ensure that other low-income homebuyers may take

advantage of HOME program funds. The Recapture Period ranges from ten (10) to thirty (30) years based on the amount of assistance provided. During the Recapture Period, any sale or transfer of the property will trigger repayment of the full amount of the deferred loan (silent second). The loan is forgiven proportionally over the second half of the recapture period, and is fully forgiven if the homebuyer is still occupying the property at the end of the Recapture Period.

The county will use the Market Pricing Minus Subsidy method for determining the amount of HOME subsidy to be recaptured. This method will allow the seller to realize any increase in property value after debt, costs and HOME subsidies are paid. By using the formula of Market Pricing Minus Subsidy method, the market sets the value of the property at the time of sale. As in the open market, the seller is entitled to any resulting increase in value that remains after all debt, including subsidies provided by the public agency, is repaid.

American Dream Downpayment Initiative

The county will implement an additional down-payment assistance program under the HOME program. American Dream Downpayment Initiative (ADDI) funds can be combined with HAP, and the HOME recapture guidelines will apply to this program. ADDI funds will be used along with HOME funds so as to leverage HUD funds in assisting low- and moderate-income families in realizing the American Dream of owning their own home.

CHDO New Construction, and Acquisition/Rehabilitation: The county is required to allocate at a minimum of 15% of its HOME funds for use by Community Housing Development Organizations (CHDOs) for new construction, acquisition and/or rehabilitation of affordable rental housing. In allocating CHDO funds, the county encourages CHDOs to direct their activities towards very low- and low-income special needs households. These activities include providing affordable housing for homeless families, large families, and appropriate housing for elderly and disabled households.

HOME Program/Rental Property Acquisition and/or Rehabilitation Program: The county currently provides loans to for-profit and non-profit developers to acquire and/or rehabilitate existing rental units, which are to be affordable to low- and very low-income families. These activities include providing affordable housing for homeless families, large families, and appropriate housing for elderly and disabled households, and optimize the abundant, affordable housing stock already existing in the county.

HOME Program/Rental Property Rehabilitation/Refinance Program: This program uses HOME Program funds to refinance affordable, multifamily housing, so long as the primary affordable housing activity to be funded is rehabilitation of affordable, multifamily units. Such rehabilitation is vital to the continued availability of affordable housing, particularly in today's housing market.

Planning Area Studies: Planning area studies are used by the county to direct and encourage the construction of affordable housing in communities within the county. These studies designate land uses, intensities and densities for each area to accommodate a range of housing types within the constraints of infrastructure availability and

environmentally sensitive conditions. Community Plan standards have been incorporated into Planning Areas. Planning area studies help to identify sites suitable for all types of housing.

Housing Incentives Program (HIP): The county offers developers density bonuses up to 25% for projects in which a specified percentage of the units are reserved for, and affordable to, very low-, low-, and moderate-income households. The density bonus for a specific development depends upon the density designation of the Official Land Use maps; availability of public services and facilities; natural resource constraints; compatibility with adjacent land uses; community goals and objectives; and the need for affordable housing within the community. The density bonus is provided through normal planning applications such as subdivisions and planned developments. County policy requires affordable housing to be included in each phase of multi-phased developments so that affordable units are developed at the same time or prior to market rate units. Affordability restrictions, ranging from a minimum of ten (10) years to a maximum of fifty (50) years, are imposed on housing units approved under the HIP, whether multi- or single-family units.

Priority in Permit Processing for Affordable Housing: The county attempts to expedite approval of developments that include affordable housing and to reduce processing times and costs for all housing developments. The Development Review Committee (DRC) reviews and comments on all land use regulation proposals. The DRC is comprised of County agencies involved in the development process. This advisory committee facilitates application processing by commenting on current operations and by reviewing the impact of new proposals as to their impact on the development process.

STRATEGY 2: ASSIST IN REDUCING HOUSING COSTS TO EXTREMELY LOW- AND LOW-INCOME HOUSEHOLDS

Supply factors cannot wholly address the housing needs of extremely low- and low-income residents whose incomes are insufficient to support housing costs, even when priced at below-market rates. A strategy to narrow the gap between housing costs and income is critical. Specific demand-based assistance can be provided, including housing vouchers and energy-assistance programs that effectively increase the income of lower income households by reducing out-of-pocket housing and utility costs.

Proposed Accomplishments

HOME Program Tenant-Based Assistance (HOME TBA)/Monthly Rental Subsidy Program: Since 1994, the county has funded interim, monthly rental subsidies to persons selected from the Housing Authority's Section 8 Aftercare Waiting List. This interim assistance is provided until participants can be transitioned to another monthly rental assistance program. Over the five (5) year plan period, the county will continue to implement the HOME TBA program to address a wider spectrum of special needs categories and increase the number of participants overall. The county expects to provide ongoing, monthly rental assistance under the HOME TBA Monthly Rental Subsidy to approximately one hundred low-income and extremely low-income households with special needs.

HOME Program Tenant-Based Assistance (HOME TBA)/Security Deposit Assistance Program: In 1994, the county began providing funds for required security deposits on rental housing units and tenant-paid utilities to persons who could afford monthly rent payments but lacked necessary funds to get into, or to avoid being displaced from, decent housing. Recipients of security deposit assistance have included both very-low income households that are responsible for their full rent payment and participants in monthly rent subsidy programs who pay a specified portion of their income toward rent. Referrals have come from a variety of non-profit service providers, as well as the Housing Authority. The county expects to provide security deposit assistance under the HOME TBA Security Deposit Assistance Program to approximately 1,000 low-income and extremely low-income households.

Programs

Public Housing: The Housing Authority of the County of San Bernardino owns and manages 2,492 units of public housing for occupancy by low- and very low-income families. The majority of the households have incomes that do not exceed 30% of the median income and pay no more than 30% of their monthly income for rent. The Housing Authority's public housing inventory includes:

- 1,119 units, on twelve (12) sites in five (5) cities, funded by HUD;
- 600 units, single-family and small clusters, on sites throughout the county;
- Thirty-four (34) units in Mentone, funded through the State Rental Housing Construction Program;
- Forty-eight (48) units of senior citizen housing in Montclair utilizing county and Housing Authority funds;
- 102 units of senior citizen housing in the cities of San Bernardino and Yucaipa (fifty-one (51) units each);
- Forty (40) units in the community of Twin Peaks for individuals fifty-five (55) and over; and
- 210 units on sites throughout the county, owned by the Housing Authority and its Community Housing Development Organization (CHDO), Housing Partners I, Inc. (HPI)

Section 8 Programs: The Housing Authority provides Section 8 Housing Choice Vouchers to over 3,800 households in the County Consortium jurisdictions. The allocations are determined by HUD and are based on a variety of factors including county size, an assessment of housing need and available resources.

HOME Tenant-Based Rental Assistance Program: The county allocates a portion of its HOME funds for its Tenant-Based Rental Assistance Programs. Both of these programs provide assistance to households earning up to 50% of the median income adjusted for family size. The majority of those who have already been assisted under these programs have been extremely low-income families earning less than 30% of the median income.

The HOME TBA Monthly Rental Subsidy Program, administered by the Housing Authority, provides monthly rent subsidies to households from the Section 8 main stream waiting list. Participants retain their place on the Section 8 Aftercare waiting list, and many have already been transitioned from HOME TBA to other permanent monthly rental assistance programs. As HOME participants transition to other programs, additional HOME participants who need interim assistance to achieve independent living are assisted.

From 1994-2000, the HOME TBA Security Deposit Assistance Program provided funds on behalf of eligible households who could afford monthly rent payments but lacked necessary funds to pay the security deposits required for securing appropriate housing. Assistance helped income-eligible persons living in temporary housing situations or substandard conditions to move into permanent housing. The program was also available to participants of the HOME TBA Monthly Rental Subsidy Program, and both new and existing Section 8 Program participants. The Housing Authority administered the program, and assistance is now make available only to households receiving rental subsidy vouchers through the Housing Authority. The goal of the current program is to allow eligible households to secure or retain decent rental housing appropriate to family size and special needs.

Insulation and Weatherization Program: Using funds administered by the State Department of Community Services and Development, the Department of Energy, Southwest Gas, Southern California Gas Company and Southern California Edison Company, the Community Action Partnership of San Bernardino County (CAPSBC) provides both labor and materials to insulate and weatherize the homes of eligible low-income households throughout the county. Eligible households are those with incomes up to 175% of the federal poverty line; special contracts provide assistance for seniors and permanently disabled persons with incomes up to 200% of the poverty threshold.¹ The program emphasizes attic insulation, water heater blankets, and weatherproofing of windows and doors to reduce the costs of heating and cooling the unit. CAPSBC frequently refers clients to the county Department of Economic and Community Development (ECD) since CAPSBC repair funds are limited, and repair or replacement of doors and windows is often necessary. Based on past performance, the program expects to insulate and/or weatherize 20,000 units over the next five (5) year period.

STRATEGY 3: PRESERVE EXISTING STOCK AND AFFORDABLE UNITS

The retention of the affordable housing stock is an important element in the overall goal of providing housing that meets the needs of existing and future residents. Federal legislation addresses the issue of prepayment of federally-assisted units, and due to current market conditions there is not expected to be much prepayment activity in the plan period.

Another aspect of preservation is maintaining the quality of the existing housing inventory. The Housing Authority addresses the maintenance needs of its stock and the county

1. The poverty thresholds by family size are as follows: 1-person \$7,470; 2-persons \$ 10,030; 3-persons \$12,590; 4-persons \$15,150; 5-persons \$17,710; 6-persons \$20,270; 7-persons \$22,830; and 8-persons \$25,390

supports these activities. In addition, the county implements a variety of rehabilitation programs intended to preserve the overall housing stock condition.

Proposed Accomplishments

CHDO Acquisition/Rehabilitation: The county has consistently allocated more than the minimum 15% set-aside of its HOME funds for use by Community Housing Development Organizations (CHDOs) for the provision of affordable rental housing. The county will continue to encourage and support the efforts of new and existing CHDOs to acquire and/or rehabilitate properties to be made available to the lower income population. These activities include providing affordable housing for homeless families, large families, and appropriate housing for elderly and disabled households, and will ensure the continued preservation of the affordable housing stock.

HOME Program/Rental Property Acquisition and/or Rehabilitation Program: The county currently provides loans to both for-profit and non-profit developers of affordable housing who propose to acquire and/ or rehabilitate existing rental units, which may or may not already be affordable to low- and very low-income families. After acquisition and/or rehabilitation, the HOME funded units must be rented to low- and very low-income families. Assisted acquisition and/or rehabilitation of these properties will ensure this population has available affordable housing and will preserve the housing stock over time. Over the five (5) year plan period, the county plans to rehabilitate approximately 200 multi-family and/or single-family rental units to be rented to income-eligible tenants at affordable rents.

HOME Program/Rental Property Rehabilitation/Refinance Program: This program uses HOME Program funds to refinance affordable, multi-family housing, so long as the primary affordable housing activity to be funded is rehabilitation of affordable, multifamily units. Such rehabilitation is vital to the continued availability of affordable housing, particularly in today's housing market.

CDBG Single-Family Homeowner Rehabilitation Program: The county currently provides loans (some of which are deferred) to low-income owner/occupants to correct deficiencies and bring their residences up to minimum Housing Quality Standards. Over the five (5) year plan period, the county plans to rehabilitate the residences of approximately 125 extremely low-, low- and moderate-income homeowners under this program.

CDBG Senior Repair Program: The county currently provides grants to make repairs to owner/occupied residences of senior and disabled citizens. Over the five (5) year plan period, the county plans to repair the residences of approximately 1,500 extremely low-, low- and moderate-income senior and disabled homeowners under this program.

Programs

CHDO Acquisition/Rehabilitation: The county supplements the minimum 15% set-aside of its HOME funds for use by Community Housing Development Organizations (CHDOs) for the provision of affordable rental housing. CHDOs must have no less than 33% of their

governing board comprised by representatives of the local low-income community. The county's continued support of the efforts of new and existing CHDOs to construct, acquire and/or rehabilitate properties to be made available to the lower income population ensures that affordable housing is available for that community which includes homeless families, large families, and elderly and disabled households.

HOME Program/Rental Property Acquisition and/or Rehabilitation Program: The county currently provides loans for acquisition and/or rehabilitation, which after completion, limits affordable housing and must be rented to low- and very low-income families. Assisted acquisition and/or rehabilitation of these properties ensures the ongoing preservation of affordable housing to this population.

Housing Rehabilitation Program: The County Department of Economic and Community Development (ECD) offers several rehabilitation loan programs such as those funded by CDBG and mentioned above. Additionally, the county has investigated the feasibility of issuing local notes and bonds to fund residential rehabilitation programs, but has determined that Community Development Block Grant funds are sufficient and additional or alternative funding is unnecessary. In 2003-2004, \$415,403 was distributed to eighteen (18) households for rehabilitation loans. Loan programs include the following:

- *Single-Family Rehabilitation Loans:* Community Development Block Grant (CDBG) funds are used to subsidize the current market interest rate on loans made by banks to qualified borrowers for the purpose of repairs, alterations, or modernization of private residences. Interest rate on the loan is 3%. The maximum loan is \$45,000 per unit over a twenty (20) year term. There are two (2) types of single-family loans (based upon available equity in the property):
 - *Formal Assurance Rehabilitation Loan Program:* Eligible households who can afford a monthly rehabilitation loan payment are considered for Formal Assurance. In order to make loans to these households, CDBG funds are loaned directly, rather than simply used to subsidize the interest rate. Participation in the program is reviewed on a case-by-case basis and the maximum loan amount is \$45,000.
 - *Deferred Rehabilitation Loan Program:* Eligible households, who do not qualify for grants and cannot make payments under the loan programs, may be given a five (5) year deferred loan of up to \$45,000 for the purpose of bringing a dwelling up to local code. Work must be primarily to address health and safety issues. However, a maximum of 30% of the loan may be used for general improvements not related to code problems. Loans can be converted to monthly installments at the end of a five (5) year period or extended for additional five (5) year increments at the discretion of the Loan Committee. All of the single-family loans are subject to HUD income guidelines.

Public Housing Resident Initiatives and Improvements: The Housing Authority's first five-year Plan was approved by the Department of Housing and Urban Development (HUD).

The plan is in compliance with the county's Consolidated Plan. The new Housing Authority Consolidated Plan replaces the five-year action plan which outlined changes to improve both the management and the living environment of its residents.

In the last year, the Housing Authority has continued to pursue opportunities to increase the involvement of public housing residents in many phases of management and operations as outlined in their five (5) year plan. The Housing Authority has supported a wide array of resident initiatives and has made significant progress in the areas of economic development and self-sufficiency. The Housing Authority also promotes the inclusion of resident representatives and/or input in many operational decision making processes.

The Authority's five-year plan to encourage resident participation in management and home ownership will continue to involve the encouragement of resident councils, training, active partnerships and the development of a final home ownership program. Continued efforts to organize, train, and empower residents will be aggressively pursued through the welfare-to-work, Economic Development Supportive Services, and Drug Elimination programs. Additionally, resident representatives will be invited to participate in much of the training and encouraged to become actively involved in planning and over-site committees.

The Housing Authority's plan to improve the management and operation of public housing includes the implementation of several changes including system modernizations and staff development.

In order to ensure that public housing benefits only responsible and qualified participants, more thorough screening and resident selection mechanisms are being pursued. Plans to more aggressively make the benefits of public housing known to groups traditionally underserved by the program, e.g. low-income working families, students, and participants in job training programs, are underway.

Planned accounting and property management improvements include utilizing a centralized payment system and ever increasingly, automation to ease the rent collection process. Ongoing staff development and training will be pursued, resulting in a more efficient customer/client service.

The Housing Authority is also committed to improving the maintenance support systems currently in place. Improved material controls, work order and job tracking systems as well as a preventative maintenance program and ongoing employee training will result in better service to residents and superiorly maintained units. In an effort to increase residential security, improved lighting, additional fencing, security doors and windows have been planned for most complexes.

The Housing Authority will pursue an aggressive education program for residents, enabling them to identify, abate or effectively manage any and all lead-based paint hazards that may exist.

Continued emphasis on resident relations programs and the use of available community based social service support programs, is in place. Expansion of the Family Self-Sufficiency program, through which participants receive financial incentives and support services while attempting to become economically self-sufficient, is also in place.

The Housing Authority received a \$500,000 HUD grant, which continues the Authority's efforts to assist welfare recipients to achieve self-sufficiency. The Authority works closely with the county JOBS and Services department to provide placement and retention services.

A low-income Homeownership program utilizing Section 8 vouchers is underway. Partnerships with California Federal Bank and Neighborhood Housing Services make an effective team for this new program.

Apartment and Mobilehome Park Conversion Standards: The county enforces all provisions of State law with respect to apartment and mobilehome park conversions. Because of the abundance of vacant land for new housing developments, interest in conversions has not been significant. Mobilehome Housing Solutions, Inc. has developed a conversion guide for mobilehome park residences. The county Land Use Services Department will continue to monitor the situation to ensure that the rights and interests of tenants and property owners are protected.

Abatement of Nonconforming Uses: The county permits extensions of the abatement schedules for nonconforming residential uses if they are structurally sound and occupied by low-income households. Existing residences, located in official land use districts that do not permit residential land uses, are eligible for time extensions on abatement schedules. Criteria for the extension include the availability of affordable housing within the area, compatibility with nearby land uses, and other factors.

Occupancy Inspection: The Department of Public Health, Division of Environmental Health Services (DEHS) inspects permitted rental units in the unincorporated areas of the county on an ongoing basis. The purpose of the occupancy inspections is to ensure that rental housing meets the minimum standards set by the Uniform Housing Code. The inspections focus on health and safety hazards. DEHS inspects units in response to complaints and performs annual routine inspections on permitted rental units and mobilehome park units. The Department increases public awareness and use of this service by providing notices and information on its inspection program through a health education program, events, fairs, neighborhood organizations and in local newspapers. DEHS indicates that approximately 80% of all inspections are resolved through correspondence with the property owner and 20% require enforcement actions.

Rental Depreciation Tax Credit: Property owners who do not maintain their rental units in a decent, safe and sanitary condition can be denied State rental depreciation tax deductions. The county DEHS can file a request with the State Board of Equalization in cases where notification to the property owner has not accomplished repairs.

SPECIAL NEEDS HOUSING PLAN

PRIORITIES FOR HOUSING ASSISTANCE

The county considered the following factors in developing priorities for the Affordable Housing Plan:

- the number of special needs households that were cost-burdened and severely cost-burdened.
- the cost of providing affordable rental and home ownership opportunities for special needs groups.

Based on these factors, priorities for developing programs and allocating assistance were formulated. The top priority in allocating funding to provide for special housing needs assistance is housing that accommodates lower income, special needs groups. The Housing Needs Assessment pointed out the close relationship between housing affordability and the needs of elderly, large households and disabled persons. Special needs households often have limited, or fixed incomes and consequently are severely affected by rising housing costs. In addition, disabled and elderly households often have special space and locational requirements that may not otherwise be addressed without proactive support and involvement by the county.

HOME and CDBG funding of special needs housing is distributed on a first-come-first-served basis. Geographical distribution of funding is achieved through marketing and advertising of program information throughout the county. The county, through ECD, targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve various subpopulations.

HUD Table 2 – Special Housing Priorities/Non-Homeless, a HUD requirement, identifies special housing needs. The estimated number of units and dollars required represents a five (5) year projection. The categories listed are prescribed by HUD and may not reflect all of the county's needs.

**Table 1B
Special Needs (Non-Homeless) Populations**

SPECIAL NEEDS SUBPOPULATIONS	Priority Need Level High, Medium, Low, No Such Need	Unmet Need	Dollars to Address Unmet Need	Goals
Elderly	Medium	3,000	\$5,000,000	700
Frail Elderly	High	500	\$2,500,000	300
Severe Mental Illness	High	500	\$2,500,000	200
Developmentally Disabled	High	500	\$2,500,000	200
Physically Disabled	Medium	500	\$2,500,000	200
Persons w/ Alcohol/Other Drug Addictions	Medium	1,000	\$5,000,000	100
Persons w/HIV/AIDS	High	100	\$250,000	100
Other	Low	0	\$0	0
TOTAL			\$20,250,000	1,900

STRATEGIES AND ACTIONS

In the County of San Bernardino there exists an overlap between housing affordability and the housing requirements of special needs groups. The strategies and programs identified in the Affordable Housing Plan also apply to households with special housing requirements.

STRATEGY 1: FACILITATE DEVELOPMENT/REHABILITATION OF SPECIAL NEEDS HOUSING

Programs

Repair Service Program: This program is available only to senior citizens or disabled homeowners/occupants. Community Development Block Grant (CDBG) funds are used to assist eligible households with materials and labor in repairing their units. The primary emphasis of the program is to correct hazardous conditions and code violations. If sufficient funds remain after the initial code improvements, aesthetic improvements such as painting may be undertaken. The maximum grant amount, including materials and labor administration, is \$5,000. Households earning up to 80% of the HUD median income, adjusted for family size, qualify for this program. During the 2003-2004 fiscal year, \$836,043 was distributed to provide this repair assistance to 340 households.

Section 8 Aftercare Rental Assistance: This program is a "special purpose" Section 8 program operated by the Housing Authority. It provides ongoing monthly rent subsidies to persons selected from the Section 8 Aftercare waiting list. Eligible recipients are at or below 50% of the median income level, are physically disabled and receive support services from a state authorized agency.

Family Unification Program: The purpose of this program is to promote family unification by providing housing assistance to families for whom the lack of adequate housing is a primary factor in the separation, or imminent separation of children from their families. The Housing Authority integrates the Housing Choice Voucher program with the County of San Bernardino Department of Children's Services to provide a service that will allow children to make an early return or continued placement in the home.

Mainstream Program: This program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing on the private market. Mainstream applicants are taken from the Aftercare waiting list and offered a Housing Choice Voucher as allocations become available. Participants must be participating in programs of rehabilitation and/or support services within the community.

Welfare-to-Work Program: The Housing Authority in conjunction with Jobs and Employment Services Department (JESD) and the Transitional Assistance Department (TAD) are promoting a Welfare-to-Work program. Applicants must meet criteria set by all three agencies and are issued a Housing Choice Voucher. Participants must agree to join the FSS program and be a part of the Welfare-to-Work program. Individuals are expected to further their education and training to improve their marketable job skills and leave the welfare system.

Priority in Multi-family Rehabilitation for Barrier-Free Housing: Multi-family developments containing 10% or more units which are designed to be accessible to the disabled are given first priority when evaluating applications for low-interest rehabilitation loans. This program addresses State law requirements that a portion of all new units and major rehabilitation projects be modified or be capable of modification for habitation by disabled persons.

STRATEGY 2: AFFIRMATIVELY FURTHER FAIR HOUSING TO ENSURE EQUAL ACCESS TO HOUSING FOR SPECIAL NEEDS GROUPS

Special needs groups may experience discrimination in seeking out rental or home ownership units. This strategy contains programs to ensure that fair housing laws are enforced regarding county programs within the areas covered by this Consolidated Plan.

Programs

Since the start of the CDBG program, the County of San Bernardino has used its CDBG funds to support various local agencies providing fair housing and landlord/tenant mediation services. Beginning with the 1997 Consolidated Plan, the county's support of fair housing and landlord/tenant mediation services was changed to reflect the county's reduced CDBG

program service area as qualified by HUD, for 2003-04 through 2005-06.² Funding to support fair housing services will continue to be approximately 1% of the county's CDBG allocation. Provided fair housing services will address the effects of any impediments identified in the county's "Study of Impediments to Fair Housing". These services will be made available in the unincorporated communities and the fourteen participating cities: Adelanto, Barstow, Big Bear Lake, Chino Hills, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Redlands, Twentynine Palms, Yucaipa and Yucca Valley. The general activities considered in support of fair housing are described below under the "Fair Housing" subheading. Services to support landlord/tenant counseling and dispute-resolution will be provided on an individual basis and in response to inquiries or formal complaints. Funding for landlord/tenant services will be approximately 0.5% of the county's allocation. The general activities to be provided are described below under the "Landlord/Tenant Mediation" subheading.

Fair Housing: The objectives of the fair housing program will be to:

- Provide a summary of actions taken during the past year to overcome or eliminate impediments to fair housing identified in the Analysis of Impediments Study (AI) and perform an analysis of the impacts of these actions.
- Assist housing industry groups in the county with education and dissemination of information concerning fair housing.
- Provide individuals with fair housing education, counseling and outreach pertaining to homeownership.
- Work with housing industry groups and other associated professionals to establish business practices that ensure an individual's rights to fair housing opportunities.
- Provide a comprehensive fair housing program of education, outreach and mediation to affirmatively further fair housing.
- Promote fair housing partnerships in the community to help create a better understanding of the rights and responsibilities of renters, rental property owners, property management companies, and real estate buyers and sellers under fair housing laws.
- Coordinate with and encourage lending institutions and realtors to improve outreach to the minority community to achieve homeownership.

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In 1975, the County's CDBG program served the whole County except for the cities of San Bernardino and Ontario. However, when a city reaches a population of 50,000, it may leave the County's program and receive CDBG funding directly from HUD. Eleven cities now have their own CDBG program and the County's CDBG program covers only 36% of the County population. As a condition for receiving these funds, each of the eleven cities must use a portion of their CDBG grant to support Fair Housing within their city.

- Conduct periodic testing/audits for rental properties and lending/sale audits for home purchases.
- Work with participating jurisdictions to develop and distribute public education and information materials on tolerance, focusing on sexual orientation, race/ethnic relations and religion.

Landlord/Tenant Mediation: The objectives of the landlord/tenant mediation program will be to:

- Provide landlord/tenant counseling and education on existing laws and regulations.
- Assist people in resolving questions and avoiding disputes over evictions, deposit returns, substandard conditions and other renter/rental property owner matters.
- Provide trained mediators to discuss with both renters and rental property owners their individual rights and respective responsibilities in all aspects of housing.
- Resolve problems through the process of education and negotiation.
- Provide printed resources to renters and rental property owners regarding basic fair housing regulations as a preventative measure.

STRATEGY 3: GOALS AND ACTIONS TO OVERCOME THE EFFECTS OF IDENTIFIED IMPEDIMENTS

Special needs groups may experience any or all of the identified impediments to fair housing choice. This strategy contains goals and specific actions that assist in overcoming these effects. As stated above, these actions pertain to county programs within the areas covered by this Consolidated Plan.

Elimination of Discriminatory Lending Practices: This goal of providing lender opportunities for provisions of housing for all levels, regardless of race, religion, sex, or income group, shall be furthered through these actions:

- Increase outreach by the County of San Bernardino, Department of Economic and Community Development, (ECD) to lenders who could participate in the county's Homeownership Program.
- The county, through its consultant, Inland Fair Housing and Mediation Board (IFHMB), shall monitor the Home Mortgage Disclosure Act (HMDA) report for local lenders to ensure that discrimination concerning mortgage and home improvement loans is not

occurring. If there is evidence that loan applicants are being discriminated against, the county will contact lender(s), inform them of its finding, and review their community outreach and application processes.

- Work with lending institutions, local associations of realtors and fair housing providers to provide outreach to inform low- and moderate-income households of special local, state, and federal homebuyer assistance programs.
- The county and IFHMB will conduct an annual survey of area lenders to assess their lending practices with respect to Fair Housing requirements and the Home Mortgage Disclosure Act.
- The county and IFHMB will also provide Fair Housing technical assistance to lenders regarding fair housing law and requirements of the Home Mortgage Disclosure Act.
- Increase outreach efforts in Black and Hispanic neighborhoods in order to improve loan origination/approval rates and increase awareness and education about homeownership opportunities.

Expansion of Housing Availability and Patterns of Occupancy: In order to provide rental housing opportunities for all economic levels regardless of race, religion, sex, income group, familial status or disability, the county shall:

- Continue to implement the county's fair housing programs including outreach, education and enforcement.
- Where appropriate, conduct fair housing testing to investigate reported housing discrimination.
- Conduct fair housing law workshops for county staff to update information regarding current laws and to review county policies in light of these regulations.
- Provide technical assistance and education to the Apartment/Rental Owners Association, the Certified Apartment Managers and Board of Realtors regarding fair housing law.
- Offer fair housing educational courses as credit for license renewal.

Expansion of Public Policy and Programs: The goal of encouraging fair housing practices through local public policies and citizen participation shall be furthered through these actions:

- The provision of workshops and technical assistance to cooperating cities regarding fair housing law and local policies.
- The creation of a Fair Housing and Equal Opportunity Committee which would provide ongoing input into county fair housing policies and create communication links with the private real estate industry.
- Provide sensitivity training to staff that interfaces with the public to ensure that staff understand fair housing laws and are sensitive to proper language and behavior when dealing with groups with special needs.
- When updating the Housing Element as required by State law, realistically assess the residential sites inventory in accommodating the Regional Housing Needs Allocation (RHNA). As necessary and appropriate, consider land use policies and housing programs that would help achieve the RHNA.
- Include policies and programs specific to fair housing goals and objectives in the Housing Element.
- Establish as a prerequisite for any recipient receiving locally administered housing assistance funds (e.g., first-time homebuyer, new construction, rental rehabilitation assistance) acknowledge their understanding of fair housing laws and affirm their commitment to the laws.
- Encourage the development of affordable housing through: 1) development fee waivers/reductions; 2) streamlined permit processing; 3) flexibility in applying design and development standards; 4) achievable density bonuses; 5) other general plan, administrative, and zoning efforts; or 6) public-private partnerships with developers of affordable housing.
- Continue to form partnerships with non-profit housing developers to develop affordable housing. Development of affordable housing by nonprofit organizations also ensures the long-term affordability of such housing.
- Expand the variety of housing types and sizes. Persons with disabilities and senior households can benefit from an expanded range of housing options. To allow seniors to age in place, small one-story homes, townhomes or condominiums, or senior rentals may be needed.
- Review zoning ordinances and permit processing to ensure that they are not inhibiting the development of housing for persons with disabilities. Conduct analysis of constraints to housing for persons with disabilities pursuant to State housing element law (SB 520).

- Adopt formal Reasonable Accommodations policies and procedures.
- Promote universal design principles in new housing developments.

Increased Outreach and Education: The provision of education on fair housing laws and on the rights and responsibilities of housing providers and consumers, and the encouragement for increased local fair housing policies and ordinances shall use the following actions for accomplishing this goal:

- Provide information to the public concerning the county’s affordable housing programs.
- Conduct public workshops to inform participants of fair housing laws and other financial opportunities offered through local funding.
- Request publishing of fair housing articles in local county newspapers to reach residents.
- Provide regular periodic informational radio programs in Spanish.
- Provide information through feature articles and create paid advertisements in local newspapers.
- Utilize radio announcements and cable television for public service spots.

ANTI-POVERTY STRATEGY

The Community Action Partnership of San Bernardino County (CAPSBC) formerly the county’s Community Services Department is the designated Community Action Agency established in 1965 as a result of the Economic Opportunity Act of 1964. CAPSBC responds to the needs of the low-income elderly, homeless and disadvantaged populations throughout seventy-eight (78) of the County of San Bernardino cities and communities. CAPSBC is the primary agency responsible for administering the county's anti-poverty programs for the referenced populations. Other county agencies involved in providing additional anti-poverty program assistance include the Departments of Public Social Service, Aging and Adult Services, Jobs and Employment Services, Preschool Services, and Economic and Community Development.

CAPSBC 's anti-poverty strategy is to develop and implement programs, which address the priority needs of low-income residents of the county. These priority needs are employment, income management, housing, emergency services, nutrition and family self-sufficiency. The goals and strategies to address these needs are summarized below:

EMPLOYMENT GOALS: Provide significant work experience and on-the-job training for low-income youth entering the job market.

Strategy: Provide on-the-job training through the JTPA (Job Training Partnership Act) and the SBETA (San Bernardino Employment Training Act) for low-income summer youth participants to gain marketable skills. Serve as work site for SYEP and CALWORKS participants.

INCOME MANAGEMENT GOALS: Improve the income management habits of low-income households in order to reduce the overall energy consumption rate of such households.

Strategy: Provide household financial counseling and energy conservation/weatherization assistance through the Energy Weatherization program.

HOUSING GOALS: Provide a combination of short-term and long-term solutions to assist clients with housing problems. The short-term solutions will involve emergency rental assistance and vouchers for overnight assistance through funded community organizations. The long-term solutions will focus on case management and providing greater collaboration among social service organizations that provide housing assistance.

Strategy: Provide emergency assistance to low-income eligible households residing in the unincorporated areas of the county and rent subsidies to eligible low-income mobilehome clients. HOME funds will provide security and utility deposits to assist clients in obtaining housing.

EMERGENCY SERVICE GOALS: Provide a means of intervention for low-income clients experiencing emergency crisis problems with basic survival needs.

Strategy: Provide a multitude of short-term emergency assistance services to low-income families including temporary emergency shelter, emergency crisis assistance to prevent utility services shutoff, gas and food vouchers, and limited medical assistance.

NUTRITION GOALS: Provide a congregate delivery system to distribute food commodities, operate nutrition sites, and mobilize food donations through various resources to reduce hunger among the low-income, aging and homeless populations.

Strategy: Operate a Food Bank that will distribute USDA commodities and salvaged foods to low-income persons throughout the county. In addition, operate a Senior Nutrition Program to plan, prepare, serve and deliver hot nutritious meals through fourteen (14) congregate dining facilities and the homebound meal delivery (Meals on Wheels) program.

FAMILY SELF-SUFFICIENCY GOALS: Provide a comprehensive case management program, using a holistic approach, designed to assist low-income, near homeless and homeless families achieve self-sufficiency.

Strategy: Community Services Department's family self-sufficiency program, Sure Steps, will identify thirty (30) homeless families willing to take a risk and

accomplish specific objectives over a realistic period of time. CAPSBC will provide these families with a wide range of services geared toward self-sufficiency. These include emergency shelter, help in applying for TANF, food stamps, SSI, and other forms of financial aid, assistance in finding and participating in counseling, budgeting and parenting skills, family support group meetings, educational and job training, and assistance in identifying permanent housing.

Through implementation of the policies and programs set forth in the Affordable Housing Plan component of this Consolidated Plan, ECD will provide many extremely low-income persons and families with short- and long-term solutions to their housing problems, thereby augmenting CAPSBC's anti-poverty housing strategy. By delegating responsibility for implementing the HOME funded tenant based rental assistance and security/utility deposit assistance programs to the Housing Authority and to CAPSBC respectively, ECD can assure optimum coordination with other programs and services affecting CAPSBC target population. Although ECD's programs for producing and preserving affordable housing will not reduce the number of poverty level families, they will assist in reducing the financial burden confronting many such families.

STRATEGY FOR REDUCTION OF LEAD-BASED PAINT HAZARDS

Although the Lead Hazard Paint Reduction Act (Title X) was passed in 1992, amending the Lead Based Paint Poisoning Prevention Act of 1971, the emphasis for prevention has for many years, been on informing the public of the dangers prevalent in homes built prior to 1978. On September 15, 1999, the Department of Housing and Urban Development (HUD) published new regulations. Most of the requirements took effect on September 15, 2000.

Strategy for the prevention of Lead-Based Paint Poisoning has recently changed from the previous stringent methods of abatement, to a new focus on Lead-Based Paint Hazard Reduction. The new requirements have recently been published, and housing professionals are in the process of learning the new requirements and establishing strategies for the prevention of elevated blood levels that are found among children under six (6) years of age that have been exposed to lead-based paint.

Housing programs that are funded with CDBG and HOME dollars, will be obligated to creatively continue the necessary housing programs, while including lead hazard reduction as part of their programs, without sacrificing the necessary process of upgrading the nations housing stock. A task force has been formed to determine and implement the most comprehensive methods to solve the problem.

For CDBG Housing Preservation, the Community Action Partnership (CAPSBC) provides the lead based paint testing, risk assessments and clearances of work sites. CAPSBC work is paid by the CDBG program. All work on lead based paint surfaces will be done using "safe work practices". Required notices will be given to the unit residents.

Properties built prior to 1978, which are purchased or rehabilitated using HOME funds, must be in compliance with HUD's lead base paint regulations. A visual assessment is conducted to insure there is no evidence of deteriorated paint at the property. If deteriorated paint is evident, it may be necessary to have the paint tested by a certified inspector. In the event lead base paint is present, certain procedures using "safe work practices" are implemented to ensure that the unit is safe for occupancy and free of any lead based paint contamination. A clearance of the property may be necessary to ensure that the property is safe for occupancy. All required notifications are provided to the unit residents.

NON-HOUSING COMMUNITY DEVELOPMENT PLAN

The Non-housing Community Development Plan presents the county's strategy for addressing priority non-housing needs through its CDBG program. The Plan describes the methods for determining the general priorities for allocating funds geographically and among priority needs, discusses the obstacles to meeting under-served needs and states the county's long-term and short-term objectives together with proposed accomplishments for each category of priority needs.

FUNDING ALLOCATION PRIORITIES

DISTRIBUTION GEOGRAPHICALLY

Approximately 37% of the county's CDBG entitlement is set aside for activities that serve the entire County Consortium area. Such activities include fair housing, landlord/tenant mediation, housing preservation activities, program development, citizen participation and grant administration. The county distributes the balance of its entitlement to participating cities and unincorporated areas based upon the HUD CDBG formula A. The key elements of the formula are population, the extent of poverty and the extent of housing overcrowding. For the purposes of this Plan, 2003 U.S. Census population estimates and 2000 Census data for poverty and overcrowded housing for the county were incorporated in the formula. The City of Redlands as a joint CDBG applicant, receives 60% of the HUD identified entitlement for projects in the city.

The formula is first used to calculate the respective shares of the remaining balance to be available for allocation to the thirteen (13) other cooperating cities and to the unincorporated areas. Subsequently, each cooperating city's formula share is calculated by applying the average of the ratios between:

- (a) the population of that city and the total population of all cooperating cities;
- (b) the extent of poverty in that city and the extent of poverty in all the cooperating cities (poverty ratio counted twice in formula); and,
- (c) the extent of housing overcrowding in that city and the extent of housing overcrowding in all cooperating cities, to the total amount of funds available for allocation to cooperating cities.

In similar fashion, the formula share of the funds available for unincorporated areas is calculated for each of the five (5) Supervisorial Districts.

DISTRIBUTION AMONG PRIORITY NEEDS

ECD prepares the activity funding recommendation subsequent to calculating the CDBG allocation for the unincorporated areas within the five (5) Supervisorial Districts. These recommendations are based on the following policies:

- Which have been funded and approved in past program years but are in need of additional funding because of bid and construction overruns, higher cost estimates, change in scope of project, the community benefit to extend a service, or other reasons beyond the general control of the implementing department or agency;
- Which leverage private investment or sweat-equity;
- Which contribute to long-term benefit or capacity, such as capital improvements and infrastructure development;
- Which have a particular community or public urgency.

The general priorities for allocating funds among priority needs within each participating city are determined by that city. Subsequent to being notified of its formula share allocation of CDBG funds and being provided with copies of all eligible project proposals identifying a benefit to the city, each participating city is requested to prioritize projects for funding, subject to limiting public service allocations to 15% of the City's allocation. At public hearings held for that purpose, city councils representing each participating city make recommendations regarding the use of funds and the allocation of funds among priority needs within their jurisdictions. These recommendations are then forwarded to the county for consideration.

Based on a review of needs assessment information and the recommendations of participating cities, along with consultation with Supervisorial field staffs and the staff of ECD, the Board of Supervisors, at its discretion, makes the final decisions regarding priority needs and the allocation of CDBG funds among such needs.

HUD Table 2 – Non-housing Community Development Priorities, a HUD requirement, identifies economic and community development needs. The estimated number of units and dollars required represents a five (5) year projection, based on project proposals received for the 2005-06 through 2009-10 Action Plans. The categories listed are prescribed by HUD and may not reflect all of the county's needs. Further, each "Need Level" identified in Table 2, represents a priority based on the availability of Community Development Block Grant (CDBG) finding assistance. It does not reflect the general priority of need for each category. The categories identified as having a need level other than "High" may still be a high priority for the county. In these instances, other funding sources should be available to address the county's needs. Many of the other sources of funds are referenced in the following strategies and in the Resource section of the Plan Implementation component of this Consolidated Plan. The Table 2, estimates for the

Economic Development subcategories “CI Infrastructure Development” and “Other Commercial/Industrial Improvements” are in part based on new technology and transportation needs, and not potential CDBG funding assistance. In most instances, these projects are high priority and will require substantial funding assistance from federal, state and private sources.

**Table 2B
Community Development Needs**

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	Unmet Priority Need	Dollars to Address Unmet Priority Need	Goals
PUBLIC FACILITY NEEDS (projects)				
Senior Centers	High	30	\$1,500,000	10
Handicapped Centers	High	5	\$500,000	3
Homeless Facilities	Medium	5	\$500,000	5
Youth Centers	Medium	15	\$1,000,000	10
Child Care Centers	Medium	10	\$500,000	2
Health Facilities	Medium	10	\$1,000,000	3
Neighborhood Facilities	High	65	\$4,600,000	75
Parks and/or Recreation Facilities	High	100	\$10,300,000	60
Parking Facilities	High	20	\$1,000,000	5
Non-Residential Historic Preservation	Medium	20	\$1,600,000	10
Other Public Facility Needs	High	190	\$13,990,000	40
INFRASTRUCTURE (projects)				
Water/Sewer Improvements	High	5	\$500,000	3
Street Improvements	High	70	\$16,500,000	55
Sidewalks	High	60	\$4,650,000	30
Solid Waste Disposal Improvements	Medium	5	\$50,000	2
Flood Drain Improvements	High	15	\$5,300,000	5
Other Infrastructure Needs	High	30	\$1,300,000	3

**Table 2B
Community Development Needs
(Continued)**

PUBLIC SERVICE NEEDS (people)				
Senior Services	High	150	\$3,700,000	120
Handicapped Services	High	15	\$500,000	5
Youth Services	High	200	\$5,000,000	140
Child Care Services	Medium	25	\$1,500,000	15
Transportation Services	Medium	15	\$400,000	10
Substance Abuse Services	Medium	15	\$650,000	10
Employment Training	High	25	\$750,000	15
Health Services	High	30	\$1,500,000	90
Lead Hazard Screening	Medium	15	\$25,000	5
Crime Awareness	High	30	\$533,525	20
Other Public Service Needs	High	245	\$6,700,000	21
ECONOMIC DEVELOPMENT				
ED Assistance to For-Profits(businesses)	High	10	\$5,000,000	10
ED Technical Assistance(businesses)	Medium	100	\$500,000	15
Micro-Enterprise Assistance(businesses)	High	10	\$450,000	5
Rehab; Publicly- or Privately-Owned Commercial/Industrial (projects)	Low	5	\$500,000	0
C/I* Infrastructure Development (projects)	Low	5	\$5,000,000	0
Other C/I* Improvements(projects)	Low	5	\$5,000,000	0
PLANNING				
Planning	High	5	\$750,000	5
TOTAL ESTIMATED DOLLARS NEEDED:			\$103,248,525	

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STRATEGIES AND ACTIONS

STRATEGY 1: PUBLIC FACILITIES

Long-Term Objective

Improve the health and welfare of target neighborhoods and augment the availability of needed local services to low- and moderate-income persons. Accomplish this through provisions for quality public facilities, which are responsive to the unique character and differing needs of individual neighborhoods and the social service requirements of the low- and moderate-income residents therein.

Short-Term Objective

Provide funding for the acquisition, construction, reconstruction or installation (including design services with respect to such construction, reconstruction or installation) of eligible public facilities in response to the specific priority facility needs of varying communities. These may include senior centers, youth centers, neighborhood facilities, childcare centers, parks and/or recreation facilities, health facilities and parking facilities.

Proposed Accomplishments

During the next one (1) to five (5) years, the county hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated county areas. Some

of these are ongoing projects which were initiated during the prior five-year Consolidated Plan.

Senior Center Improvements: Construct, a senior citizen center, facility expansion projects, a courtyard enclosure project, and installation of emergency generators. Construction of senior center and nutrition site rehabilitation projects including air conditioning, kitchen upgrades, automatic entry door installation, building interior/exterior reconstruction, flooring replacement, handicapped accessibility improvements parking lot, curb, gutter, sidewalk, awnings, landscaping and re-roofing improvements. Construction of senior daycare center facility improvements.

Community Center Improvements: Construct neighborhood facility projects including literacy room, picnic shelters, snack bar and tables, parking lots, building additions, interior remodeling improvements, rehabilitate a social care facility, a community center, and install kitchen and flooring improvements. Also, perform installation of emergency generators, smoke detectors, replacement doors, heating and air conditioning equipment at various neighborhood facilities. Re-roof a health care center, and a community center. Construct theatre renovation improvements, health care center improvements, social service facility improvements, library improvements and museum expansion and flooring improvements. Construct a retaining wall and fencing at a hospice facility.

Child Care Center Improvements: Construct child care facility projects including installation of modular buildings, and building rehabilitation, re-roofing and classroom expansion improvements. Purchase and installation of playground equipment and a shade cover.

Youth Center Improvements: Construct youth center projects including facility expansion, restroom and kitchen rehabilitation improvements, computer education lab room improvements, heating and cooling system installation, purchase and installation of maintenance/energy tracking system, roof repair, door replacement and fire safety sprinklers. Purchase and installation of swimming pool safety equipment. Assist with the acquisition of property for a youth center and expansion of a youth center. Purchase modular units for after school programs.

Park and Recreation Facility Improvements: Construct park and recreation projects including ADA compliant restroom improvements, snack bars and playground improvements. Installation of, playground equipment, ADA compliant surfacing and sidewalks, sprinkler systems and golf course landscaping. Construct restroom and kitchen facilities rehabilitation, resurface play fields; gym floors, and rehabilitate swimming pools. Perform construction of, skate parks, skateboard parks, BMX parks, parking lots, picnic and shade shelters, restrooms, youth sports facilities playground. Purchase and install playground equipment; backstops, fencing, athletic field and pool lighting, electronic information sign, dugouts and bleachers.

Fire Station Improvements: Construct fire station rehabilitation projects, fire station addition projects, fencing and retaining wall. Purchase and install an automatic gate

opener, and security cameras. Purchase radios, defibrillators, fire-fighting equipment, above ground fuel tank, and fire trucks.

Handicapped Center Improvements: Construct kitchen improvements, and parking lot improvements to facilities that provide services to severely disabled adults. Perform installation of a modular building.

Homeless Shelter Improvements: Construct transitional housing facilities for homeless women, homeless shelter kitchen and building improvements, including shower and restroom improvements.

Domestic Violence Shelter Improvements: Construct domestic-violence-shelter rehabilitation improvements, and purchase and installation of carpeting and tile.

STRATEGY 2: INFRASTRUCTURE IMPROVEMENTS

Long-Term Objective

Improve the safety and livability of target neighborhoods and provide economic development growth incentives by upgrading, replacing or developing necessary infrastructure systems in response to the priority needs of individual communities and the requirements of economic development programs.

Short-Term Objective

Stimulate private investment and neighborhood revitalization by providing funds to construct eligible public infrastructure improvements in response to the priority infrastructure needs of varying communities which may include solid waste disposal sites, flood drain and water improvements, streets, sidewalks and sewer improvements.

Proposed Accomplishments

During the next one (1) to five (5) years, the county hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated county areas. Some of these are ongoing projects which were initiated during the prior five-year Consolidated Plan.

Street Improvements: Construct new streets, reconstruct roads and widen existing highways to support new shopping center; construct alley improvements; install street name signs, pave dirt roads and install energy efficient street lighting.

Sidewalk Improvements: Construct curb, gutter and sidewalk projects including construction of missing segments and removal of trees for sidewalk reconstruction, construct wheelchair ramps business façade improvements and bus shelters.

Flood Drain Improvements: Construct storm drain, channel and catch basin improvement projects.

Water System Improvements: Construct water main extension improvements, install emergency generator for water well pumps, conduct water/sewer system design studies.

STRATEGY 3: PUBLIC SERVICES

Long-Term Objective

Develop a diverse network of needed services directed toward enhancing the health, safety and overall well-being of low- and moderate-income persons and persons with special needs, through provisions for creating, improving and expanding quality public and private human service programs.

Short-Term Objective

Improve and augment the county's extensive and diverse range of human services in response to the priority health and social services needs of low- and moderate-income persons and persons with special needs. Accomplish this by funding public services which may include senior, handicapped and youth services, transportation services, substance abuse services, employment training, crime awareness, fair housing counseling, tenant/landlord counseling, child care and health services and other eligible services as needed. CDBG funding will not be used to supplant other funds that are categorically targeted to the public services listed. The county will use the CDBG funds to expand the services where possible to the county-identified desired level.

Proposed Accomplishments

During the next one (1) to five (5) years, the County hopes to augment and enhance the human service delivery system by assisting the following public services to benefit residents of cooperating cities and unincorporated areas:

Senior Citizen Services: Provide "Meals on Wheels" nutrition services, senior social services, in-home assistance to senior citizens, home repair services for senior citizens, health and therapy services, congregate and home-delivered meal services, life enrichment education, senior visitation and referral services, telephone "warmline" service, transportation services for senior citizens, weed abatement services for senior home owners, geriatric care management services for family caregivers, health and day care services, CPR training and defibrillator assistance, and computer education services for senior citizens.

Youth Services: Provide youth gang prevention/intervention services; guidance and character building services; recreation, counseling and motivational services; Summer swimming, sports, and after school activities; music and art education activities; self-

esteem and youth leadership education; job training programs: health and fitness programs, outdoor camping experiences; self-reliance education programs; youth mentoring skill training and character development services; youth emancipation program, resource distribution services for at-risk children; advocacy services for abused and neglected children; anti-gang outreach and education services; crossing guard services, and cultural and historical education services.

Disabled Persons Services: Provide transportation services for medical and social services and for students with disabilities to receive vocational training. Provide interpreter assistance for deaf persons, therapeutic horseback riding services, therapeutic kayaking, water sports, off road and wheelchair recreation services.

Social Services: Provide legal immigration counseling and assistance services; legal aid services to low income and elderly persons; legal immigration and naturalization counseling services, transportation services for expectant mothers to medical health and well baby services; substance abuse counseling and treatment services; substance abuse prevention education services; pregnancy counseling services, domestic violence shelter services; supportive services for tenants in HOME Program funded housing; employment information, education and vocational services; child care services including tuition assistance; after-school child care services; employment training child care services; homelessness prevention case management assistance; mental health counseling services, social service information and referral services; homeless and transitional housing services; meal programs for homeless persons; health clinic services, emergency food, clothing and housing relief services; family emergency/disaster recovery services; tattoo removal services; hospice services for terminal patients and their families; advocacy services to abused and neglected children; emergency counseling and assistance services; Alzheimer's Disease support and education services; library services; temporary lodging for families with ill or injured children; and, fair housing counseling and tenant/landlord mediation and referral services.

Crime Awareness and Prevention Services: Provide vehicles for citizen-patrol community-safety services, sexual assault crisis prevention/intervention and counseling, teen violence prevention services, graffiti abatement, community clean-up and juvenile diversion services.

Education, Training and Referral Services: Provide literacy education services, computer literacy training, life skills training, and employment training and placement services, bilingual disaster preparedness education and Native American Indian cultural education. Additionally, provide home ownership counseling services.

STRATEGY 4: ACCESSIBILITY

Long-Term Objective

Assist governmental entities in complying with the Americans With Disabilities Act (ADA) through provisions for identifying and eliminating barriers which restrict the mobility and accessibility of elderly and handicapped persons.

Short-Term Objective

Provide funding of special projects directed to the removal of material and architectural barriers within governmental facilities.

Proposed Accomplishments

During the next one (1) to five (5) years, the County hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated areas:

Removal of Architectural Barriers: Replace playground equipment to comply with Americans with Disabilities Act (ADA) requirements; install ADA-compliant playground equipment; construct ADA compliant restroom and entrance improvements at a city hall, at various public facilities including an emergency operations center, senior centers, and at county branch libraries; and, rehabilitate park restrooms and paths to allow ADA-compliant accessibility.

STRATEGY 5: HISTORIC PRESERVATION

Long-Term Objective

Encourage and support the restoration and preservation of sites and structures that have historical significance when such restoration/preservation activities comply with the CDBG program national objectives.

Short-Term Objective

Provide for the funding of special projects directed toward the rehabilitation, preservation and restoration of historic properties.

Proposed Accomplishments

During the next one (1) to five (5) years, the County hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated areas:

Building Preservation: Perform feasibility/design studies for restoring historical buildings. Relocate and/or rehabilitate historic buildings, re-roof an historic building.

STRATEGY 6: ECONOMIC DEVELOPMENT

Long-Term Objective

Promote the long term economic viability and stability of communities throughout the County Consortium by identifying emerging trends. Expand employment opportunities for low- and moderate-income persons through various means, including the identification of a viable economic base of businesses. Promote cooperation between various public and private entities involved in economic development. Offer incentives for maintaining, diversifying and expanding the economic base of the county. Continue programs that help in the retention and expansion of existing businesses and in the recruitment of new businesses. Develop a network of needed services to enhance the standard of living for low- and moderate-income persons by creating and expanding job training programs to better meet the demands of businesses in need of high-tech and highly skilled/knowledgeable persons.

Short-Term Objective

Provide financial incentives to attract businesses and enhance the quality of life and the available labor force in the county. Provide technical assistance to cooperating jurisdictions and unincorporated communities to allow the creation and maintenance of working partnerships between local lenders and communities. Provide financing for business expansion through various financing programs in conjunction with other funding institutions. Leverage increased private capital and credit for investment in business expansion to create jobs for low- and moderate-income persons.

Proposed Accomplishments

Over the next one (1) to five (5) years, the County hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated areas:

Business Expansion Loans: Provision of approximately \$3,500,000 in business expansion loans, leveraging approximately \$21,000,000 in private financing and equity investment, directed toward creating or retaining 300 jobs through the expansion and/or creation of businesses. As a result, at least One Hundred-Fifty (150) jobs for low- and moderate-income persons will be created or retained.

Small Business Enhancement Loan Program: Provision of approximately \$1,250,000 in financing to small businesses leveraging approximately \$1,562,000 in private financing and equity investment for creation or retention of jobs through the stabilization, expansion or creation of business and industry. The program may provide \$5,000 to \$50,000 in financing to a small business (having annual sales of less than \$1,000,000).

Micro-Enterprise Loan Program: Utilize approximately \$150,000 of CDBG funds for business loans to Micro Enterprises. A micro-enterprise is commonly referred to as a for-profit entity having five (5) or fewer employees, one (1) or more of whom owns the business and is directly involved in the provision of goods or services that are offered by the business. The business must request County assistance of \$25,000 or less for the project.

Technical Assistance: Provide technical assistance, on as-needed basis, to businesses located in the County for capacity building and job creation purposes. Services are provided through contracting with local business assistance agencies that provide services throughout the County.

Economic Development Initiative (EDI): In the County's prior (2000-2005) Consolidated Plan, the following actions were anticipated: Utilize approximately \$475,000 of EDI funds as a reserve for unanticipated expenses in funding the Section 108 Loan Guarantee program. The County will continue to combine the EDI funds with \$1,360,000 in HUD Section 108 funds to implement a Countywide business financing program. The program allows business owners to expand their operations and create new jobs, of which persons meeting low- and moderate-income requirements must fill 51% or more. The County may use future CDBG funds to repay HUD for defaulted section 108 financed business loans not otherwise covered by EDI funds.

Under the County's new 2005-2010 Consolidated Plan, the maximum amount of available EDI funds have been utilized, and the County is no longer participating in the HUD Section 108 program.

STRATEGY 7: CODE ENFORCEMENT

Long-Term Objective

Improve the safety and livability of target neighborhoods through provisions for code enforcement services coupled with programs which correct or cause the removal of blight and blighting influences and other conditions detrimental to the health, safety and welfare of residents.

Short-Term Objective

Provide funding for code enforcement activities in deteriorated and deteriorating areas, as well as in areas with blighting influences, in conjunction with funding for abatement activities. These activities may include clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance; financing public or private acquisition for rehabilitation; the rehabilitation of privately owned properties; and the renovation of closed school buildings).

Proposed Accomplishments

During the next one (1) to five (5) year period the County hopes to accomplish the following activities to benefit residents of cooperating cities and unincorporated areas:

Code Enforcement: Provide inspections for compliance with building codes and implement neighborhood revitalization programs.

Clearance: Demolish and clear substandard abandoned commercial and residential buildings.

Blight Abatement: Provide blight abatement, including clearance of illegal dumping sites, weed removal and graffiti removal. Perform an environmental study to clean-up contaminated soil.

NEIGHBORHOOD INITIATIVE GRANT

The Neighborhood Initiative is a national pilot program developed to revitalize neighborhoods and eradicate blight using concentrated assistance and new methods and initiatives. To fund this pilot program, Neighborhood Initiative Funds totaling \$15,000,000 were appropriated through federal legislation (H.R. 2158). The main component of this program is the rehabilitation and sale of foreclosed properties owned by the Federal Housing Administration (FHA) and purchased by the County of San Bernardino under an agreement approved by the Board of Supervisors on December 7, 1999.

The agreement between the county and FHA is the first agreement in the nation utilizing FHA's new disposition program. Based on the legislation under H.R. 4194, this new disposition program was implemented nationwide starting in October 2000. The program calls for a governmental entity (*preferred purchaser*) to buy all properties in a specific area (*Asset Control Area*), which are currently owned by FHA, as well as properties in the pipeline.

The county has entered into an agreement with Fannie Mae to rehabilitate and sell the properties purchased from FHA. Under this agreement, Fannie Mae will "front" all costs associated with the rehabilitating, maintaining and marketing of these properties until they are sold to buyers.

Another aspect of the Neighborhood Initiative program is the rehabilitation of neighborhoods on a street-by-street basis. In addition to Neighborhood Initiative funds, the cities of San Bernardino, Highland, and Redlands, participants in the county's Neighborhood Initiative Program, have allocated some of their redevelopment funds and other resources to assist in "improving the condition of our distressed neighborhoods".

The county has contracted with Neighborhood Housing Services of the Inland Empire to develop a pool of qualified "eligible buyers" to purchase properties rehabilitated through the Neighborhood Initiative program.

PLAN IMPLEMENTATION

This section addresses the institutional structure, and coordinating efforts that will be engaged to implement the Strategic Plan. The section ends with a listing of federal, state, local and other resources that are available to implement programs over the five (5) year period. The section includes a discussion of how these funds will be leveraged in program implementation.

INSTITUTIONAL STRUCTURE

The following discussion explains the institutional structure through which the county will carry out its housing and community development plan, assesses the strengths and gaps in its delivery system and describes actions to overcome any gaps. In addition, the organizational relationship between the county and the Housing Authority is described.

The Board of Supervisors has assigned responsibility for the planning, coordination, administration and implementation of the county's housing and community development plan to the Department of Economic and Community Development (ECD). In order to ensure continuity of effort in all aspects of its responsibilities, ECD maintains strong central management of the plan in its entirety, including planning, accounting, monitoring and disbursement of funds. In addition, ECD retains responsibility for implementation of all County Consortium projects such as housing repair and rehabilitation, economic development and housing development finance management.

County CDBG housing preservation, HOME funded activities and ESG programs are administered and implemented by the Housing Development, Finance and Preservation Division. Authority to implement some housing programs e.g., weatherization and tenant based rental assistance is delegated to other county agencies. County Consortium economic development activities are the responsibility of the Economic Development and Fiscal Operation Division. The balance of CDBG funded activities are administered by the Community Development Division. The Community Development Division has two sections – the Program Compliance Section and the Project Implementation Section. The Program Compliance Section has the primary responsibility for qualifying the county and its participating cities for participation in the CDBG program; coordinating the consolidated planning process and plan development; coordinating the citizens participation process; preparing the annual performance report; and administering and monitoring public service projects. The Project Implementation Section has primary responsibility for administering and monitoring capital improvement projects; and completing Delegate Agency Agreements with cooperating cities.

Authority to implement most specified non-housing community development projects and programs is delegated by ECD to other county agencies, participating cities, school districts and community-based organizations. Specifically, authority is delegated to each participating city to implement capital improvement projects and those service programs

involving city staff which are funded under their formula allocation of CDBG funds. Authority to implement CDBG capital improvement projects in unincorporated areas is delegated to other county agencies depending on the nature and location of the project. These include the Department of Special Districts, the Department of Transportation and Flood Control, and the Department of Architecture, Building and Engineering. The responsibility for carrying out code enforcement activities within unincorporated areas is delegated to the county's Department of Environmental Health Services. Authority to implement most health and social service programs is delegated to community based organizations through public service contracts.

Authority to implement some specified economic development projects is delegated by ECD to other county agencies, participating cities and business/economic development agencies. The Department also works closely with local lending institutions to provide financing to County businesses. Because of budgeting problems confronting some local governments, many participating cities and County agencies do not have staff assigned exclusively to business development/job creation activities. ECD staff works closely with jurisdictions and agencies to provide technical, financial and mentoring services to businesses.

Authority to implement Emergency Shelter Grant funded activities is delegated to community-based organizations based on the requirements of the ongoing Cold Weather Shelter Program and the recommendations of the San Bernardino County Cold Weather Task Force.

The primary strengths in the county's delivery system of housing and community development programs are in centralized administration and in the number and diversity of agencies and organizations involved in such delivery system. Strong centralized administration allows for subrecipients to concentrate most of their efforts on project implementation and the delivery of program services to target populations, while relieving them of many of the burdens associated with the administrative functions. The number and diversity of subrecipients enables ECD to initiate numerous programs/projects simultaneously, to maintain close ties with all areas to which funds are directed, including the most remote, and to remain cognizant of localized changes in needs and problems throughout an extremely large geographic area.

The principal gap in the delivery system can be found in the time lapse that often occurs between approval of the county's annual CDBG submittal and the actual implementation of non-housing community development activities by subrecipients. Because of the financial problems confronting local government, many participating cities and county agencies do not have staff assigned exclusively to community development activities. Consequently, the prompt implementation of newly funded CDBG projects is not always possible.

The lapse in time that often occurs between HUD approval and the implementation of non-housing programs by community-based organizations having no prior experience with the county's CDBG program, is primarily related to the organizations' lack of understanding and familiarity with the requirements that accompany the use of federal monies. Service

contracts with these organizations are often delayed while such details as accounting, monitoring and reporting are resolved.

In order to address the problem with community based organizations and overcome the gap in the delivery system referenced above, ECD has prepared a training manual. ECD utilizes the subrecipient manual during training seminars provided for community based organizations. The manual and training cover such topics as contracting, procurement, financial and property management, insurance, record keeping and reporting, billing and monitoring.

Although the County Board of Supervisors is the appointing authority for the Board of Commissioners of the Housing Authority of the County of San Bernardino, there are no other organizational relationships between the county and the Housing Authority. The Housing Authority has entirely independent systems for hiring, procurement, budgeting and contracting, as well as for the administration and management of its housing projects and programs.

COORDINATION OF ADMINISTERING AGENCIES

Given the geographic size of the county (over 20,000 square miles), the number and diversity of communities and the variety of priority needs, a high degree of coordination is necessary in order to deliver housing and community development programs and resources in a timely, efficient and cost-effective manner. In implementing the Consolidated Plan, ECD will benefit from previously developed strong partnerships and working relationships with a number of different public and assisted housing providers, service agencies, non-profit organizations and governmental entities. To enhance coordination, ECD will endeavor to strengthen and expand these relationships.

In order to respond to increasing demands for affordable housing and related services for lower income persons, ECD will continue its dialogue with the Housing Authority of San Bernardino County, the Community Services Department and the San Bernardino County Homeless Coalition in an effort to maximize the effectiveness of existing programs, to identify new funding opportunities, and to explore potential cooperative ventures. ECD will expand its commitment to the creation and capacity of local non-profit housing corporations by providing support services, identifying additional resources and assisting in capacity building. In addition, ECD will coordinate efforts with the participating cities, and with assisted housing providers to augment its countywide affordable housing strategy. ECD will also continue its cooperative relationship with the Children's Network and the Human Services System in their effort to develop a five (5) year plan to improve the coordination of local resources for, and reduce the fragmentation of, services to children throughout the county.

As the County has grown in population and attraction of businesses, so has the need for support services. ECD works closely with local and regional agencies to implement services and assistance. To bear fruit and expand opportunities for its citizens, the ongoing participation and increased coordination with the wide range of independent organizations is

encouraged. The primary agencies are:

County departments: Economic & Community Development and Jobs & Employment Services Department, Redevelopment.

City economic development departments: 24 cities, including the participating cities and entitlement cities. For business and economic development projects, coordination on projects is encouraged.

Regional groups: Inland Empire Economic Partnership, High Desert Regional Economic Development Authority, Economic Council of Pass Area Communities, Morongo Basin Economic Development Consortium, Inland Valley Development Authority, Chambers of Commerce, State Trade and Commerce Agency.

Educational organizations: colleges & universities, community colleges, K-12 regional occupational programs, college extension programs, private trade schools.

Finally, ECD will increase efforts to improve coordination with entitlement cities within the county, in the early identification and notification of overlapping priority needs and mutual benefit proposals, to ensure adequate and concurrent funding commitments for proposed cooperative ventures.

RESOURCES

In addition to CDBG, HOME and ESG funds, the following Federal, State, local and private programs and services represent potential resources anticipated to be available in implementing the Strategic Plan.

FEDERAL RESOURCES

Small Business Administration 504 Loan Program: The SBA program is designed to assist successful, established, growth-oriented companies or new firms with exceptional management teams and equity positions. Loans are processed by Enterprise Funding Corporation and local lending institutions. The program provides long-term, fixed-rate, second mortgage financing for acquisition of property, construction of buildings and purchase of capital equipment.

EDA: The Economic Development Administration (EDA) was established to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas of the United States. EDA assistance is available to rural and urban areas of the nation experiencing high unemployment, low income, or other severe economic distress. Under their Public Works and Development Facilities Program, the types of projects funded are water and wastewater facilities, primarily serving industry and commerce; access roads to industrial parks or sites; port improvements; business incubator facilities; technology projects; sustainable development activities; export programs; brownfields redevelopment and other infrastructure projects.

Supportive Housing Program: This program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in their transition from homelessness, and to promote the provision of supportive housing to homeless persons to enable them to live independently.

Shelter Plus Care: The Shelter Plus Care program (S+C) is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act. S+C is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities (primarily those who are seriously mentally ill; have chronic problems with alcohol, drugs or both; or have acquired immune deficiency syndrome (AIDS) and related diseases) and their families. The program provides grants to be used for rental assistance for permanent housing for homeless persons with disabilities. Rental assistance grants are matched in the aggregate by supportive services that are equal in value to the amount of rental assistance and appropriate to the needs of the population to be served. The County's Department of Behavioral Health administers the Shelter Plus Care Program and contracts with various entities who provide supportive services to participants. The rental assistance is provided through the Housing Authority to participants referred by the Department of Behavioral Health.

Section 202: HUD makes direct long-term, low-interest loans to eligible nonprofit sponsors for the purpose of rental construction. The loans can be used only to provide housing that serves elderly, aged sixty-two (62) or over, and/or handicapped households. HUD negotiates directly with private developers in providing this assistance. Section 202 projects may be tied to the Section 8 Rental Assistance program, although this is not a prerequisite for receiving a 202 direct loan. Funding for this program has been reduced in the last five (5) years.

Family Self-Sufficiency (FSS) Program: The FSS is a program enacted by Section 554 of the National Affordable Housing Act. It directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

Permanent Housing for the Handicapped: This program provides funding to private nonprofit and public housing agencies for development of affordable housing for disabled homeless persons. HUD will provide grants up to 50% of total project costs; matching funds of at least 50% must be provided by non-federal sources. Eligible activities include facility acquisition, rehabilitation, and operations for multi-unit and group home projects developed for the disabled homeless.

Section 203K Insured Loans: Through this program, HUD insures lenders against loss on rehabilitation loans. The three (3) eligible activities under this program are: rehabilitate an existing one (1) to four (4) unit residential dwelling; refinance indebtedness on the above type of rehabilitation loan; or purchase and rehabilitate a one (1) to four (4) unit residential

dwelling. The maximum loan amount for most families is 97% of the first \$25,000 of value and closing costs, plus 95% of the remaining amount. The maximum loan amount is slightly higher for veterans. Households earning up to 120% of the median are eligible for this program.

Economic Development Initiative Grants: The County of San Bernardino has received six (6) Economic Development Initiative (EDI) Grants totaling just under \$2,000,000 dollars. As part of the 1998-99 HUD/VA Appropriations Bill, the county received three (3) grants.

- \$500,000 for the Shack Attack program; (project being closed out)
- \$250,000 for the Revitalization for the Downtown area of Running Springs; (project being closed out)
- \$250,000 for a park to serve the Running Springs area. (project being closed out)

As part of the 2000-2001 HUD/VA Appropriations Bill, the county received three (3) additional grants.

- \$270,000 for the design and construction of the County Museum Hall of Paleontology; (project is in design stage)
- \$215,000 for the design and construction of a baseball park for the Spring Valley Lake area; (project is closed)
- \$43,000 for the design and construction of Route 66 signage. (project is closed)

As part of the 2001-2002 HUD/VA Appropriations Bill, the county received four (4) additional grants.

- \$50,000 for the design and rehabilitation of the wading pool in Barstow; (project will be completed by end of the year)
- \$200,000 for relocation and expansion of the Moonridge Zoo in Big Bear; (project is in design stage)
- \$50,000 for the design and construction of a baseball park in the Spring Valley Lake area; (project is closed)
- \$200,000 for the design and construction of the County Museum Hall of Paleontology. (project is in design stage)

As part of the 2002-2003 HUD/VA Appropriations Bill, the county received two (2) additional grants.

- \$80,474 for relocation and expansion of the Moonridge Zoo in Big Bear; (project is in design stage)
- \$80,474 for Crestline Revitalization Houston Creek Project. (construction will begin in July 2005)

STATE RESOURCES

State Housing Rehabilitation Program: The State Department of Housing and Community Development (HCD) provides grants for rehabilitation of rental units serving low- and moderate-income renters in rural communities. Funds can be used for up to 50% of eligible rehabilitation costs, with the following limits: \$5,000 per studio unit; \$6,500 per one (1)

bedroom unit; \$7,500 per two (2) bedroom unit; and \$8,500 for units having three (3) or more bedrooms.

Emergency Shelter Program: HCD administers a program that provides grant money to local service providers offering emergency shelter to homeless individuals and families. Eligible activities include: rehabilitation, renovation, or expansion of existing facilities; site acquisition; program costs; one-time rent vouchers to prevent eviction; and administration costs. ESP funds cannot be used for new construction of shelters.

State's First-Time Homebuyer Program: The California Housing Finance Agency (CalHFA) administers a below-market interest rate first mortgage program for low to moderate income homebuyers who have not owned a home in the past 3 years. CalHFA also offer a number of down-payment assistance programs as well.

LOCAL RESOURCES

County Float Loan Program: The County Float Loan Program provides interim financing for businesses and developers. Although short-term, the "float loan" program provides tremendous value by reducing the cost of interest during construction, reducing the risk during a lease-up period, providing a bridge loan for equity, or allowing a business to become established.

Loan proceeds may be used for real estate acquisition, construction, machinery and equipment purchases, and working capital. Projects must lead to the creation of one new job per \$35,000 of county loan funds over a 2.5-year period. In special situations, projects that eliminate "slums and blight" may not be required to meet the job creation requirement. Borrowers must obtain a letter of credit from a qualified financial institution in the full amount to be financed.

"Tax-Exempt" Industrial Development Bond Financing: Tax-Exempt Industrial Development Bonds provide manufacturers and processors with below-market financing at tax-exempt interest rates in the County of San Bernardino. Interest on these bonds is exempt from Federal and State Income Tax. This form of financing is restricted to manufacturing, assembly, processing and energy-related projects. Use of bond proceeds are limited to property acquisition, construction and capital equipment. Projects are limited to \$10 million in total capital spending and require an acceptable letter of credit as security to guarantee repayment of the bonds.

"Taxable" Development Bond Program: The program provides businesses and developers direct access to long-term, competitive financing at below-market interest rates. This joint public/private partnership has developed a \$200 million pool to finance eligible projects that create new employment opportunities and/or strengthen the local economic base. The financing provides single-source funding for construction and permanent loan requirements. Bond proceeds can be utilized to finance acquisition of property, construction and capital equipment. Projects are not limited in size, but do require an acceptable letter of credit as security to guarantee repayment of the bonds.

Equipment Only Purchase Program: The Equipment-Only Purchase Program (EOPP) provides manufacturers and processors in San Bernardino County with tax-exempt bond financing for new capital equipment purchases. Interest on the bonds is exempt from Federal and State income taxes. Companies utilizing this program may significantly reduce out-of-pocket expense and access tax-exempt fixed-rate financing without a letter of credit requirement. Up to 100 percent of the new equipment purchases and installation may be financed.

Multifamily Mortgage Revenue Bond Program: Multifamily mortgage revenue bonds are used to finance construction, acquisition and mortgage loans, as well as capital improvements for multifamily housing. Federal and state laws requires that a significant portion of the units in bond-funded projects be set aside for persons or families whose income does not exceed 60% of the median household income for the area, with the provision that at least half of the set aside units to be occupied by a person or families whose income does not exceed 50% of the median household income.

Lease Purchase Program: Lease Revenue Pass-through Obligation bonds are used to fund purchases of homes on behalf of qualified households. For 39 months, participants make monthly payments to the California Housing Opportunities Agency that cover the principal, interest, taxes and insurance on the property. At the end of the 39 months, the participant assumes the original mortgage taken out by the Joint Powers Authority (JPA) and makes the monthly payments directly to the mortgage holder.

OTHER RESOURCES

The County of San Bernardino anticipates that it will have the following private support of affordable housing activities from several quasi-public entities including the Federal Home Loan Bank and California Housing Finance Agency.

Affordable Housing Program (AHP): The Federal Home Loan Bank (FHLB) System administers the AHP which provides funding for the construction, purchase and/or rehabilitation of either owner-occupied housing for very low-, low- and moderate-income households, or rental housing with 20% set-aside as affordable to very low-income households (50% or less of the median). The funds are administered in the form of a subsidized advance e.g., interest-rate write down, or a grant. The FHLB System is required to contribute \$100 million for this program annually.

Loan Pools:

SAMCO: The Savings Association Mortgage Company (SAMCO) has created a loan pool for use in affordable housing development and rehabilitation. Through the pool, thirty (30) year permanent loans for affordable housing, serving persons earning up to 120% of the median income, are available. The interest rate is based on the 11th District cost of funds plus a margin for administrative expenses.³

³ The Federal Home Loan Bank 11th District encompasses all of California.

California Community Reinvestment Corporation (CCRC) Loans: This loan pool provides permanent fixed-rate loans for single- and multifamily ownership projects. The maximum loan-to-value ratio is 80% and the maximum loan size is \$15 million per developer. The program is administered through lending institutions participating in the pool.

LEVERAGING RESOURCES

In order to meet the affordable housing needs in the County of San Bernardino, a large amount of public funds and technical assistance is needed. The programs listed before are anticipated to be used in addressing priority needs. However, competition for these resources is keen, particularly in recent years as budget cuts have eliminated or reduced a number of Federal and State programs. Fiscal limitations at the local level further limit the range of resources available to implement the Strategic Plan.

In the face of shrinking resources, leveraging public and private funds is critical to affordable housing projects because a single funding source will simply not provide sufficient funding. The County of San Bernardino continues to provide technical assistance to prospective affordable housing developers and, where possible, commits local funds to finance projects.

MEETING MATCH REQUIREMENTS

There is a 25% match requirement relative to HOME Program funds. The match requirement is applicable only to those HOME funds expended for eligible activities associated with specific projects. (HOME funds used for administrative and planning costs, Community Housing Development Organization (CHDO) operating expenses, and capacity building of CHDOs are exempt from the match requirement.) The county intends to satisfy the 25% match requirement through various means including the following.

Home Program Regulations allow a dollar-for-dollar match credit for cash contributions to HOME projects from non-federal sources. HOME Regulations also provide for match credit to be applied on the basis of certain other cash and non-cash contributions that enhance the affordability of HOME rental projects and homebuyer mortgage payments.

The county will also continue to contact various entities with the ability to waive, forego, or defer taxes, fees, and other charges in order to determine their ability and/or willingness to help the county meet match requirements. As the Land Use Services Department identifies potential new construction projects that qualify as affordable housing, related infrastructure requirements will also be analyzed for possible match credit.

The county will encourage contributions from various entities with non-federal funds that are earmarked for affordable housing activities.

The county will endeavor to identify applicable match credit sources resulting from project reserves for replacements, reserves for unanticipated increases in operating costs, or operating subsidies.

There is a 100% match requirement for ESG Program funds, which can be provided through matching funds (cash) and/or in-kind contributions. The county intends to satisfy the 100% match requirement in the form of staff time, volunteer time (at a rate of \$5/hr.), donated materials and other expenses of the subrecipient related to service delivery not paid for with ESG funds.

OBSTACLES TO MEETING UNDER-SERVED NEEDS

The principal obstacle to meeting under-served needs throughout the County Consortium and across all categories of need is the lack of sufficient financial resources. With housing costs increasing at a rate that is six and one half times faster than incomes, the need for helping low- and moderate-income with affordable housing is also increased. Besides the increase in housing expenses, gasoline prices have nearly tripled in the last five (5) years, placing even greater financial burdens on low-and moderate-income families. This is especially for San Bernardino County where so many of our citizens have long commutes.

San Bernardino County is home to more than 42,000 businesses, of which 99 percent are categorized as “small” in that they have 499 or less employees; more than 50 percent have 49 or fewer employees; 59 percent have 4 or less employees. Many of these enterprises are unable to obtain the capital needed for expansion, and they may need technical assistance in determining and developing their businesses. Also, San Bernardino County will not be able to address the issue of work force development if its economy does not continue to grow. Though the local economy is a reflection of what is occurring nationally, if the County is to fundamentally alter its economy’s profile, and raise the standard of living of a majority of its families, a comprehensive effort must take place to assist the region’s companies in adopting new technologies and help those workers who are interested in increasing their skills. For this to happen, a variety of infrastructure and capacity and service issues must be addressed.

1. Costs of Industrial Development: As industrial land in San Bernardino County’s West End disappears, development will move in two directions. One is down the I-10 corridor and also move out the I-15 freeway to the Victor Valley.
2. Costs and Efficiency of Moving Goods: One of San Bernardino County’s principal location advantages is its well developed transportation infrastructure and the lower level of congestion associated with it. However, this will be a temporary advantage if certain actions are not taken. Along several routes, there is a need for truck lanes in anticipation of a further expansion in the area’s distribution industry.
3. Desert and Mountain Economic Areas: San Bernardino County’s desert and mountain areas, to a large extent, contain self contained economies that are financed

by a flow of funds through specific large employers or sectors. In these situations, the protection and expansion of the county's economy implies helping these sectors to survive and grow.

4. Countywide: Technical, mentoring and financing programs and services geared to assist the small and diverse industries in the County, especially the under-served outlying communities. San Bernardino County's mountain and desert communities should ultimately benefit enormously from recent developments in information technology. In the internet age, the entrepreneurs can offer their products at the speed of light. Workers can live in these areas, and telecommute at least part of the time. The result should be an expansion in the economies of outlying communities without a major impact on the environment. The key will be the speed with which the county is able to convince companies to deploy fiber optic and other high speed communications capability to these areas.

As a result of the economic problems within both the public and private sectors, the inventory of under served needs remains high, as evidenced by the number (nearly 313) and dollar value (over \$19,400,000) of proposals received by the county for 2005-2006 CDBG funding consideration.

PERFORMANCE MEASURES

The National Association for County Community and Economic Development (NACCED), of which the County of San Bernardino is a member, is participating in a working group with several other national organizations of local and state grantees to refine a "Performance Outcome Measurement System" framework. The effort, which is in response to CPD Notice 03-09, is expected to lead to a comprehensive approach to the measurement of outcomes for HUD's four major community development formula grant programs - Community Development Block Grants, HOME Investment Partnerships Program, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS. Once completed, the system will include objectives, outcomes and indicators for each type of activity undertaken with funds made available from these programs.