



ARROWHEAD GROVE

Planting Seeds. Growing Community.



Housing Authority of the
County of San Bernardino
Building Opportunities Together

Arrowhead Grove Inclusive Redevelopment

Project Requested Funding: \$5,269,640

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Exhibit A: Executive Summary

The City of San Bernardino, situated in southern California's Inland Empire region, is nestled in a valley surrounded by the San Bernardino Mountains to the north and the San Gabriel Mountains to the west. Its location along the historic Route 66 and proximity to major intrastate and interstate corridors, such as the I-10 and I-215, make San Bernardino a pivotal transportation hub for a region with booming warehousing and logistics sectors. The city's population is highly diverse. According to the U.S. Census Bureau, 67.6% of residents are identified as Hispanic or Latino, 12.5% are Black or African American, 13.7% are Non-Hispanic White, 10.8% are Multiracial, and 3.9% are Asian.

The Inland Empire region (San Bernardino and Riverside Counties) has long been characterized by opportunity and prosperity deficits. An estimated 20.9% of San Bernardino residents live at or below the Federal Poverty Line. The city's per capita income is \$20,812 annually, 55.3% of the national average and 50.4% of the statewide average. Only 43% of San Bernardino residents have graduated high school, a barrier to employment that contributes to the city's unemployment rate of approximately 9%.

The housing scenario in the City of San Bernardino reveals a stark affordability issue for its residents. A crucial metric underlining this challenge is the 12.9 housing cost-to-income ratio. This ratio is developed by comparing the median housing price of \$440,000, as reported by Redfin, to the median household income of \$33,851 from the 2021 American Community Survey Data, revealing that purchasing a median-priced home in San Bernardino would cost nearly thirteen times the median household income. This points to the considerable skew of 67% of households renting within the Project Area. The City's 2020-2025 Consolidated Plan reveals that low-income households experience a significantly higher burden by housing issues such as substandard housing conditions, severe overcrowding, and severe cost burden. Furthermore, the City's extremely low-income households, where 42% are small families of four members or less, further stress the need for smaller, one-, two-, or three-bedroom affordable housing units.

Since 2016, the Housing Authority of the County of San Bernardino (HACSB) has worked diligently to advance the **Arrowhead Grove Inclusive Redevelopment Project**. At full buildout, Arrowhead Grove (formerly known as Waterman Gardens) will convert a 252-unit, 40-acre public housing site into a vibrant, mixed-use, mixed-income, sustainable community with 534 new units of housing, commercial space, an onsite Head Start program, and a new Community Center. The proposed Arrowhead Grove project is within HUD Qualified Census Tract (QCT), 6071006401, and is surrounded by QCT census tracts. This designation is supported by the high percentage of low-income households and difficult development conditions, including high land and construction costs relative to the area's median income. Three phases of the project have already been completed, producing 332 units of housing. The vision for Phase IV of Arrowhead Grove, when fully implemented in collaboration with the

Housing Authority of the County of San Bernardino (HACSB), will develop 92 new affordable units targeting income levels at 80% of the Area Median Income (AMI) and below. It will include a new on-site Community Center to provide healthcare and supportive services to project site residents and the surrounding community. In doing so, this project will address HUD’s Strategic Plan goals to support underserved communities, advance housing justice, reduce homelessness, invest in the success of communities, increase production of affordable housing, and advance sustainable communities.

The City of San Bernardino, in partnership with HACSB, requests \$5,269,640 in funding from HUD’s PRO Housing grant program to support the completion of Arrowhead Grove Phase IV.

Figure 1. Project Location Map



Exhibit B: Threshold Requirements

- *Identify which type of eligible applicant you are representing.*

This application has been submitted by the municipal government of the City of San Bernardino, which is an eligible entity as defined on Page 12 of the PRO Housing grant NOFO.

Public Participation

- ***Explain how the applicant fulfilled the PRO Housing grant's public participation requirements. Provide additional information regarding how this public participation process accommodates individuals with limited english proficiencies and/or disabilities.***

The City of San Bernardino solicited public participation and feedback on the application in threshold languages in English and Spanish. Notices were published in the San Bernardino Sun (October 3, 2023) and El Chicano newspapers (October 5, 2023) and the application was posted on the City website: <https://www.sbcity.org/> where feedback was collected. A public hearing was conducted at a regularly scheduled Mayor and City Council in-person meeting held on October 18, 2023. The meeting provided Spanish translation and accommodations for individuals with disabilities. Feedback received from the public was assessed and incorporated as applicable into the final draft of the grant application prior to submission.

Environmental Review

- ***Demonstrate that the proposed project will comply with all applicable environmental requirements set forth in HUD's regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Protection Act (NEPA) and other environmental requirements.***

HACSB has initiated the NEPA review process for Phase IV of the Arrowhead Grove development. NEPA clearance is expected to be completed by the end of October 2023. The proposed project will comply with all requirements outlined in HUD's regulations related to environmental review.

Code of Conduct

- ***Demonstrate compliance from the applicant and any subrecipients with HUD's "Conducting Business in Accordance with Ethical Standards" requirements.***

The City of San Bernardino will demonstrate compliance with an updated Code of Conduct in accordance with HUD's "Conducting Business in Accordance with Ethical Standards" requirements and request an updated posting to the HUD E-Library before the application submission deadline. The Housing Authority of the County of San Bernardino (HACSB) has a compliant Code of Conduct posted on HUD's E-Library. Copies of the City's and HACSB's Code of Conduct are attached to the application.

Civil Rights Law Compliance

- *Are there any outstanding civil rights matters that the applicant is a party to? This can include charges from HUD concerning a systemic violation of the Fair Housing Act; status as a defendant in a Fair Housing Act lawsuit; status as a defendant in any other lawsuit filed or joined by the Department of Justice, or filed an amicus brief or statement of interest, alleging a pattern or practice of systemic violation of Title VI of the Civil Rights Act; receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act; or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provision of a state or local law prohibit discrimination in housing. If there are none, please state as such in the proposal narrative.*

The City of San Bernardino currently is not party to any outstanding civil rights matters.

Exhibit C: Need

Addressing Barriers to Affordable Housing Production and Preservation

- *Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. Please address the timeframe for these efforts; how these efforts were adopted, established, or otherwise made permanent; and the measurable impact thus far. Be sure to describe recent policy changes or community planning strategies that you have adopted to increase housing production for low- and moderate-income populations, as well as recent initiatives to preserve affordability, increase access to affordable accessible housing in high opportunity areas, and invest in underserved communities. HUD will rate applicants more highly if they demonstrate that they have successfully taken actions to remove local barriers to increasing affordable housing production and preservation.*

In the face of a growing affordable housing crisis, cities across the United States have been grappling with the formidable challenge of ensuring adequate housing for all residents, irrespective of their economic standing. Historically, the city of San Bernardino has faced daunting housing and homelessness challenges, exacerbated by a high poverty rate and paucity of affordable housing options.

A glaring indicator of the housing affordability challenge is the project area's housing cost-to-income ratio of 12.9, revealing a daunting scenario where acquiring a median-priced home in San Bernardino would entail nearly thirteen times the median household income. This alarming metric has led to upwards of 67% of households reporting to renting with home ownership increasingly out of reach. Low-income and extremely low-income households bear a significantly higher housing burden, including substandard housing conditions, severe

overcrowding, and severe cost burden. Despite overcrowding and multiple families sharing a single residence, nearly 27% of income is spent on housing, according to the U.S. Department of Transportation's Equitable Transportation Community (ETC) Explorer tool. As a county, San Bernardino has seen upwards of a 25% increase in their 2023 Point in Time count compared to 2022.

A microcosm of this nationwide issue, San Bernardino has taken significant strides from 2021 to 2023 to address barriers to affordable housing production and preservation to better the living conditions of its low- and moderate-income residents. Integrating the 2021-2029 Housing Element into the city's General Plan has been a pivotal step. This action aligns with California's Housing Element Law, which mandates local governments to adequately plan for the housing needs of everyone in their community. On August 29, 2023, Governor Gavin Newsom and Attorney General Rob Bonta reached a settlement with the city regarding its compliance with the Housing Element Law. Under this settlement, the city is required to adopt an expedited compliant housing plan by February 7, 2024, modernize its zoning code by April 17, 2024, amend the emergency shelter ordinance to ease the permitting process for new homeless shelters, and adjust the local density bonus ordinance to encourage projects to incorporate affordable dwelling units. Additionally, the city agreed to increase housing construction under the provisions of the Housing Element Law.

Significant efforts have been recently undertaken to combat homelessness with the Declaration of a Homeless State of Emergency in February 2023. This Declaration outlines a two-pronged strategy to address homelessness in the community by: 1) creating a dedicated Homeless Outreach Team and 2) aggressively pursuing the construction of a new Homeless Navigation Center, which will create 200 new beds at a low-barrier, non-congregate facility. The Homeless Outreach Team was formally launched in June 2023 in partnership with Hope the Mission. Additionally, the City recently approved a new contract with a local hotel operator to provide 125 rooms for interim housing. While these actions will greatly enhance the city's responsibility to respond to the local homelessness crisis, there is a noted lack of affordable housing stock to serve San Bernardino's population sufficiently.

Additionally, on April 5, 2023, the San Bernardino Council of Governments (SBCOG) Board of Directors authorized staff to begin the process of establishing the San Bernardino Regional Housing Trust (SBRHT), including the establishment of a new Joint Powers Authority (JPA). The SBRHT is initiated as a concerted effort to pool resources to support the creation of affordable housing. In 2022, SBCOG collaborated with a Technical Advisory Committee to conduct research, analysis, and outreach to inform the structure, strategic plan, and white paper for the SBRHT. Currently, SBCOG staff is set to begin working with a Housing Trust Ad Hoc Committee to develop recommendations regarding policy decisions for the SBRHT, offering the opportunity for the City to join the regional housing trust fund JPA by adopting a resolution at the local level.

In May 2023, Representative Pete Aguilar announced \$4 million in federal funds secured to support sustainable affordable housing and supportive services in San Bernardino. Allocations of note include \$1 million for the Sustainable Communities Catalyst Project to transform vacant lots into energy-efficient homes for low-to-moderate-income families and \$3 million for establishing the Community Resource Center at the Arrowhead Grove housing site to enhance access to essential supportive services for residents.

These endeavors elucidate a focused approach toward mitigating the housing challenges prevalent in the city. As these initiatives continue to mature and evolve, significant impacts will be made in one of the most disadvantaged communities in the state - ultimately contributing to a more equitable and sustainable urban living environment.

Acute Demand for Affordable Housing

- ***Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?***

The City of San Bernardino faces an acute demand for affordable housing, a crisis mirrored in the numbers and further reinforced by state mandates to tackle housing issues. The glaring realities of this need are rooted in the significant affordability gap the city's residents face. The housing cost burden is vital to ascertain the extent of housing affordability challenges. According to the City's 2020-2025 Consolidated Plan, the housing cost burden is the most pronounced housing issue confronted by both renters and homeowners in San Bernardino. A disconcerting 20% of the 57,580 households in the city grapple with a severe cost burden, allocating more than half of their monthly earnings towards housing expenses. Another 16% of these households dedicate over 30% of their monthly earnings to housing costs.

To contextualize this demand, the California Regional Housing Needs Assessment (RHNA), a state-mandated process, determines the volume of housing that each local government should plan for in their adopted housing elements. This process ensures that every city shoulders the onus of addressing the extant housing needs of its populace and its proportionate share of projected growth. In San Bernardino, the Southern California Association of Governments (SCAG) allocated 8,123 housing units for the 6th RHNA cycle spanning 2021-2029. Significantly, out of these units, 2,512 units, which constitute approximately 31% of the total allocation, are intended to be affordable for low-income residents, those earning 80% or below the Area Median Income.

While the city has been assigned a clear quantitative goal for affordable housing provision, the tangible demand reflects a substantial need, informed by the housing cost burden experienced by a significant portion of the city's households. These housing demands echo low- and moderate-income families' hardships, desperately needing an intervention to alleviate the

prevailing housing cost burdens. The high housing cost-to-income ratio discussed earlier further supports the city’s exigent need for affordable housing solutions.

- ***Does the proposal address a priority geography that has an affordable housing need as identified by one of three HUD metrics: Housing Affordability, Housing Problems, and Offpace Affordable Housing Development.***

The City of San Bernardino has been identified as a priority geography under the PRO Housing program’s Housing Problems Factor (HPF). The table below illustrates that the HPF for San Bernardino exceeds the national threshold, emphasizing the local severity of housing issues compared to national standards.

San Bernardino HPF	HPF National Threshold	HPF State Threshold
0.448263	0.428937	0.588235

- ***Provide local knowledge that is not already captured by HUD’s measures. Topics that may indicate acute demand for affordable housing include displacement pressures, housing stock condition, age of housing stock, homelessness, ratio of median home price to area median income, and more.***

The housing scenario in San Bernardino illustrates a multi-dimensional crisis characterized by displacement pressures, subpar housing stock condition, aging infrastructure, escalating homelessness, and a conspicuous disparity between median home prices and area median income. Referenced in the City’s 2020-2025 Consolidated Action Plan, each of these facets accentuates the city’s grappling issue of the urgent demand for affordable housing.

The sparse availability of affordable housing for Low and Middle-Income (LMI) households, particularly those with extremely low and very low incomes, incubates the reality of resident displacement pressures. The incidence of individuals and families resorting to substandard living conditions be coerced into relocation increases when housing affordability is lacking. These predicaments embody the displacement pressures engendered by the city’s housing affordability crisis. The City's 2020-2025 Consolidated Action Plan highlights a pressing need for the rehabilitation of the existing housing stock as much of the existing housing infrastructure does not meet the requisite standards. The rehabilitation need echoes the deterioration and aging of the current housing stock, marking a dire need. San Bernardino holds a severely aging housing stock where the highest share of San Bernardino’s housing units was built in 1950 – 1959, while surrounding regions of Southern California were built during 1970 -1979 than any other period.

The aging housing stock dovetails with escalating maintenance costs, accessibility issues, or efficiency standards, thereby adding to the situation.

The city faces a palpable threat of a continued uptick in homelessness among extremely low-income households and those subsisting below the poverty threshold. Housing tribulations such as cost burden, overcrowding, and deteriorating housing conditions are identified in the Plan as precursors to homelessness. In San Bernardino, 2,853 owner-occupied and 6,270 renter-occupied households had more than 1.0 occupants per room, which meets the ACS definition for overcrowding. 724 owner-occupied households and 2,142 renter-occupied households had more than 1.5 occupants per room, which meets the ACS definition for severe overcrowding. This linkage underscores a domino effect where the deficiency in affordable housing escalates the risk of homelessness.

Additionally, an alarming discord is unveiled between the median home prices and the area median income, as highlighted in the Plan. Despite the city's median income trailing the national average by approximately \$16,000, the cost of living exhibits an upward trend. When the median home price vastly exceeds the reach of a median-income household, it's a clear sign of a housing market that's out of reach for many residents. The reported ratio of 12.9, where the median home price is nearly thirteen times the median household income in the project area, vividly highlights the gravity of affordability issues the city faces.

Collectively, these elements sketch a poignant picture of the housing challenges that San Bernardino confronts. The synergy of affordable housing scarcity, decrepit and aging housing stock, coupled with the looming menace of exacerbated homelessness, aggravates the demand for affordable housing.

Key Barriers

- What key barriers still exist and need to be addressed to produce and preserve more affordable and accessible housing? Please describe in detail the leading barriers to affordable housing production and preservation in your jurisdiction(s). A complete response will identify why the identified barriers are key barriers.

Barriers to producing and preserving affordable housing in San Bernardino are multifaceted and deeply rooted in historical, financial, and legislative challenges that have persisted over the years. As emphasized in the settlement between California and the City of San Bernardino, local regulations, particularly the city's zoning code, have historically inhibited housing production. Restrictive local zoning codes and land use policies stifle housing development, especially for affordable housing projects - typically leading to higher densities or requiring specific land use types to be economically viable. The city's compliant housing element will help mitigate these historical barriers to ensure appropriately zoned land is available to meet housing production targets set by the RHNA.

The escalating construction costs, amplified by inflation, have made the financial landscape for affordable housing increasingly precarious. Though financing mechanisms exist, developing a

successful capital stack requires braiding multiple funding sources - federal programs like NSP and HOME, state discretionary funding, low-income tax credits, private loans, and other streams where the demand for these resources vastly exceeds their availability. This imbalance has caused housing projects to stall in San Bernardino due to inadequate funding.

The fiscal challenges faced by the city have had profound implications for its ability to address housing shortages. The bankruptcy declaration in 2012, resulting from a \$55 million deficit and a debt exceeding \$1 billion, severely restricted the city's fiscal maneuverability. In 2017, the city was able to resume payments on debt obligations; however, the tough decisions made post-bankruptcy, including the outsourcing of fire services that continue to substantially consume the city's property tax revenues, further diminish its financial capability. Emerging from this bankruptcy only in 2022, the city, which has historically been understaffed, finds it challenging to proactively address its burgeoning affordable housing problem.

Despite budding efforts, a gaping void remains in the capital needed to jump-start and sustain affordable housing projects. The amalgamation of restrictive zoning practices, the intricate and competitive financing landscape, the city's recent fiscal adversity, and the scarcity of local resources collectively form a formidable barrier to affordable housing in San Bernardino.

Exhibit D: Soundness of Approach

Project Vision

- *Describe your proposed activities and why they are appropriate, given identified Need and applicant Capacity.*

The proposed activities of the Arrowhead Grove project are developed from a well-documented need for affordable housing in San Bernardino, underscored by fiscal challenges hindering housing production. The essence of the project lies in its phased development, focusing on increasing the housing stock that will help boost the community it serves.

The chief objective is the incorporation of 92 new affordable housing units under Phase IV, with an additional 120-unit mixed-use development in the planning pipeline within the same project area. This comes on the heels of successful completion of earlier phases, which have cumulatively added 322 housing units. Unlike other endeavors, the steadfast progress of Arrowhead Grove exemplifies the effectiveness of the operational capacity and collaborative framework between the City, County, and the Housing Authority of the County of San Bernardino (HACSB)

Over the past seven years, the HACSB has diligently worked toward the Arrowhead Grove Inclusive Redevelopment Project, which is spun out of the redevelopment of the former public housing site, Waterman Gardens. The focus on Phase IV resonates with the need for funding

support, an aspect that has historically hindered housing projects in the region, exacerbated by the COVID-19 pandemic and the ensuing period of prolonged inflation. The Arrowhead Grove project's momentum, even amidst external adversities, is demonstrative of a resilient and capable administrative framework. Additionally, the synergistic relationship among the key stakeholders showcases a matured operational capacity to navigate through financial, regulatory, and logistical barriers, ready to deploy the proposed activities effectively.

Figure 2. Site Development Map



The project's phased strategy, coupled with diversified development encompassing mixed-use structures and community centers, responds adeptly to the identified housing need and committed operational capacity. Implementing a Community Center within the project will provide a hub for community interaction, education, and service provision. This project's continued progress will help to address the community's affordable housing shortage by creating new units serving residents at 80% of the average Area Median Income (AMI) or below.

- ***How will your proposal address key barriers to affordable housing production and preservation identified in the Need section?***

The Arrowhead Grove project takes a strategic approach to navigate the key barriers to affordable housing production and preservation identified in San Bernardino. One of the primary obstacles has been the lack of financing for affordable housing projects. An awarded proposal circumnavigates the funding hurdle and enables the development of Phase IV by adding 92 new affordable housing units.

Additionally, the project's strategic focus on creating a high-opportunity area within the underserved community addresses the broader socio-economic barriers impeding housing accessibility. Integrating essential community infrastructure such as the on-site Community Center contributes to an enriched living environment and expanded opportunities for the residents. Moreover, the phased approach to development forges a pragmatic strategy to sustain housing production amidst financial uncertainties. Each completed phase brings new affordable housing units to fruition and progressively demonstrates the potential for overcoming the multifaceted financial hurdles that have historically stalled housing projects in the city.

The city's proactive engagement to address restrictive housing development policies paves the way for a better alignment with the Regional Housing Needs Assessment (RHNA) targets, relieving the historically regulatory inhibitions. Amidst escalating construction costs and a competitive financing landscape, the project outlines a viable blueprint for affordable housing in a city recovering from a challenging economic history marked by debilitating bankruptcy and ongoing fiscal constraints. The collaborative effort among the Housing Authority of the County of San Bernardino, the City of San Bernardino, and other key stakeholders enhances the Arrowhead Grove project's resilience to external challenges while concurrently creating a conducive environment for similar collaborative housing endeavors in the future

- ***Discuss how your proposal aligns with existing planning initiatives, services, and other community assets.***

The Arrowhead Grove project dovetails with existing planning initiatives that complement and advance the concerted efforts to rectify the housing affordability challenges in San Bernardino. The project's inception, rooted in the City's General Plan development, aligns with broader urban planning and community development agendas. The Waterman + Baseline Neighborhood Specific Plan represents the city's vision of a "complete community," reflecting a symbiotic relationship between the project and the city's larger goals.

The Waterman + Baseline Neighborhood Specific Plan envisions a well-rounded community infrastructure comprising affordable housing, educational facilities, recreational spaces, employment opportunities, multimodal transportation, and local commercial outlets. The Arrowhead Grove project embodies this vision, particularly emphasizing affordable housing. The project's focus on adding these affordable housing units significantly contributes towards reducing the housing cost burden currently afflicting a considerable portion of San Bernardino's populace.

The state's housing mandates, particularly as delineated by the RHNA, emphasize the critical need to address housing affordability. The allocation by the SCAG sets a clear quantitative goal for San Bernardino, with a notable emphasis on catering to low-income residents. The Arrowhead Grove project directly responds to this mandate, thus playing a crucial role in helping the city meet its RHNA obligations. The project's alignment with the city's 2020-2025 Consolidated Plan accentuates its role in contributing to housing affordability solutions to help alleviate the alarming statistics regarding housing cost burdens in San Bernardino.

Community Resources

Transit: The Arrowhead Grove project site is served by two bus stops that receive service from OmniTrans, the regional transit service provided for San Bernardino County. Omnitrans bus routes 1, 3, and 4 operate through the project area. Omnitrans Route 1 has a northbound bus stop in the project area on Waterman Avenue north of Olive Street, adjacent to the planned new community center. Route 1 currently operates every 20 minutes during peak hours on weekdays, every 30 minutes during off-peak hours on weekdays, every 30 minutes during peak hours on weekends, and every 50 minutes during off-peak hours on weekends. Routes 3 and 4 currently operate every 20 minutes all day on weekdays and every 25 minutes all day on Saturdays and Sundays. As part of the redevelopment, HACSB is working with OmniTrans to improve the bus stops directly serving the project site. Currently, there are no shelters at these stops—which will be addressed as part of this project.

Education: There is a Head Start preschool program site located at Arrowhead Grove, and E. Neal Roberts Elementary School is located on the block directly south of Arrowhead Grove—making the location ideal for low-income families with young children.

Employment: To the south of the project site, there is an industrial area characterized by a high concentration of automotive parts and repair businesses.

Recreation: The Seccombe Lake Recreation Area, a 44-acre park, is a short drive away from Arrowhead Grove.

Community Center: The vision for Arrowhead Grove includes the subsequent completion of a new Community Center facility that will serve residents at the project site and in the surrounding community. This Community Center will lease office space to nonprofit organizations to provide co-located services for low-income residents. Dignity Health, a major healthcare provider in California, plans to lease the west wing of the building to open a new Federally Qualified Health Center (FQHC). Preliminary plans also include the creation of a community kitchen and community gardens to address food insecurity in the area.

Geographic Location

- ***Explain your proposal's anticipated effects on targeted locations, neighborhoods, cities, or other geographies. Describe how your proposal preserves and creates housing units in high-opportunity areas and expands opportunity in underserved communities.***

The Arrowhead Grove project will serve residents in one of the most disadvantaged neighborhoods in the City of San Bernardino. Citywide, the median income is approximately \$55,372, with 20.9% of residents living below the federal poverty line. In comparison, the poverty rate within the Specific Plan Area is approximately 33.9%, with a median income of \$33,851 (2021 American Community Survey data). This neighborhood suffers from high levels of deep and chronic poverty.

According to data presented in the Specific Plan, 67% of households within the Project Area are renters versus 49% citywide. These census tracts score, on average, in the 82nd percentile in CalEnviroScreen 4.0's Housing Burden rankings. Living conditions are poor and high rent burdens contribute to the overcrowding of households. Low levels of automobile access create transit dependencies and make it difficult for residents to access employment, education, and other essential services. Seventy percent (70%) of residents in the Project Area are Hispanic, 13.8% are African American, 58.7% live in households where the primary language is not English, and 24.4% of residents are foreign-born.

Arrowhead Grove is envisioned as a transformative project that will substantially change a notably disadvantaged neighborhood. This project is an integral component of the city's larger revitalization efforts outlined in the Waterman + Baseline Specific Plan to integrate the provision of affordable housing with broader community amenities. It particularly targets a neighborhood enduring pronounced economic disparity, where the median income significantly lags the citywide median, and housing inadequacy exacerbates living conditions. The envisioned 92 new affordable units in Phase IV, coupled with a planned 120-unit mixed-use development, aspire to address the housing shortfall while creating a pathway for enhanced community interaction with the addition of an onsite Community Center.

The strategic placement of the Arrowhead Grove project within this area will expand opportunities that have long remained elusive for many residents. The proximity to K-12 school facilities, park recreational spaces, and potential employment venues outlines a wraparound approach that amplifies the project's impact towards elevating living standards and opportunities for the residents.

Moreover, the long-term collaboration between the Housing Authority of the County of San Bernardino and the City of San Bernardino forms a unified commitment to preserve and create housing units through steady progress to expand opportunities and help underserved communities overcome housing barriers.

Stakeholder Engagement

- ***Describe your key stakeholders and how you conducted outreach in developing this proposal. Please also describe your strategy for continued outreach during the grant's period of performance.***

Development of the Waterman + Baseline Specific Plan incorporated robust stakeholder engagement, which included a 5-person Steering Committee, a 14-member Leadership Council, and 36 community-based organizations and coalitions. This committee evolved into the Neighborhood Transformation Collaborative, led by the Making Hope Happen Foundation. This committee comprised local and regional anchor institutions, such as the Housing Authority, the City of San Bernardino, Dignity Health, and Loma Linda University Health. It provided technical assistance to the City in support of the specific plan. Other participating community-based organizations included El Sol Neighborhood Educational Center (ESNEC), Neighborhood Housing Services of the Inland Empire (NHSIE), Grid Alternatives, and the Arrowhead United Way, amongst others.

To ensure inclusion, residents actively participated in the planning process through events, meetings, and workshops led by Loma Linda University School of Public Health and the Latino Health Collaborative. Residents were identified and invited by local CBOs and anchor institutions directly serving the neighborhood. Since adopting the Waterman + Baseline Specific Plan, committee members have continued to meet and collaborate on various projects to advance the recommendations contained in the Plan.

As part of recent efforts to secure state funding to support the Arrowhead Grove project, HACSB has worked to develop a Collaborative Stakeholder Structure that will provide ongoing feedback during the project's design and construction phases.

- ***Describe the specific actions you have taken to solicit input from and collaborate with stakeholders in developing this application, including how input from stakeholders and community members has shaped your proposal. In particular, describe input from the housing industry in your area, including affordable housing developers, builders/general contractors, and unions as well as persons in need of affordable housing.***

The development of this project proposal has been a collaborative endeavor involving multiple stakeholders to ensure that the actions and strategies outlined are responsive to the actual needs and priorities of the community concerning affordable housing. Central to this collaborative approach was integrating inputs from various stakeholders through structured community engagement initiatives.

Primarily, the groundwork for stakeholder involvement was laid through previous planning efforts, particularly via the development of the Waterman + Baseline Neighborhood Specific Plan in the mid-2010s. These initiatives cultivated a platform for ongoing community dialogue and stakeholder engagement, further catalyzing the current project under discussion. Through monthly outreach meetings and collaborations spearheaded by the Making Hope Happen Foundation under the Uplift San Bernardino project, a broad spectrum of community members, organizations, and other stakeholders were brought together to deliberate on affordable housing. The feedback and suggestions from these engagements were instrumental in shaping the project proposal, aligning it closely with community aspirations and the overarching goals outlined in the Waterman + Baseline Neighborhood Specific Plan.

Specific input from the housing industry within the project area was sought to ensure the proposal is grounded in practical and executable strategies. Current engagement with affordable housing developers and builders/general contractors has provided critical insights into the challenges and opportunities present in the current housing market in San Bernardino. These stakeholders offered invaluable expertise on housing development's financial, regulatory, and operational aspects to ensure a well-informed and thoughtful application.

- ***Describe how you incorporated input from stakeholders into your proposal.***

Incorporating stakeholder input has been pivotal in formulating the proposal for the City of San Bernardino. Engaging with diverse stakeholders provided a multifaceted understanding of the housing challenges within the city, facilitating a more targeted and effective proposal. Initially, the groundwork laid by the Waterman + Baseline Neighborhood Specific Plan served as a conduit for channeling stakeholder insights into this proposal. The synthesized insights from the prior engagements were then meticulously incorporated into the planning of this project, ensuring that each strategy outlined resonates with the collective input from the stakeholders involved. This collaboration enriched the proposal and aligned it closely with the community's vision and the overarching goal of forming a “complete community” as envisioned in the Waterman + Baseline Neighborhood Specific Plan. The activities proposed in this application represent the input from long-term working relationships that were built over time between organizations that have a vested interest in the redevelopment of this community and the surrounding area.

- ***Describe your strategies to encourage public participation, build support, and engage community members, including those most likely to benefit from your proposed activity.***

The strategies to encourage public participation and build support for the Arrowhead Grove project have their foundation in previous community engagement efforts. Leveraging the groundwork laid by the city's General Plan development and the Waterman + Baseline Neighborhood Specific Plan, the approach to public involvement is designed to be inclusive and

ongoing. Monthly outreach meetings, facilitated by project partners, have been a crucial component, providing a forum for community members and organizations to share their perspectives and concerns. These meetings are part of a larger tradition of community outreach that has been ongoing for over a decade. The Arrowhead Grove project took shape through this continuous community stakeholder outreach as part of the development of the Waterman + Baseline Specific Plan, where the priorities identified through this process have been guiding the city and HACSB's planning efforts and are incorporated into the project.

The Uplift San Bernardino project, spearheaded by the Making Hope Happen Foundation, has been at the forefront of community engagement, building on past initiatives like the Promise Zone Collaborative and the Neighborhood Transformation Collaborative. This collective effort has been vital in bringing together local institutions, community members, and nonprofit organizations to focus on key areas such as housing, entrepreneurship, and sustainable careers.

Under the guidance of the Making Hope Happen Foundation, the community outreach plan for this project aims to seamlessly integrate with existing efforts. The proposed activities align with the goals developed through community input, particularly within working groups that supported the Waterman + Baseline Neighborhood Specific Plan and will continue to seek the community's input throughout each development phase.

Affirmatively Furthering Fair Housing

- ***Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity. How will your proposal increase access for underserved groups to these areas? What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?***

One of the pivotal elements of this proposal is the strategic partnership between the City of San Bernardino and HACSB. This alliance, further enriched by the engagement of local nonprofits, housing developers, and governmental agencies, is designed to pool resources, expertise, and networks to address the systemic barriers to affordable housing, such as regulatory hurdles and funding scarcities.

Community engagement and inclusive planning lie at the heart of this proposal. By involving the community in the decision-making processes, the project ensures that the housing solutions developed are tailored to meet the actual needs of the underserved populations. This inclusive planning approach provides a platform for addressing community concerns and incorporating diverse perspectives, essential for overcoming societal barriers like NIMBYism (Not In My Backyard syndrome) to affordable housing development.

Targeted development within the Arrowhead Grove project will increase the supply of affordable housing units in a vibrant, mixed-use, mixed-income community. This addresses the unique

housing needs of different demographic segments within San Bernardino. The creation of smaller, one-, two-, or three-bedroom units is a direct response to the specific demands of the city's extremely low-income households, which mostly comprise small families and a diverse racial composition with significant proportions being Hispanic or Latino, Black or African American, and other minority groups. The mixed-income community envisioned within the Arrowhead Grove project that includes access to a Community Resource Center will advance housing justice and inclusivity, catalyzing racial and economic integration. It promotes a more equitable distribution of housing opportunities across different racial and socioeconomic strata, thus standing as a well-rounded strategy to combat housing affordability issues.

- ***Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation. What policies or practices perpetuate segregation and how will your proposal address them?***

Addressing the barriers to affordable housing development that promotes desegregation in San Bernardino necessitates a nuanced and multilayered approach to tackling existing systemic challenges while cultivating an environment of inclusivity and equity. The entrenched policies and practices perpetuating segregation are rooted in restrictive zoning laws, discriminatory housing policies, and inadequate funding for affordable housing projects. This proposal is poised to counter these challenges through various targeted strategies.

First, advocacy and planning developments for mixed-use and higher-density zoning in well-resourced areas are central to enabling affordable housing development. Secondly, combating misinformation and NIMBYism (Not In My Back Yard syndrome) through strategic community engagement, education campaigns, and open dialogues is essential to shift public opinion and garner support for inclusive housing developments. Third, headway has already begun in the city to offer incentives such as streamlined approval processes for developers embarking on affordable housing projects in well-resourced areas to remove barriers and promote inclusive housing.

Implementing and enforcing fair housing policies to prevent discrimination based on race, ethnicity, or economic status are fundamental in promoting desegregation. This involves stringent enforcement against discriminatory renting, selling, or financing housing practices. Strategic partnerships with HACSB, non-profit organizations, and private developers are also integral to pooling resources and expertise for overcoming development barriers.

Additionally, substantial investments in underserved communities to improve education, healthcare, and employment opportunities form part of the wrap-around approach to bridge racial and economic disparities. This is reflected in the Arrowhead Grove vision of encompassing a Community Resource Center where access to these resources is centrally planted in the housing development.

- ***How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable housing? How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?***

The Arrowhead Grove project is a planned community rental assistance demonstration (RAD) project of the Housing Authority of San Bernardino. The rental assistance demonstration program is a project of the federal government via the Office of Housing and Urban Development (HUD) specifically designed to deconcentrate poverty. The RAD program was created to give public housing authorities a powerful tool to preserve and improve public housing properties and address the nationwide issue of deteriorating public housing. RAD also allows owners of HUD "legacy" program properties to develop projects specifically designed to deter the concentration of affordable housing in low-opportunity areas by developing mixed communities such as the Arrowhead Grove project. Additionally, these mixed-use developments present an opportunity to bring amenities to low-income communities that would not usually be available. Incorporating mixed-income residential units within the project is a deliberate move to promote socioeconomic diversity, thus diluting the concentration of low-income households in a singular locale.

- ***How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?***

The Arrowhead Grove project is an expression of San Bernardino's broader commitment to equitable housing and is designed to address the unique housing needs of protected class groups through an all-encompassing approach towards inclusivity and equal opportunity. A key aspect of this approach is the adherence to the Americans with Disabilities Act (ADA) standards in the design and creation of accessible and adaptable housing units, ensuring the full usability of housing amenities by persons with disabilities. Additionally, the project envisions an on-site Community Center to house healthcare and supportive services, offering a nearby venue for residents to access necessary medical and therapeutic services.

Families with children are also a focal point of the project. This mixed-use, mixed-income community will feature seventy 2 to 3-bedroom units (i.e., two-thirds of the project), will be within three miles of Head Start programs and elementary, middle, and high schools, and will have ample open space for young children to play. As a result, the project will provide an environment conducive to the holistic growth and development of children. The project's location within a HUD Qualified Census Tract (QCT) creates the potential to direct more resources toward enhancing educational and recreational facilities in the area, poised to benefit families significantly.

Given San Bernardino's diverse racial and ethnic fabric, the Arrowhead Grove project's mixed-income community model is pivotal in promoting racial and economic integration. This model challenges and gradually dismantles the historical patterns of segregation and disinvestment, facilitating a more inclusive living environment. The community engagement processes embedded within the project's development phase ensure the active involvement of underserved communities of color, allowing their unique housing needs to be articulated and integrated into the project's design and execution.

- ***Have you considered the risk of displacement associated with your proposal? How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color? Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants).***

In a concerted effort to mitigate the risk of displacement, the Housing Authority of San Bernardino has partnered with the Neighborhood Housing Services of the Inland Empire (NHSIE) to implement an anti-displacement plan for the proposed project. It will ensure affordable housing provisions, protection of tenants' rights, and measures to mitigate gentrification. The plan will be shared with local housing authorities, CBOs, and residents to collaborate and receive feedback in preparation for implementation.

- ***How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing? How will it support independent living with access to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.***

The Arrowhead Grove housing units are designed following accessibility standards of the ADA, ensuring that individuals with disabilities can live comfortably and safely. Further adherence to the Fair Housing Act's accessibility requirements ensures that these housing units encompass a truly inclusive environment. Compliance with ADA and Fair Housing Act requirements is fundamental to the proposal's execution. A comprehensive compliance strategy is outlined, encompassing rigorous pre-construction accessibility reviews, continuous monitoring during the construction phase, and thorough post-construction audits to ascertain total compliance with accessibility standards. Additionally, residents will be engaged, and a feedback mechanism will gather invaluable input regarding the accessibility and usability of housing units and community facilities. This feedback will be instrumental in identifying any areas of improvement, ensuring that the housing environment continuously evolves to meet the needs of its residents, particularly those with disabilities.

Beyond physical accommodation, Arrowhead Grove ameliorates a severely disadvantaged area by encompassing independent living for individuals with disabilities. A main aspect of the project is establishing an on-site Community Center, envisioned to provide essential healthcare and supportive services. This center will ensure residents have convenient access to necessary services, further promoting self-sufficiency and independent living. In tandem with these facilities, partnerships with local service providers are proposed to extend a comprehensive support network to residents, addressing a wide range of needs, including medical, therapeutic, and social services. Enhancing accessible transportation options for individuals with disabilities is a priority. Collaborations with local transportation authorities are planned to ensure accessible transportation services are readily available within close proximity to the Arrowhead Grove community.

- ***Describe the implementation and/or enforcement plan for your proposal. Describe how you will approach resistance (e.g. litigation, environmental review, design standards) to the elimination of your targeted barrier(s).***

The project is currently entitled and has undergone a rather lengthy public engagement process during its entitlement phase. The public engagement process has lent legitimacy to the Arrowhead Grove project and has motivated the collective ownership and shared vision among the diverse stakeholders. The continuous dialogue and feedback loops embedded within the engagement process have shaped the project's blueprint, ensuring it resonates with the community's needs and expectations, particularly concerning affordable housing and urban revitalization. The remaining stages of the project will be navigated with the same level of engagement and openness characterized by the entitlement process. This includes being prepared to adeptly manage any resistance or unforeseen challenges that may arise by leveraging legal counsel, maintaining clear communication channels with stakeholders, and adhering to a well-defined dispute resolution protocol.

- ***Describe any equity-related educational resources, tools, or public input that have informed your proposal.***

This project was shaped and informed by dialogue with residents, local businesses, educators, faith-based organizations, nonprofits, and government leaders from 2010 to 2016 via the city-led planning process that took place during the development of the Waterman + Baseline Specific Plan. These community-informed priorities were incorporated into various planning initiatives, including the Southern California Association of Governments (SCAG) regional planning efforts. Various equity assessment tools were employed to analyze the housing landscape in San Bernardino. These tools aided in identifying the barriers to affordable housing and gauging the extent of housing inequity within different demographics. By doing so, a clearer understanding of the local housing dynamics was attained, which, in turn, informed the proposal's strategic approach towards dismantling these barriers. HACSB synthesized this information and the

feedback received from residents to guide its planning efforts and shape the projects and partnerships proposed. The partnerships represent long-term working relationships that were built over time between organizations that have a vested interest in the redevelopment of this community and the surrounding area.

- ***Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one?***

The City of San Bernardino is committed to active and comprehensive Supplier Diversity Programs (SDPs) that provide fair and equitable opportunities for small and diverse enterprises to do business with the City and to developing mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged/disabled, veteran owned and LGBTQIA+ business enterprises. The City has a dedicated procurement team who have partnered with internal and external stakeholders to provide equitable resources and opportunities to all businesses. In addition, the City has hired a Disadvantaged Business Enterprise (DBE) Specialist to further the commitment and growth to supplier diversity and actively seek out certified diverse suppliers that can provide competitive, high-quality goods and services whose business model is aligned with City initiatives.

The City of San Bernardino is also in the process of developing a long-term strategic plan that includes the execution of SDPs so they may continue to be open and fluid to adapt in providing the resources and equitable opportunities to the small and minority business community.

- ***Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing.***

The Arrowhead Grove Project is one of the Housing Authority's premier rental assistance demonstration projects and is part of its Moving to Work plan implementation. As such, it has a structured evaluation mechanism to observe and measure its effects concerning diversity, equity, and inclusion throughout its implementation phase. The evaluation process includes collecting baseline data on current segregation levels, housing affordability, and access to resources in the project area and surrounding communities. This collection sets a reference point against which progressive changes can be methodically measured. As the project continues, key indicators will be monitored and tracked. These indicators assess the racial and economic composition of tenants, levels of affordable housing, and access to essential resources like education, healthcare, and employment opportunities. To capture the lived experiences of community members, regular surveys and feedback sessions will be orchestrated. These interactions will gauge community experiences concerning desegregation, improved resource access, and housing affordability. External evaluators will also conduct impartial assessments of the project's impacts.

- ***How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?***

HACSB tracks the ongoing progress of its projects and their effectiveness via a strategic partnership with Loma Linda University. As a HUD-designated “Moving to Work” agency, measurable improvements are made to the quality of life of the community. Their equity and inclusion efforts are supported by the recently awarded California Accountable Communities for Health Initiative (CACHI) grant, where its goals and objectives overlap with the PRO Housing program’s overarching objectives related to measuring the impacts of equity and inclusion efforts. Engagement with community stakeholders, especially those from marginalized and underserved groups, is a major component of the evaluation process. Their feedback and experiences will be gathered through surveys, focus groups, and community meetings to gauge the grassroots impact of grant activities on racial equity. To obtain perspectives on the effectiveness of the grant activities, evaluators will conduct impartial assessments of the project’s racial equity outcomes. Transparent reporting of progress toward racial equity objectives will be shared with stakeholders and the wider community. These reports will detail the findings from the evaluation activities. At the same time, building the capacity of the project team and community partners to understand and address racial equity issues will be implemented through resource-sharing.

- ***If the applicant proposes to use PRO Housing funds to fund housing units, the applicant must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts.***

HACSB will develop an Affirmative Marketing Tool Kit as part of the project, which will include the following steps:

1. Identify and Review Target Populations
 - a. Identify Neighborhood Population Characteristics
 - b. Review Most Recently Available Studies of Barriers to Housing Choice
2. Develop Marketing Strategy and Materials
 - a. Develop Affirmative Marketing Ads and Messaging
 - b. Conduct Affirmative Marketing Advertising and Outreach
 - c. Complete the Affirmative Marketing Plan
 - d. Evaluate Barriers for the Target Population

Affirmative Marketing activities will take place for at least 120 days, with the following timing milestones incorporated into the Affirmative Marketing Plan:

- *150 Days Before Expected Certificate of Occupancy:* Inform community contacts and community-based organizations to support identifying prospective tenants that would be otherwise unlikely to apply. This communication will include the date that applications will be accepted with details of the application process.
- *120 Days Before Expected Certificate of Occupancy:* HACSB will begin collecting completed applications.
- *90 Days Before Expected Certificate of Occupancy:* HACSB will notify successful applicants and complete the certification process within 2 weeks of notification.

Affirmative Marketing will continue after initial leases are completed and paired with all mainstream marketing efforts.

- ***If the applicant is a CDBG, HOME, ESG, and/or HOPWA grantee, it may note the date of its most recent certification and a summary of the actions reported in its most recent CAPER.***

The City is an entitlement jurisdiction that is a CDBG, HOME, and ESG grantee. Per the City's PY 2021-2022 CAPER, the following summary of actions were reported:

1. Public Housing Efforts: Worked through the Housing Authority of the County of San Bernardino (HACSB) to administer the Housing Choice Voucher Program to provide rental assistance to eligible residents.
2. Homeownership Encouragement: Implemented an Infill Housing Program using HOME funds to construct housing units for sale to qualified low-income homebuyers, assisting 2 families in PY 2021-2022. Conducted First Time Homebuyer workshops in collaboration with local organizations.
3. Policy Reform for Affordable Housing: Initiated a comprehensive Development Code update and a new General Plan to eliminate land use constraints and facilitate housing and mixed-use development. Proposed amendments to incentivize lot consolidation, streamline development processes, and align with state density bonus law.
4. Addressing Underserved Needs: Targeted CDBG, HOME, and ESG funds to meet the needs of the underserved and partnered with local organizations to leverage additional resources for community development.
5. Lead-Based Paint Hazard Mitigation: Implemented testing and abatement procedures, monitored lead poisoning data, and educated owner-occupants on lead hazards.
6. Poverty Reduction: Established a First Time Homebuyer program and funded subrecipients under the ESG grant to provide essential services to reduce poverty levels.
7. Institutional Structure Development: Reviewed and revised policies and procedures and continued coordination with county agencies, and for-profit and non-profit developers, to facilitate affordable housing and service provision.

8. Enhanced Coordination: Improved communication with non-profit service organizations and residents through NOFA applications, public meetings, and online postings of essential documents.
9. Fair Housing: Acted to further fair housing, address impediments identified in the Analysis of Impediments (A.I.) to Fair Housing Choice, and improve fair housing opportunities in the city.
 - ***If the applicant will carry out proposed activities in a jurisdiction with an AFH, describe how the proposed activities are consistent with the AFH’s fair housing goals and with fair housing strategies specified in the jurisdiction’s Consolidated Plan or Public Housing Agency Plan.***
 - ***Does the proposed project address issues identified in your jurisdiction’s most recent fair housing plan or plans?***

The City of San Bernardino’s Draft 2020 - 2025 Analysis of Impediments to Fair Housing (the “AI”) identifies the following critical needs identified through stakeholder engagement:

- Increase in housing inventory – an increased supply will help all, including the Latino and African American population.
- Improve perceptions of San Bernardino (negative perception deters private investment).
- Address discrimination, particularly race or ethnicity discrimination.
- Raise awareness about homelessness using humanistic stories that go beyond the data.
- Support a growing population of homeless seniors.
- Decrease dependency on government and draw foundations and corporations into the solutions.
- Create pathways to employment.

The Draft AI includes a Fair Housing Action Plan, which outlines the highest priority Contributing Factors to Fair Housing for six key areas. Under the area of Affordable Housing, the priority factors included:

- Low volume of affordable housing.
- Poor housing conditions and blight.
- Tenant background checks stop families from receiving housing.
- Lack of advocacy for affordable housing. Not-My-Backyard attitudes create a tough land development process for new affordable housing plans.
- Low number of accessible units for a growing elderly and/or disabled population.

Arrowhead Grove directly aligns with Goal 2 of the Fair Housing Action Plan, which calls for the City to “increase affordable housing opportunities.” The project site, which is served by two

OmniTrans bus pickup areas and located near the City's industrial employment areas, supports the Plan's identified Action Steps by developing "integrated housing approaches near designated employment areas/centers and transit." The City of San Bernardino is engaged as a committed partner to support the Housing Authority's efforts to complete this project.

Budget and Timeline

- ***Provide a budget for the proposed activities that documents all projected sources of funds and estimates all applicable costs. Describe how you determined the budget and how you will ensure that the project will be cost-effective, in line with industry standards, and appropriate for the scope of the project.***

The application includes a pro forma that has evolved over several months to include diverse funding sources and well-vetted cost estimates. The project's primary funding sources include 4% Low-Income Housing Tax Credit (LIHTC) equity, construction and permanent loans from commercial lenders, and various federal, state, and local gap funding sources. In addition to a placeholder for the requested PRO Housing grant, these gap funding sources include HOME loans from the City and County of San Bernardino, Neighborhood Stabilization Program funds, a Middle-Income Program (MIP) loan from California Housing Finance Agency, a local Housing Development Fund grant, and a BUILD Energy Smart Grant. The LIHTC equity and commercial loans are modeled based on recent transactions completed by the Authority's project finance advisors and recent discussions with various lenders and investors. The MIP loan is modeled based on program guidelines and an assessment of project competitiveness based on winning projects from recent rounds. Finally, the various other gap funding sources are modeled based on extensive discussions with (and, in most cases, soft commitments from) funding providers over the past several months.

Cost estimates for the project are based on the expertise of the Authority's California-based project finance advisors, as well as the work of multiple third-party professionals. The Authority has engaged architects, a professional cost estimator, and two general contractors to help develop a detailed scope of work and estimate hard and soft construction costs for the project. The pro forma budget included in the application represents a synthesis of these professionals' work and, in the estimation of the Authority and its project finance advisors, is cost-effective, consistent with industry standards, and appropriate for the project's scope.

- ***Please describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting. What is the minimum funding amount that would allow you to carry out your proposal in some form, and what would that proposal achieve?***

With the announcement of an award amount that differs from the requested amount, a thorough re-evaluation of the budget would be conducted without compromising the core objectives of the project. This would include classifying project activities based on priority and ensuring that essential activities are allocated adequate funds. Simultaneously, the exploration of alternative funding sources such as grants, loans, or partnerships with other organizations could provide supplementary financial support. A prioritized phased implementation may also be considered based on funding availability, impact, and community needs to allocate the available funds to the most critical phases of the project. Each phase would be completed before transitioning to the next, allowing for a structured and financially controlled implementation.

The minimum funding amount necessary to carry out the proposal is \$5,000,000. This minimum amount would cover the cost of construction for the 92-units.

- ***Provide a schedule for completing all of the proposed activities in advance of the expenditure deadline at the end of FY 2029.***

The proposed construction activities for the Arrowhead Grove project have an anticipated start date of February 12, 2025, and an end date of May 1, 2026. All pre-construction work is currently underway and is on schedule to be completed on February 1, 2025. This includes completion of all design development, construction documents, plan checks, and final financing. Below is a schedule that includes key milestones to reflect timely progress toward the anticipated completion date.

	Key Milestone	Start Date	Completion Date
1	Site Grading and Foundations	2/12/25	7/29/25
2	Framing	7/30/25	10/21/25
3	Roofing/Exterior Dry-in	10/22/25	1/13/26
4	Initial punch walk prior to C of O	5/1/26	5/1/26

Exhibit E: Capacity

- ***Which specific agency or entity will lead implementation of the proposed activities? What is its role and management capacity?***

The City of San Bernardino will serve as the fiscal agent for the PRO Housing grant. HACSB will serve as the lead developer for the Arrowhead Grove project.

- ***Describe how the agency or entity has (or plans to obtain) the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major project.***

The City of San Bernardino has a strong history of successfully managing large projects. Its financial management of over \$61M from various funding sources reflects the successful launch and ongoing stability of major projects like the Arrowhead Grove project. Their structured governance model, where the City Manager oversees all departments, allows for an organized approach to project management and quality assurance, enabling swift decision-making and alignment with project goals.

In partnership with the Housing Authority of the County of San Bernardino (HACSB), which brings substantial experience in managing, developing, and controlling affordable housing units, the City enhances its capability to implement the project effectively. HACSB's historical involvement in administering housing programs, managing housing units, and maintaining compliance with various funding sources reinforces its competence in ensuring the project adheres to quality and regulatory standards. Over the last twelve years, HACSB has developed a strong knowledge base and experience in redevelopment of large-scale public housing sites—having completed 332 new units in the first three phases of Arrowhead Grove. The working relationship between the City and HACSB will combine the financial and managerial capacities of the City with the sector-specific expertise and operational skills of HACSB. This collaboration will facilitate the quick launch, smooth implementation, and management of the Arrowhead Grove project.

- ***If your proposed approach includes partners, describe each partner's capacities and credentials related to its role in implementing the project. Is your capacity to design, plan, or remove a barrier dependent on partner capacity? If yes, describe the dependency. What is your plan to regain capacity if a partner drops out?***

HACSB, in its role as the lead developer for the Arrowhead Grove project, brings a wealth of experience and substantial capacity in managing and developing affordable housing units. Since its establishment in 1941, HACSB has built or acquired over 2,000 affordable housing units and has a long history of being a dedicated owner and manager of federally subsidized public housing units. Moreover, with direct management and control over more than 3,500 affordable housing units across the County, HACSB has demonstrated operational proficiency and adherence to compliance standards in the sector.

The partnership with HACSB is crucial to the Arrowhead Grove project due to HACSB's role in ensuring that the development adheres to regulatory standards, managing housing units, and preserving the affordability of the units through various subsidy programs. The City of San Bernardino, as the fiscal agent, relies on HACSB's experience to navigate through specific sector

challenges, making the capacity to design and plan for the project somewhat dependent on HACSB's specific expertise in affordable housing development and management.

In the highly unlikely event that HACSB were to withdraw from the project, the City of San Bernardino would likely face challenges in managing specific aspects related to housing development and compliance. HACSB currently holds site control and is heavily invested in the design and pre-construction elements of Arrowhead Grove. HACSB and the City of San Bernardino's interests in realizing the completion of Arrowhead Grove are mutually bonded.

- ***Describe the agency's or entity's experience working with and coordinating partners (including contractors, funders, subrecipients, community stakeholders, and other government agencies) in previous projects similar in scope of scale to the proposed activities. If you do not have such experience, how will you obtain it?***

The City of San Bernardino has a long history of successful project collaborations with coordinating partners. Particularly with HACSB, the City has had much collaborative experience developing three prior phases of the Arrowhead Grove housing site. The City's capacity to successfully coordinate large-scale housing projects, navigate complex administrative tasks, and coordinate with multiple stakeholders is demonstrated in this exemplified ongoing collaboration.

During Phase I, known as Valencia Vista, the City oversaw timely and quality construction. This phase laid the foundation for subsequent project management collaborations with HACSB and other partners. Phase II, Crestview Terrace, and Phase III, Olive Meadow, brought yet another opportunity for the City to coordinate with HACSB and its contractors.

In addition to the Arrowhead Grove project, the City of San Bernardino has spearheaded various multi-faceted projects of substantial scope and scale that demanded cohesive coordination among contractors, funders, sub-recipients, community stakeholders, and governmental agencies. One such example is the City's experience in executing housing initiatives and urban development projects through the use and management of funds from various sources, such as ESG, CDBG, and HOME. The city's management and planning aligned numerous parties with differing interests toward a common vision for urban development and has continually delivered on the successful execution of many projects.

- ***Who wrote this application: applicant staff, or a professional technical or grant writer in a consulting or contract capacity? Please provide name(s), title(s), and organization(s). If the application was drafted by someone external to the applicant's organization, describe how the applicant staff and decision makers were actively engaged in the development of this proposal and how this coordination may continue over time.***

This application was prepared by a team of individuals that included staff from the City of San Bernardino, staff from the HACSB, and grant-writing consultants contracted from the firm Renne Public Policy Group. The team was composed of the following individuals:

Trina Perez City of San Bernardino Senior Management Analyst	Mary Alvarez-Gomez City of San Bernardino Grants Division Manager	Christian Rodriguez City of San Bernardino Management Analyst II
Gilbert Mosqueda City of San Bernardino Management Analyst I	John Moore Housing Authority of the County of San Bernardino Director of Development	Jake Whitaker Renne Public Policy Group Director
Bruce Rudd Renne Public Policy Group Senior Consultant	Maira Durazo Renne Public Policy Group Grant Writing Associate	Adam Cray CSG Advisors Vice President

- ***Do you or any partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities? Do you or your partner(s) have experience designing or operating programs that have provided tangible reductions in racial disparities?***
 - ***In evaluating applications for funding, HUD will consider the extent to which the application demonstrates that the applicant has the experience and the resources to effectively address the needs of underserved communities, particularly Black and Brown communities.***

In recent years, the City has undertaken multiple initiatives that address housing-related issues regarding fair housing and civil rights issues including owner-occupied housing rehabilitation program, first-time homebuyers' programs in coordination with Wells Fargo, Microenterprise Program working with small business owners, and Infill Housing Program to provide housing for LMI families. The City annually collaborates with the Community Action Partnership of San Bernardino, Family Service Association of Redlands, Lutheran Social Services, The Salvation Army Hospitality House, and Step Up on Second for street outreach, emergency shelter, rapid rehousing, case management, and homeless prevention services. In addition, the City works with the St. Bernadine's Hospital Community Hospital, and Dignity Health in San Bernardino to provide homeless patients with appropriate healthcare and bridge housing and case management services.

The City collaborates annually with the Inland Fair Housing Mediation Board (IFHMB) to conduct and react to any complaints surrounding housing discrimination and fair housing education and promotion. IFHMB provides fair housing and landlord-tenant mediation activities centered on four main activities: Education, Outreach, Enforcement, and Administrative Services. IFHMB fair housing, education, outreach, and enforcement activities will address fair housing issues encountered by City residents and assist the City to support and sustain inclusive neighborhoods vibrant with diversity.

The delivery of fair housing services, along with the availability of landlord-tenant mediation, empowers residents with knowledge of their housing rights and responsibilities under Federal and State fair housing laws, and the California Civil Code. Fair Housing and Landlord-Tenant workshops are conducted throughout the year to familiarize residents with their housing rights and responsibilities, including federal and state fair housing laws. IFHMB Staff will assist residents with the processing of complaints to the Department of U.S. Housing and Urban Development (HUD), the Department of Justice, the California Department of Fair Employment and Housing, or provide a referral to a private attorney.

- ***Provide an organizational chart that identifies names and positions of key management for proposed PRO Housing activities. In addition to key management, be sure to include a count of all full-time staff that will manage PRO Housing activities. Please also include a description of your existing management structure and staff roles, including any gaps, vacancies, or positions contingent on award. If you are applying with a partner or partners, provide this information for each organization.***

As the Pro Housing application fiscal lead, City of San Bernardino Staff Trina Perez and Mary Alvarez-Gomez will oversee the management and coordination of project activities. Trina, the Senior Management Analyst, will take the lead in ensuring the project adheres to specified guidelines and achieves set objectives. Mary, the Grants Division Manager, will manage grant compliance with grant requirements and oversee the financial aspects of the project. Christian Rodriguez and Gilbert Mosqueda, positioned as Management Analyst II and I, respectively, will assist in performance monitoring and data collection for progress reports.

HACSB, as the lead developer for the Arrowhead Grove project, Director of Development John Moore will steer the development objectives and ensure all key milestones are reached for the timely completion of the project. He will also oversee resource allocation, mobilize the existing steering committee to facilitate stakeholder and community engagement and head the development team in all aspects of completing the project.

Figure 3. Organizational Chart

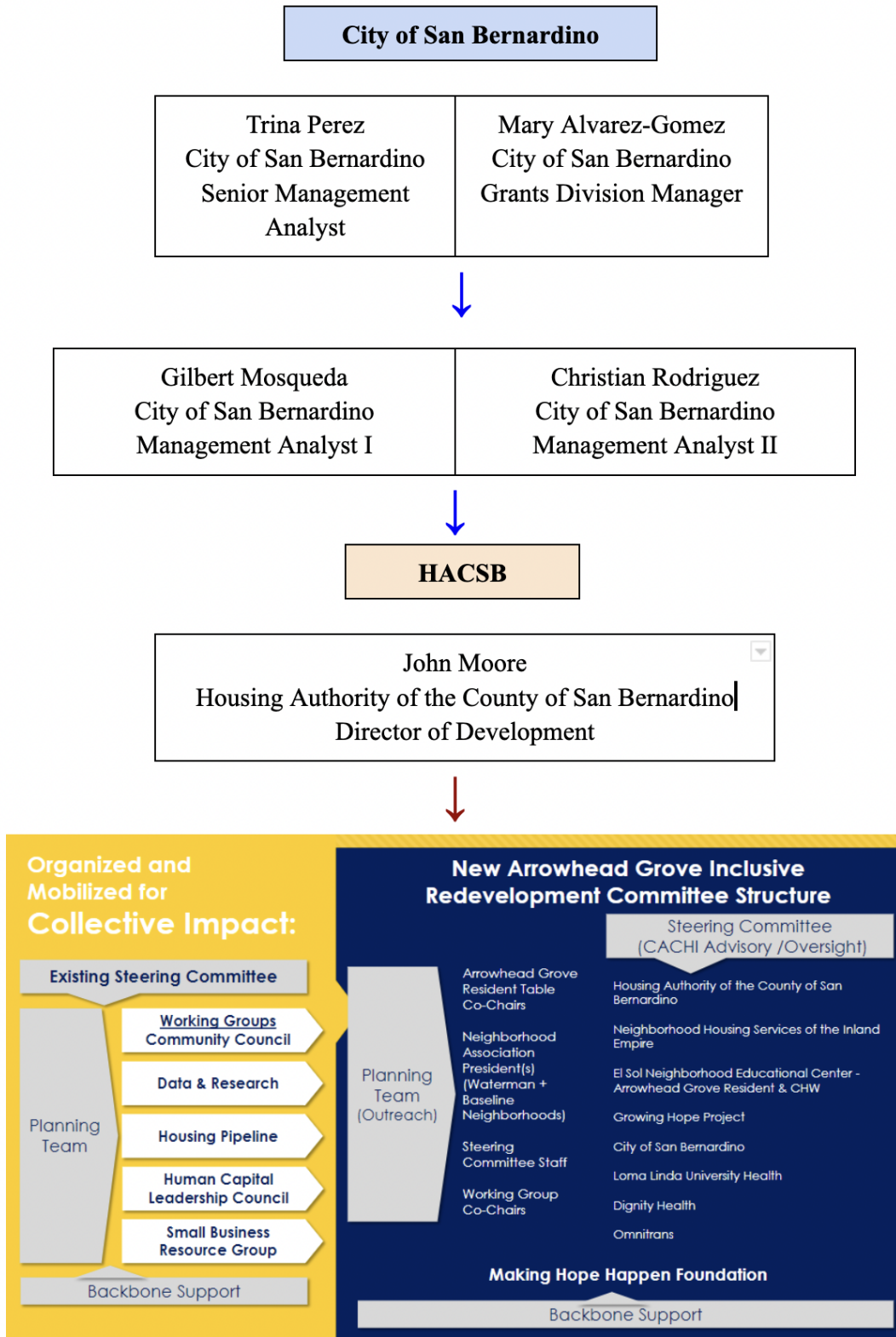


Exhibit F: Leverage

- *Are you leveraging other funding or non-financial contributions?*

As described in Exhibit D above, the project's primary funding sources include 4% Low-Income Housing Tax Credit (LIHTC) equity; construction and permanent loans from commercial lenders; and various federal, state, and local gap funding sources. In addition to a placeholder for the requested PRO Housing grant, these gap funding sources include HOME loans from the City and County of San Bernardino, Neighborhood Stabilization Program funds, a Middle-Income Program (MIP) loan from California Housing Finance Agency, a local Housing Development Fund grant, and a BUILD Energy Smart Grant. The LIHTC equity and commercial loans are modeled based on recent transactions completed by the Authority's project finance advisors and recent discussions with various lenders and investors. The MIP loan is modeled based on program guidelines and an assessment of project competitiveness based on winning projects from recent rounds. Finally, the various other gap funding sources are modeled based on extensive discussions with (and, in most cases, soft commitments from) funding providers over the past several months.

Exhibit G: Long-Term Effect

- *Describe what you will have achieved upon completion of grant-funded activities, including the specific work product(s), deliverable(s), or completed projects you will produce and any implementation actions that follow. Be sure to address how these achievements will have a permanent, long-term effect.*

Upon completion, the primary achievement of Phase IV of the Arrowhead Grove project will be the construction of 92 new affordable housing units in a historically disadvantaged and under-resourced area of San Bernardino. This addition directly addresses San Bernardino's need for more affordable housing options and offers a solution to a part of the housing shortage in the community. In the long term, these units will contribute to a more balanced housing availability in the area, helping alleviate some of the pressures of the local housing market. They will provide permanent essential housing for those in need and offer stability for families and individuals, enabling them to build a foundation for their future in the community. Once occupied, the units will add to the vibrancy of the community, potentially leading to increased local commerce.

- *Describe what roadblocks your proposal might be facing (e.g., the reversal of a plan to streamline the permitting process). What are the most likely ways in which the barriers might persist despite your proposed activities, and how does the proposal account for and counteract this?*

Despite meticulous planning and collaborative efforts, the Arrowhead Grove project faces challenges that come with the economic uncertainties that play a major role in price fluctuations for construction materials. Furthermore, there are always unforeseen circumstances in construction projects of this magnitude. These might include unexpected site conditions or a recurring wave of unsafe hikes in COVID-19 cases, resulting in a shift in priorities. To navigate these challenges, the project is designed to be adaptable. The Phase IV timeline incorporates buffers, both in terms of time and financial resources. This deliberate inclusion ensures that any unexpected delays or additional costs can be absorbed without compromising the project's main goal.

- ***Do you anticipate your proposal will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs? Describe how you seek to achieve your goal of enabling the production and preservation of affordable housing while also considering the value of siting affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.***

The housing authority of San Bernardino is committed to ensuring that all of its planned rental assistance demonstration projects incorporate on-site amenities that reduce the need for its residents to travel to access amenities such as healthcare and childcare. The planned RAD community at Arrowhead Grove currently contains a preschool facility and has a planned community center that will offer healthcare services via a federally qualified healthcare center.

- ***Describe how your proposal represents a model for other communities, including the manner(s) in which your jurisdiction(s) or others may scale or replicate the proposal.***

The Arrowhead Grove project serves as a model for other communities, particularly in its strategic approach to address affordable housing, community development, and socio-economic advancement within the broader context of urban revitalization. This project embodies the efficacy of phased development, wherein housing units are systematically introduced in stages to manage logistical and financial resources effectively and to ensure sustained progress even amidst potential external adversities, such as economic downturns and public health crises.

One of the defining aspects of the model lies in its integrated community development strategy, which goes beyond merely providing housing. The collaboration between the City of San Bernardino and HACSB demonstrates a significant alliance between local government and a specialized agency, each bringing its expertise and resources to the table. This partnership, coupled with the engagement of various stakeholders, ensures that the project is not only strong in its design and implementation but also attuned to the nuanced needs and aspirations of the community it serves.

The modular and scalable nature of the phased development approach means that other jurisdictions, depending on their size and available resources, can adapt the model to their specific contexts. The alliance between governmental and specialist agencies, systematic stakeholder engagement, integrated community development, and phased implementation constitute a versatile framework that can be replicated in diverse settings. By adhering to this model, other communities can navigate the complexities and challenges inherent in large-scale affordable housing and community development projects, enhancing their capacity for sustainable urban development and social uplift.

- ***Describe the community’s most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience. For example, you may wish to describe how your infrastructure and development activities incorporate resilient and/or energy-efficient features, such as native vegetation, reclaimed water, and efforts to mitigate the effects of climate change, as appropriate for your community.***

This community endures some of the worst air pollution in the United States¹, exacerbating public health concerns. Residents of the project area Census Tract 6071006401, along with those in adjacent tracts 6071005400 and 6071005500, experience particularly severe environmental challenges, with one of the worst Air Toxics Respiratory HI EJ Index reported in the nation recorded as being in the 95-100th percentile per the EPA’s Environmental Justice Screening tool. Consequently, community members face a heightened risk of air pollution-related health issues, including asthma and cardiovascular disease, compared to other California communities. The Western Riverside Council of Government’s San Bernardino County Resilience Strategy² and County of San Bernardino County Vulnerability Assessment³ have identified major increases in extreme heat days, with all areas of the county projected to experience at least 27 additional extreme heat days (defined as days exceeding the 95th percentile of daily maximum temperatures over the historical baseline time period between 1976 and 2005). Droughts are also expected to become more frequent and intense in San Bernardino County and, more broadly, throughout southern California by mid-century. Due to its geography downwind of the Los Angeles metropolitan area and constricted by high mountain ranges, the valley in San Bernardino County already experiences some of the worst air quality problems and in a nonattainment area under the Clean Air Act, which means it does not meet national air quality standards which is consistent with the CalEnviroScreen 4.0 rankings. Finally, and as the previous Fall/Winter season has demonstrated, extreme storms are projected to become more intense and frequent by mid-century due to climate change.

¹ American Lung Association (ALA), 2023 [State of the Air Report](#)

² [Western Riverside Council of Government San Bernardino Resilience Strategy](#)

³ [San Bernardino County Regional Greenhouse Reduction Plan](#)

The project protects environmental and agricultural resources by turning the landscaping on the site as well as the project-mandated detention basins into urban farms and water retention projects. The infrastructure incorporates drought-tolerant landscaping and design methods meant to retain, restore, and recycle water as it flows through the site. Additional site initiatives include planning for sustainable transportation methods to encourage efficient “Complete Streets” development patterns surrounding the project. Collectively, these improvements will improve air quality by increasing transit ridership and improving pedestrian and bicyclist safety while reducing the financial burden of a car. Equipping the 92 affordable units with electric appliances, installing solar panels, and bioswales, and planting additional trees will also help mitigate other impacts associated with climate change (e.g., urban heat island).

- ***What do you consider success to look like at the end of the period of performance or beyond?***

Successful implementation of the project will advance the goals of the larger Waterman + Baseline Specific Plan and build upon the work of the various contributing stakeholder groups that joined together to develop a transformative vision for the Waterman Gardens site and the surrounding neighborhood. In the immediate vicinity surrounding the Project area, the City and County have enacted a variety of incentives to attract a diverse mix of new or expanded businesses and jobs, which has successfully created a strong potential to establish an employment base. Unfortunately, the great majority of unemployed residents in the Plan area do not have the skills or education to capitalize upon these opportunities. Consequently, due to the economic limitations of the families living within the Project area, there is a need for wrap-around family resource services. The Arrowhead Grove Inclusive Redevelopment Project is a planned community that intends to provide just that. We see our project as a catalyst that can lead to many more projects happening nearby. The success of each becomes a leverage point for another.

Despite its past as an All-American City, San Bernardino grapples with high poverty rates. The city's financial crisis culminated in the 2012 bankruptcy declaration, coupled with its ranking among the nation's poorest and highest crime cities in 2015. The Arrowhead Grove housing projects and the proposed community center happening next to it will be the first step in reversing this narrative by bringing to the community a site built with top-of-the-line sustainability features. The sustainability features utilized on these projects will be replicated by projects that are being done by several of our CACHI stakeholder team members nearby. Both the Neighborhood Housing Services of the Inland Empire (NHSIE) and the El Sol Neighborhood Community Center are developing nearby housing and community center projects that are informed by this one. All housing developments will be all-electric and will feature top-of-the-line water efficiency features. All Projects propose incorporating accommodations for electric vehicle charging stations, renewable energy, and innovative water efficiency and

landscaping features. Each of these projects will have a keen focus on establishing jobs which job centers will support.

- ***Explain how the targeted outcomes will remedy the identified Need. If possible, propose metrics (the quantifiable topic area you will measure) and target outcomes (a quantified goal for each metric which you will strive to achieve) to explain how your proposed grant activities are expected to address the affordable housing needs and/or barriers identified in Need.***

The Arrowhead Grove project includes a data-collecting protocol to address various housing challenges the jurisdiction faces that also overlap with the identified needs of the community. One of these primary needs is the excessive cost burden borne by households. As such, one targeted outcome is to reduce the proportion of households spending more than 30% of their income on housing within the project area.

The surge in median home prices presents another barrier to affordable housing and is closely linked to average incomes. To counteract this trend, the project will include monitoring and providing resources to residents through the Community Resource Center to improve the ratio of Average Median Income (AMI) to median home prices. Additionally, the overall availability of affordable housing is closely tied and is also a major need. The main target of the Arrowhead Grove Project is the construction of an additional 92 affordable housing units to address this need.

- ***Describe the long-term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.***

The city of San Bernardino has recognized several challenges in providing affordable housing, as documented in its 2020-2025 Consolidated Action Plan. These include limited funding, strict environmental laws, necessary improvements to undeveloped areas, planning and development fees, and comprehensive permit procedures. To address these, the city is working on several strategies and actions for a smoother project review process and streamlining development activities and regulations to make it easier for transitional and supportive housing to be established.

The Arrowhead Grove project is part of this larger commitment to counteract decades of housing disparities and provide an equitable environment for all residents. Historically, segregation has been exacerbated by a lack of affordable housing in well-resourced neighborhoods, forcing protected class groups and vulnerable populations into under-resourced areas. The creation of affordable housing ensures that these groups have opportunities to reside in neighborhoods that

offer them better amenities, education, and employment opportunities, which can break the cycles of poverty and segregation that have plagued this community. Additionally, by integrating this project into a larger community plan that will offer support services and community resources, Arrowhead Grove ensures that vulnerable populations, including those with special needs, single parents, and the elderly, are not just housed but also supported in their endeavors, be it educational, professional, or personal. Arrowhead Grove removes the stigmas often associated with affordable housing and its residents, creating a more cohesive and unified community where residents of different socio-economic backgrounds can coexist, learn from one another, and collaboratively contribute to the betterment of the neighborhood.