



**FONTANA REDEVELOPMENT AGENCY**  
8353 SIERRA AVENUE, FONTANA, CALIFORNIA 92335

**UPDATED  
SECOND TEN-YEAR AFFORDABLE HOUSING COMPLIANCE PLAN  
2004-05 THROUGH 2013-14  
WITH AFFORDABLE HOUSING PROJECTIONS TO 2018-19**

**Prepared as part of the  
Fourth Five-Year Implementation Plan**

- Downtown Redevelopment Project
- Southwest Industrial Park ("SWIP") Redevelopment Project
- North Fontana Redevelopment Project
- Jurupa Hills Redevelopment Project
- Sierra Corridor Commercial Redevelopment Project

Adopted December 9, 2009

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## INTRODUCTION

This document is the Updated Second Ten-Year Housing Compliance Plan (the “2009 Housing Plan”) of the Fontana Redevelopment Agency’s (the “Agency”) Fourth Five-Year Implementation Plan, which was prepared pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, “CCRL”) and adopted by the Agency following a duly noticed public hearing held on \_\_\_\_\_. This document updates the Ten-Year Affordable Housing Compliance Plan (2004-05 through 2013-14) (the “2004 Housing Plan”) adopted on November 16, 2004, and presents an updated affordable housing compliance plan.

The 2009 Housing Plan covers all of the Agency’s Redevelopment Project Areas:

- Downtown Redevelopment Project (“Downtown Project”)
- Southwest Industrial Park (“SWIP”) Redevelopment Project (“SWIP Project”)
- North Fontana Redevelopment Project (“North Fontana Project”)
- Jurupa Hills Redevelopment Project (“Jurupa Hills Project”)
- Sierra Corridor Commercial Project (“Sierra Corridor Project”)

All of the above-mentioned redevelopment projects are collectively referred to as the “the Project Areas”. The Agency’s first redevelopment project area, the Downtown Project, was adopted in 1975. Since then, the Agency has adopted four additional Redevelopment Project Areas. The five adopted Project Areas encompass an estimated 16,448 acres of the City’s incorporated territory.

## LEGAL REQUIREMENTS FOR HOUSING COMPLIANCE PLANS

### California Community Redevelopment Law

The Housing Compliance Plan serves as a blueprint for current and future Agency activities outlining how it will meet its low and moderate income housing responsibilities and eliminate blight. Pursuant to the requirements of CCRL Sections 33413 and 33490, the 2009 Housing Plan sets forth the Agency’s program for ensuring that the appropriate number of very low, low, and moderate income housing units will be produced as a result of new construction or substantial rehabilitation in the Project Areas over the next ten years. In addition, the 2009 Housing Plan addresses the Agency’s plans to develop affordable housing to replace any housing for very low, low, and moderate income households destroyed or removed as a result of Agency participation in a redevelopment project. Finally, the 2009 Housing Plan addresses the Agency’s ongoing expenditure obligations, including targeting expenditures to mirror the community’s needs, both in terms of income categories and the number of family (versus senior) housing units needed.

### Housing Element Consistency

As this 2009 Housing Plan focuses on providing affordable housing for lower income households who are generally the most difficult segment of the community to house, it is clearly consistent with the Housing Element’s goal of providing a wide range of housing units by location, type, and price to meet the existing and future needs of Fontana residents. Both this 2009 Housing Plan and the Housing Element of Fontana state there is a definite need to assure an adequate supply of housing for the lower income segments of the community.

Like the Housing Element, this 2009 Housing Plan emphasizes the need to provide incentives to developers in order to increase the supply of affordable housing units in the Project Areas and Citywide. Some of these incentives include paying all or part of development fees, paying for off-site

improvements, working to speed up the permit process, and subsidizing mortgage interest rates. The 2009 Housing Plan is also consistent with the Housing Element regarding revenue sources that would be available to subsidize affordable housing projects. Both made it clear that all viable revenue sources need to be utilized to assist with alleviating affordable housing problems in the City.

A major focal point of the goals, policies, and objectives of the Housing Element is to provide housing for all economic segments of the City, especially lower income families. Because the major goal of this 2009 Housing Plan is also to provide affordable housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the City presented in this 2009 Housing Plan are similar to plans and policies of the Housing Element, there is clearly a high degree of consistency between the Housing Compliance Plan and the Housing Element.

## PURPOSE

Since 1976, redevelopment agencies have been required to assure that at least 30 percent of all new or substantially rehabilitated units developed by an agency are available at affordable costs to households of very low, low, or moderate income. Of this 30 percent, not less than 50 percent are required to be available at affordable costs to very low income households. Further, for all units developed in the project area by entities other than an agency, the CCRL requires that at least 15 percent of all new or substantially rehabilitated dwelling units within a redevelopment project area be made available at affordable costs to very low, low, or moderate income households. Of these, not less than 40 percent of the dwelling units are required to be available at affordable costs to very low income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated unless so required by an agency.

In 1994, the CCRL was amended to require redevelopment agencies to prepare a plan that demonstrates how the agency would achieve the aforementioned affordable housing mandates. Commonly referred to as a housing compliance plan, this document sets forth the Agency's plans for providing the required number of affordable dwelling units for the next ten years. This document also sets forth the Agency's plans for expenditure of housing funds during the ten-year compliance period. The CCRL requires agencies to update this plan every five years in conjunction with the preparation of the five-year implementation plan.

## HOUSING GOALS AND OBJECTIVES

The Agency's goals and objectives for the term of the 2009 Housing Plan are to:

- Increase, improve, and preserve the community's supply of low and moderate income housing citywide.
- Comply with the replacement and inclusionary housing requirements mandated by the CCRL.
- Leverage the Agency's Housing Fund with other resources in order to promote affordable housing.
- Insure that the dollars spent for general administrative activities are not disproportionate to the amounts actually spent to produce, increase, and preserve housing.
- Give priority to housing proposals that will eliminate or prevent the spread of blight Citywide and decrease excess demands on public services such as police, code enforcement, and building and safety within the Project Areas.

- Utilize the Fontana Housing Authority's (the "Housing Authority") resources and powers as tools to implement and assist with the development of affordable low and moderate income housing.
- Utilize the Housing Authority's efforts to provide affordable low and moderate income housing to stabilize problem multifamily projects and distressed areas.
- Continue efforts to stimulate the construction of affordable infill housing units on a community wide basis.
- Encourage the development and rehabilitation of affordable multifamily rental housing units.
- Utilize the goals and policies established in the City's Housing Element to guide the efforts of the Agency in its development of future affordable housing programs.
- Assist the City in the development and implementation on an inclusionary housing ordinance that would require at least 15 percent all new housing units be restricted and affordable to persons and families that are classified as very low, low, and moderate income.
- Provide financial incentives to enable inclusionary housing units produced by the City's proposed inclusionary housing ordinance to contain restrictive covenants consistent with the CCRL, ensuring that such units remain affordable for 45 years for ownership units and 55 years for rental units.

## METHODOLOGY AND DATA COMPILATION

The 2009 Housing Plan takes into account all residential construction or substantial rehabilitation that has occurred within the Project Areas since their adoption in order to determine affordable housing production needs. It accounts for existing residential construction and substantial rehabilitation and includes projections of new dwelling units that may be constructed or substantially rehabilitated during the next ten years.

Historical construction and substantial rehabilitation statistics were provided by the City staff, based on the number of building permits completed in the Project Areas. The forecast of future housing construction has been based upon General Plan build out figures for each Project Area. The total number of units remaining to be built in order to achieve build out for each Project Area has been equally spread over the number of years that each Redevelopment Plan remains effective. It should be noted that neither the existing housing stock nor projections for future dwelling units include any units to be developed by the Agency. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers in order to meet affordable housing production needs.

## CONTENTS OF THE HOUSING COMPLIANCE PLAN

The 2009 Housing Plan has been developed to accomplish the following goals:

- To account for the number of affordable dwelling units, either constructed or substantially rehabilitated, in the Project Areas since adoption;
- To forecast the estimated number of dwelling units to be privately developed or substantially rehabilitated between fiscal years 2009-10 and 2013-14, between fiscal years 2014-15 and 2018-19, and over the duration of the Redevelopment Plans;

- To forecast the estimated number of dwelling units to be developed or substantially rehabilitated by the Agency between fiscal years 2009-10 and 2013-14, between fiscal years 2014-15 and 2018-19, and over the duration of the Redevelopment Plans;
- To project the availability of Agency revenue for funding affordable housing production;
- To identify implementation policies/programs and potential sites for affordable housing development;

## AFFORDABLE HOUSING ACCOMPLISHMENTS DURING THE PREVIOUS FIVE YEARS

The Agency, through the efforts of the Fontana Housing Authority and the Department of Housing and Business Development, has actively pursued projects, programs, and activities that meet the Agency's housing goals as set forth in the previous section. The City's comprehensive housing program is designed to significantly improve and upgrade the community's housing stock and improve the overall quality of life of Fontana residents, and will continue to be implemented. To that end, the Agency has assisted a number of affordable housing projects and programs during the previous five years. During the previous five-year period, the Agency assisted a total of 551 affordable units, 350 of which were credited to the Agency's inclusionary housing obligation. Furthermore, the Agency assisted 10, and plans to assist an additional 17, housing units to replace substandard very low income housing that was removed to create the Ceres Court affordable housing project. These projects are described below.

### NEW CONSTRUCTION

#### **Fountains at Sierra – Senior Housing Project**

The Fountains at Sierra Senior Housing Development is located on the northeast corner of Ceres Avenue and Sierra Avenue and serves as phase II of a three phase development. Accordingly, The Fountains at Sierra continues the Spanish architectural theme established with the Phase I development.

The development is a three-story, 93-unit security-gated facility that includes 75 one-bedroom units and 18 two-bedroom units. The development also includes pool and spa facilities, along with over 5,300 square feet of community and recreation areas, including a fitness center, pool tables, a computer/media room, and a library.

The site was chosen in particular because of the Metrolink Rail Facility and Omnitrans Bus Lines, which are adjacent to the project. The development is also located in close proximity to the Fontana Mummer's Theater (with live theatrical performances) and the City Hall Civic-Center Campus. In addition, various medical facilities, the Fontana branch Post Office, the Women's Club, a grocery store and shopping center, and several local churches are all within easy walking distance.

The apartments are affordable to very low income senior citizens (with income levels at or below 50 percent of median income). Funding for The Fountains at Sierra was provided through the utilization of Federal HOME Investment Partnership funds, low/mod housing set-aside funds, Federal and State Tax Credits, and AHP funds.

#### **Gardens at Sierra – Senior Housing Project**

The Gardens at Sierra Senior Housing Development is located on the northwest corner of Ceres Avenue and Sierra Avenue and serves as phase III of a three phase development. Accordingly, The Gardens at Sierra continues the Spanish architectural theme established with the Phases I and II development.

The development is a three-story, 84-unit security-gated facility that includes 75 one-bedroom units and 18 two-bedroom units. The development also includes pool and spa facilities, along with over 5,300 square feet of community and recreation areas, including a fitness center, pool tables, a computer/media room, and a library.

The Gardens at Sierra involved a substantial level of “slum and blight removal”, with regards to the removal of previous commercial business enterprises. These businesses were negatively impacting the surrounding downtown community.

The site was chosen in particular because of the Metrolink Rail Facility and Omnitrans Bus Lines, which are adjacent to the project. The development is also located in close proximity to the Fontana Mummer's Theater (with live theatrical performances) and the City Hall Civic-Center Campus. In addition, various medical facilities, the Fontana branch Post Office, the Women's Club, a grocery store and shopping center, and several local churches are all within easy walking distance.

The apartments are affordable to very low income senior citizens (with income levels at or below 50 percent of median income). Funding for The Gardens at Sierra was provided through the utilization of Federal HOME Investment Partnership funds, low/mod housing set-aside funds, Federal and State Tax Credits, and AHP funds.

### **Ceres Court Apartments**

Located at 16284 Ceres Avenue this new, affordable housing project includes 20 two- and three-bedroom townhome style units situated on almost two acres of City owned land. Also onsite is a 3,250 square foot community center and tot lot. Development of this affordable housing project also included the removal of blighted, substandard housing.

Because the project is outside of the Project Areas, 10 of these units are counted towards the Agency's inclusionary obligation, while the remaining 10 units were used as replacement housing units. Due to the overwhelming success of Ceres Court, Ceres Way is currently being planned. This affordable housing project will consist of 60 two- and three-bedroom units, 17 of which will be used as replacement units.

## **ACQUISITION AND REHABILITATION**

### **Citrus Grove Apartments**

This complex is located at 8845 Citrus Avenue and consists of a total of 50 apartment units affordable to very low income families.

### **Ceres Avenue Apartments**

This is a 42-unit complex at 16254 Ceres Avenue that includes 11 one-bedroom units, 14 two-bedroom units, and 18 three-bedroom units. The apartments are affordable to very low income families. Funding sources included Housing Set-Aside Funds and HOME Grant Funds. The Agency secured 55-year affordability covenants on all 42 units. Because the complex is outside the Project Areas, the Agency receives credit for 21 affordable units created.

### **Valencia Woods Apartments**

The Agency assisted with acquisition and rehabilitation of this 60-unit complex, which is located at 16311 Valencia Avenue and consists of 10 one-bedroom units and 50 two-bedroom units affordable to very low income families. Funding sources included Housing Set-Aside Funds and HOME Grant Funds. The Agency secured 55-year affordability covenants on all 60 units. Because the complex is outside the Project Areas, the Agency receives credit for 30 affordable units created.

### **Laurel Woods Apartments**

The Agency assisted with acquisition and rehabilitation of this is 68-unit complex at 8347 Laurel Avenue that includes 21 one-bedroom units, 31 two-bedroom units, and 16 three-bedroom units.

The apartments are affordable to very low income families. The Agency secured 55-year affordability covenants on all 68 units. Because the complex is outside the Project Areas, the Agency receives credit for 34 affordable units created.

## UNITS IN PROGRESS OR PLANNED

### Ceres Way Apartments

Due to the overwhelming success of Ceres Court Apartments, Ceres Way Apartments is currently being planned. This affordable housing project will consist of 60 two- and three-bedroom units, 17 of which will be used as replacement units.

### Paseo Verde Apartments

To facilitate construction of additional affordable housing units, the Fontana Housing Authority purchased 5.02 acres located at the northwest corner of Valley Blvd and Juniper Avenue. This vacant property represents an excellent opportunity for neighborhood revitalization through construction of 50 two- and three-bedroom town-home style housing units with no less than 2,000 square feet of community area, including a community room, multipurpose room, office areas, and miscellaneous other uses. Laundry facilities will also be included within each unit. Outdoor amenities will include a swimming pool as well as patios and other open space. The apartments will be affordable to very low income families (with incomes at or below 50 percent of median income). Plans for an additional phase of 45 units are well underway.

### Piazza Senior Apartments

The Piazza Senior Apartments will be located on the east side of Juniper Avenue, approximately 400 feet south of Marigold Avenue, on 1.83 acres. The apartments will be a welcome addition to the existing Dino Papavero Senior Center and will include 60 senior housing units affordable to very low income senior citizens (with incomes at or below 50 percent of median income).

### Plaza at Sierra Senior Housing

The Fontana Housing Authority acquired approximately 3.81 acres of land on the southeast corner of Sierra Avenue and Orange Way to be the site of the three-story 90 unit senior affordable housing facility consisting of 72 one-bedroom units and 18 two-bedroom units. It will also include over 4,500 square feet of community/recreation area. This area will encompass a community room, fitness equipment, pool tables, a computer/media room, a library, and an outdoor swimming pool and two spa facilities.

The facility will be designed to create an extremely attractive "entrance statement" to the downtown community. In addition, the facility will be architecturally compatible with the Phase I ("Gardens at Sierra") facility located on the northwest corner of Sierra and Orange Way.

This downtown senior housing facility will be affordable to very low income senior citizens (with incomes at or below 50 percent of median income).

Construction began March 2009, with completion anticipated April 2010.

## OTHER ACCOMPLISHMENTS

### Inclusionary Housing Ordinance

Housing Authority and Agency staff, Planning staff, legal counsel, and consultants have worked diligently to develop an inclusionary housing ordinance that would promote affordable housing without affecting the development community's ability to produce housing. In 2010, staff expects to present to the Agency and City Council an inclusionary housing ordinance that balances the requirements to provide 15 percent of new units as affordable while providing a substitute fee program that will provide sufficient funds to ensure that the Agency's housing obligations are met.

### First Time Homebuyers Program

This program is specifically designed to attract first-time homebuyers to Fontana. The program is open to homebuyers that have not owned/held interest in a principal residence in the prior three years and can qualify for a first trust deed loan. Borrowers' income must not exceed 120 percent of median household income based on family size. Purchase price limits do not apply. Program participants would be eligible to receive a maximum of \$35,000 or 10 percent of property purchase price.

During the previous five years, the Agency was not able to provide deferred loans to qualified first time homebuyers due to the high cost of housing in the area. Because home prices have decreased during the past year, the Agency plans to actively fund this program once again.

### Emergency Grant Program

The City assists very-low income senior and/or disabled homeowners with essential emergency repairs, provided there is an immediate threat to "health and/or safety". The City provides up to \$2,000 to make emergency repairs at NO CHARGE to the homeowner, if they meet program eligibility requirements.

## AFFORDABLE HOUSING PRODUCTION NEEDS

This section describes the Agency's production needs for the next ten years and over the duration of the Redevelopment Plans.

### DEFINITIONS AND DATA COMPIRATION

The 2009 Housing Plan takes into account all residential construction or substantial rehabilitation that has occurred within the Project Areas since their adoptions in order to determine affordable housing production needs. The 2009 Housing Plan includes figures for existing residential construction and substantial rehabilitation, and projections for the number of additional dwelling units to be constructed or substantially rehabilitated during the next ten years. The following sections define "new construction" and "substantially rehabilitated" as used in the 2009 Housing Plan, as well as the methodology used for collecting data on both existing and projected housing units.

#### New Construction

Agency staff and City Planning staff provided new construction estimates used in the 1994 and 2004 Housing Compliance Plans. Because the CCRL does not provide a clear definition for new construction, Agency staff, consultants, and legal counsel agreed upon a definition for new construction. For the purposes of this 2009 Housing Compliance Plan, new construction represents building permits issued for the construction of new dwelling units actually built since the respective adoption dates of the Project Areas through June 30, 2009. Therefore, these units would fall under the requirements for production of affordable housing within the Project Areas pursuant to Section 33413 of the CCRL.

- Projections are affected by numerous complex factors such as the general health of the local, regional, and national economy; employment levels; competition; and inventory of existing housing. Based upon recent economic events, projection of the number of new units to be constructed over the next ten years is difficult. Projections for future dwelling units to be constructed within the Project Areas used in the first Housing Compliance Plans (1994 and 1999) were based upon existing land uses and recent historical trends of building permits issued for residential units as detailed in that Plan. In fact, total numbers of new units constructed exceeded projections provided in the 1994 and 1999 Plans and projections were increased for the 2004 Housing Compliance Plan. Table 1 accounts for all units constructed through June 30, 2009. Table 2 includes projections for 2009-10 through 2013-14 and 2014-15 through 2018-19, and inclusionary unit numbers have been adjusted accordingly.
- Future projections of new units have been based once again on General Plan build out figures. Staff does not anticipate that the Project Areas will experience build out within the current ten-year compliance period (2004-05 through 2013-14) or the next ten years (2009-10 through 2018-19), but will within the term of each of the Redevelopment Plans. Projections of future units have been evenly distributed over the remaining life of each of the Project Areas.
- It should be noted that neither the existing housing stock nor projections for future dwelling units in the Project Areas includes any units to be developed by the Agency. According to Agency staff, the Agency does not anticipate directly developing or rehabilitating any dwelling units, which would trigger the 30 percent affordable housing requirement of Section 33413(b)(l) within the time period of the 2009 Housing Plan. However, the Agency will continue to cooperate with and provide assistance and incentives to private

developers, nonprofits, and the Fontana Housing Authority (the "Authority") in order to meet affordable housing production goals.

### **Substantial Rehabilitation**

The CCRL defines "substantial rehabilitation" as "...rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value." 33413(b)(2)(A)(iv).

As defined by the CCRL "substantially rehabilitated dwelling units" means "On or after January 1, 2002, '... substantially rehabilitated dwelling units' means all units substantially rehabilitated, with agency assistance. Prior to January 1, 2002, 'substantially rehabilitated dwelling units' shall mean substantially rehabilitated multifamily rented dwelling units with three or more units regardless of whether there is agency assistance, or substantially rehabilitated, with agency assistance, single-family dwelling units with one or two units." 33413(b)(2)(A)(iii).

### **UNITS CONSTRUCTED OR SUBSTANTIALLY REHABILITATED WITHIN THE PROJECT AREAS**

The following Table 1 details by Project Area the number of units constructed or substantially rehabilitated within the Project Areas since adoption of their respective Redevelopment Plans.

## Units Constructed or Rehabilitated in the Project Areas

Table 1

	Project Area					Total
	Downtown	SWIP	North Fontana	Jurupa Hills	Sierra Corridor	
Through December 1993						
Substantial Rehabilitation	-	-	-			-
New Construction	-	-	4,128	Does not apply	-	4,128
<b>SUBTOTAL</b>	-	-	4,128		-	4,128
January 1994 - June 2004 (First 10 Year Period)						
Substantial Rehabilitation	14	-	-			52 66
<i>8361 Nuevo (Affordable Housing)</i>	14	-	-			-
<i>Hillcrest Apartments (Affordable Housing)</i>	-	-	-			52
New Construction	306	-	9,856			522 10,684
<i>Bellgrove</i>	-	-	1,608			-
<i>California Landings</i>	-	-	2,856			-
<i>Citrus Heights</i>	-	-	29			-
<i>Fontana Star</i>	-	-	577			-
<i>Fountains at Sierra (Affordable Senior Housing)</i>	92	-	-			-
<i>Gardens at Sierra (Affordable Senior Housing)</i>	84	-	-	Does not apply	-	-
<i>Morningside</i>	-	-	114			-
<i>Rancho Fontana</i>	-	-	1,278			-
<i>Sierra Lakes</i>	-	-	1,764			-
<i>Summit Heights</i>	-	-	1,089			-
<i>Sycamore Hill</i>	-	-	-			522
<i>Village at Sierra (Affordable Senior Housing)</i>	108	-	-			-
<i>Village of Heritage</i>	-	-	204			-
<i>Walnut Village</i>	-	-	337			-
<i>Other Privately Developed Units</i>	22	-	-			-
<b>SUBTOTAL</b>	320	-	9,856			574 10,750
July 1, 2004 - June 2009 (First 5 Years of Second 10 Year Period)						
Substantial Rehabilitation	-	-	-			-
New Construction	3	-	2,768	Does not apply	413	3,184
<b>SUBTOTAL</b>	3	-	2,768		413	3,184
<b>TOTAL NEW/REHABILITATED UNITS</b>	<b>323</b>	-	<b>16,752</b>		<b>987</b>	<b>18,062</b>

## Notes:

All units privately developed unless otherwise indicated. Affordable units privately developed and Agency assisted.

Accounts for only units constructed or substantially rehabilitated that generate inclusionary housing obligations.

Source of 3,184 units constructed from 7.1.04 - 6.30.09: San Bernardino County Assessor's Roll from MetroScan.

## AGGREGATION OF AFFORDABLE HOUSING UNITS AMONG ALL PROJECT AREAS

CCRL Section 33413(b)(2)(A)(v) provides that redevelopment agencies may "aggregate new or substantially rehabilitated dwelling units in one or more project areas, if the agency finds, based upon substantial evidence, after a public hearing, that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation."

The Agency, with the adoption of its 1994, 1999, and 2004 Housing Plans has previously taken action to aggregate its new and substantially rehabilitated units among all of its Project Areas. Therefore, the Agency's inclusionary housing unit need and affordable restricted units produced are viewed collectively among all Project Areas as if the Agency had only one redevelopment project area covering all of the territory included within the Agency's five separate Project Areas.

The Agency will consider similar action at the public hearing set to consider for adoption the 2009 Housing Plan. It is anticipated, based upon the evidence provided, the Agency will find the aggregation of its affordable housing obligations between its Project Areas is of benefit to the Project Areas and the community, and such aggregation will not cause or exacerbate racial, ethnic, or economic segregation.

## **AFFORDABLE HOUSING PROVIDED OUTSIDE OF THE PROJECT AREAS**

CCRL Section 33413(b)(2)(A)(ii) provides that an agency's obligations under Section 33413 may be met by providing affordable housing outside the project area on a two-for-one basis.

During the adoption process for each of the Project Areas, the Agency adopted appropriate resolutions that allow the Agency to expend its 20 percent housing set-aside money outside of each respective Project Area by making findings that it will be of benefit to each Project Area.

## **INCLUSIONARY HOUSING OBLIGATION STATUS**

Table 2 below details the Agency's inclusionary housing obligation status with total units constructed through June 30, 2009, in the Project Areas, and units expected to be constructed from July 1, 2009, through the expiration of each of the Redevelopment Plans.

## Inclusionary Housing Obligation Status

Table 2

Project Area	Constructed/ Rehabilitated	Number of Units Produced	Total Number of Very Low, Low, & Moderate Units Required	VL Units Required	L & M Units
<b>DOWNTOWN</b>					
Date of adoption through December 31, 1993	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
1st 10-Yr 1994 - 2004	Substantially Rehabilitated	14	2	1	1
New Construction	Private/15%	306	46	18	28
<b>SUBTOTAL</b>		320	48	19	29
2nd 10 Yrs (1st 10-19 2004- 08-09	Substantially Rehabilitated	-	-	-	-
New Construction	Private/15%	3	0	0	0
<b>SUBTOTAL</b>		-	-	-	-
Substantially Rehabilitated	Private/15%	-	-	-	-
New Construction	Private/15%	90	14	5	8
<b>SUBTOTAL</b>		93	14	6	8
3rd 10 Yrs (1st 10-19 2014-15 -18-19)	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
<b>Units Expected to be Built/Provided Over Remaining Project Term</b>					
<b>TOTAL UNITS OVER TERM OF PLAN</b>		413	62	25	37
<b>SWIP</b>					
Date of adoption through December 31, 1993	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
1st 10-Yr 1994 - 2004	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
2nd 10 Yrs 2004- 10 - 08-09 13-14	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
3rd 10 Yrs (1st 10-19 2014-15 -18-19)	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
<b>Units Expected to be Built/Provided Over Remaining Project Term</b>					
<b>TOTAL UNITS OVER TERM OF PLAN</b>		-	-	-	-
<b>NORTH FONTANA</b>					
Date of adoption through December 31, 1993	Private/15%	4,128	619	248	372
<b>SUBTOTAL</b>		4,128	619	248	372
1st 10-Yr 1994 - 2004	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	9,856	1,478	591	887
<b>SUBTOTAL</b>		9,856	1,478	591	887
2nd 10 Yrs 2004- 10 - 08-09 13-14	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	2,768	415	166	249
<b>SUBTOTAL</b>		-	-	-	-
3rd 10 Yrs (1st 10-19 2014-15 -18-19)	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
<b>Units Expected to be Built/Provided Over Remaining Project Term</b>					
<b>TOTAL UNITS OVER TERM OF PLAN</b>		3,582	537	215	322
<b>JURUPA HILLS</b>		Does not Apply			
<b>SIERRA CORRIDOR</b>					
Date of adoption through December 31, 1993	Private/15%	-	-	-	-
<b>SUBTOTAL</b>		-	-	-	-
1st 10-Yr 1994 - 2004	Substantially Rehabilitated	Private/15%	52	8	3
New Construction	Private/15%	522	78	31	47
<b>SUBTOTAL</b>		574	86	34	52
2nd 10 Yrs 2004- 10 - 08-09 13-14	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	413	62	25	37
<b>SUBTOTAL</b>		-	-	-	-
3rd 10 Yrs (1st 10-19 2014-15 -18-19)	Substantially Rehabilitated	Private/15%	-	-	-
New Construction	Private/15%	60	9	4	5
<b>SUBTOTAL</b>		473	71	28	43
<b>Units Expected to be Built/Provided Over Remaining Project Term</b>					
<b>TOTAL UNITS OVER TERM OF PLAN</b>		1,047	157	63	94
<b>TOTAL ALL PROJECT AREAS-SUMMARY OF UNITS</b>					
<b>SUBTOTAL - PRIOR TO 1/1/94</b>		4,128	619	248	372
<b>SUBTOTAL - 1ST TEN YEARS</b>		10,750	1,613	645	967
<b>SUBTOTAL - 2ND TEN YEARS</b>		4,730	710	284	426
<b>SUBTOTAL - 3RD TEN YEARS (1ST HALF)</b>		-	-	-	-
<b>To Be Built/Provided Over Remaining Project Term</b>		3,582	537	215	322
<b>TOTAL ALL PROJECT AREAS OVER TERM OF PLANS</b>		23,190	3,479	1,392	2,087

Notes:

Includes projects currently under construction and planned.

## INVENTORY OF EXISTING DEED-RESTRICTED UNITS

The Agency is obligated under CCRL Section 33413(b) to ensure that 15 percent of non-Agency developed units in the Project Areas (and 30 percent of any Agency developed units) are affordable to very low, low, and moderate income households, featuring affordability covenants.

To satisfy the Agency's production needs, units that are either developed or substantially rehabilitated must be covered by restrictive covenants. Housing units created or assisted after 2001 must carry 45-year covenants for units available for purchase and 55-year covenants for rental units. Units may be constructed inside or outside the Project Area, but units provided outside a project area count on a two-for-one basis. The Agency may also produce very low and low income affordable units by purchasing 55-year affordability covenants on multifamily rental units.

Tables 3A and 3B below present an inventory of the Agency's existing deed-restricted affordable units.

FONTANA REDEVELOPMENT AGENCY

List of Inclusionary Housing Units through 2004

Table 3A

Type	Projects	Unit Breakdown	# of Very Low Income Units		# of Low Income Units		# of Moderate Income Units		Total # of Units		Covenant Terms	Within/ Outside PAs Full or 50% Credit
			Total	Credited	Total	Credited	Total	Credited	Total	Credited		
<b>Through 1994</b>												
ENC 16990 Martin	n/a		0	0	1	1	0	0	1	1.0	Year 2027-North Fontana	Full
ENC 16940 Reed Street	n/a		2	1	2	1	0	0	4	2.0	Year 2027-North Fontana	50%
Senior: Oldtimers Senior Highrise, 16707 Marygold Avenue	n/a		150	150	0	0	0	0	150	150.0	Life of Project Area	Full
ENC Sonrise Apartments, 7222 Sierra Avenue	n/a		80	80	0	0	0	0	80	80.0	Life of Project Area	Full
ENC Citrus Garden Apartments, 8600 Citrus Avenue	n/a		40	0	55	0	55	0	150	0.0	Extended- Expires 2017	Full
ENC Village Drive Apartments, 14520 Village Drive	n/a		15	0	22	0	22	0	59	0.0	Expires 2016	Full
SR 8996 Olive Street	n/a		5	5	5	5	0	0	10	10.0	Year 2027-North Fontana	Full
NC 11650 Cherry Avenue	n/a		0	0	13	13	37	37	50	50.0	Year 2021 Jurupa Hills	Full
<b>Subtotal</b>			<b>292</b>	<b>236</b>	<b>98</b>	<b>20</b>	<b>114</b>	<b>37</b>	<b>504</b>	<b>293.0</b>		
<b>1995 &amp; 1996</b>												
PC Cambridge I & II, 8555 Citrus Avenue		(16) 1 bed, (220) 2 bed, (36) 3 bed	54	54	0	0	218	218	272	272.0	7/1/2024	Full
PC 16085 Dorsey Avenue		(4) 2 bed	2	1	2	1	0	0	4	2.0	6/18/2022	50%
PC 16095 Dorsey Avenue		(4) 2 bed	2	1	2	1	0	0	4	2.0	12/2/2027	50%
PC 16965 Reed Street		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2.0	10-year lease-1/15/2028	50%
PC 16975 Reed Street		(2) 2 bed, (2) 1 bed	3	1.5	0	0	1 mgr. unit		4	1.5	10-year lease-1/15/2028	50%
<b>Subtotal</b>			<b>63</b>	<b>58.5</b>	<b>6</b>	<b>3</b>	<b>218</b>	<b>218</b>	<b>288</b>	<b>279.5</b>		
<b>1997</b>												
PC 16930 Reed Street		(2) 2 bed, (2) 1 bed	4	2	0	0	0	0	4	2.0	30 yrs/or useful life of building	50%
PC 16180 Whitram Court		(4) 2 bed	2	1	2	1	0	0	4	2.0	1/6/2027	50%
PC 16190 Whitram Court		(4) 2 bed	2	1	2	1	0	0	4	2.0	1/6/2027	50%
PC 9205 Date Street		(20) 2 bed	20	20	0	0	1 mgr. unit		21	20.0	30 yrs/or useful life of building	Full
<b>Subtotal</b>			<b>28</b>	<b>24</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>26</b>		
<b>1998</b>												
PC 16966 Reed Street		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2.0	30 yrs/or useful life of building	50%
PC 16976 Reed Street		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2.0	30 yrs/or useful life of building	50%
PC 16200 Whitram Court		(4) 2 bed	2	1	2	1	0	0	4	2.0	30 yrs/or useful life of building	50%
PC 16210 Whitram Court		(3) 2 bed	2	1	1	0.5	0	0	3	1.5	30 yrs/or useful life of building	50%
<b>Subtotal</b>			<b>8</b>	<b>4</b>	<b>7</b>	<b>3.5</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>7.5</b>		
<b>1999</b>												
SR 8361 Nuevo		(14) studios	14	14	0	0	0	0	14	14	30 yrs/or useful life of building	Full
SR 16947 Reed Street		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2	30 yrs/or useful life of building	50%
SR 16955 Reed Street		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2	30 yrs/or useful life of building	50%
<b>Subtotal</b>			<b>18</b>	<b>16</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>18</b>		
<b>2000</b>												
SR 16120 Whitram Court		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2	30 yrs/or useful life of building	50%
SR 16130 Whitram Court		(2) 2 bed, (2) 1 bed	2	1	2	1	0	0	4	2	30 yrs/or useful life of building	50%
<b>Subtotal</b>			<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>4</b>		
<b>2001</b>												
SR Hillcrest Apts., 8015 Citrus Avenue		(52) 2 bed	16	16	23	23	0	0	39	39	55 years	Full
<b>Subtotal</b>			<b>16</b>	<b>16</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>39</b>		
<b>2002</b>												
Senior: Village at Sierra, Senior Housing Phase I, 8684 Sierra Ave/16858 Orange Way		(107) 1 bed, (1) 2 bed	102	102	5	5	1 mgr. unit		108	107	55 years	Full
<b>Subtotal</b>			<b>102</b>	<b>102</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>108</b>	<b>107</b>		
<b>2003</b>												
NC Senior: Fountains at Sierra, Senior Housing Phase II		(75) 1 bed, (18) 2 bed	92	92	0	0	1 mgr. unit		93	92	55 years	Full
<b>Subtotal</b>			<b>92</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>92</b>		
<b>2004</b>												
NC Senior: Gardens at Sierra, Senior Housing Phase III		(67) 1 bed, (17) 2 bed	84	84	0	0	0	0	84	84	55 years	Full
PC Citrus Grove Apartments, 8845 Citrus Avenue		(39) 3 bed, (8) 4 bed, (3) handicap 3 bed	50	50	0	0	0	0	50	50	Until 2059	Full
<b>Subtotal</b>			<b>134</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134</b>	<b>134</b>		
<b>SUBTOTAL through 2004</b>			<b>757</b>	<b>684.5</b>	<b>151</b>	<b>60.5</b>	<b>332</b>	<b>255</b>	<b>1244</b>	<b>1000</b>		

Key: ENC - Units created by new construction prior to 1994. These units are included in count of prior units built from Project Adoption to 1994.

NC - Units created by new construction.

PC - Units created from existing units through the purchase of affordability covenants.

SR - Units created through the rehabilitation of existing units with the imposition of affordability covenants.

List of Inclusionary Housing Units 2005 Forward

Table 3B

Type	Projects	Unit Breakdown	# of Very Low Income Units		# of Low Income Units		# of Moderate Income Units		Total # of Units		Covenant Terms	Within/ Outside PAs Full or 50% Credit
			Total	Credited	Total	Credited	Total	Credited	Total	Credited		
<b>2005</b>												
PC	Ceres Avenue Apartments, 16254 Ceres Ave	(11) 1 bed, (14) 2 bed, (18) 3 bed	42	21	0	0	0	0	43	21	55 years	50%
	<b>Subtotal</b>		<b>42</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>21</b>		
<b>2005 &amp; 2006</b>												
SR	Valencia Woods Apartments, 16311 Valencia Avenue	(10) 1 bed, (50) 2bed	60	30	0	0	0	0	60	30	55 years	50%
	<b>Subtotal</b>		<b>60</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>30</b>		
<b>2006</b>												
SR	Laurel Woods Apartments, 8347 Laurel Avenue	(21) 1 bed, (31) 2 bed, (16) 3 bed	68	34	0	0	0	0	68	34	55 years	50%
	<b>Subtotal</b>		<b>68</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>34</b>		
<b>2008</b>												
NC	Ceres Court, 16284 Ceres Avenue (10 units for replacement; see Table 6)	(4) 2 bed, (16) 3 bed	20	10	0	0	0	0	20	10	55 years	50%
	<b>Subtotal</b>		<b>20</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>10</b>		
<b>In Progress</b>												
NC	Ceres Way (17 units used for replacement; see Table 6)	(12) 2 bed, (48) 3 bed	60	30	0	0	0	0	60	30	55 years	50%
NC	Paseo Verde (Juniper Family Apartments) Phase I	(34) 2 bed, (16) 1 bed	50	25	0	0	0	0	50	25	55 years	50%
NC	Senior: Piazza Senior Apartments	(59) 2 bed, (1) 2 bed mgr. unit	59	59	0	0	1	1	60	60	55 years	Full
NC	Senior: Plaza at Sierra, Senior Housing Phase IV	(72) 1 bed, (18) 2 bed	90	90	0	0	0	0	90	90	55 years	Full
	<b>Subtotal</b>		<b>259</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>260</b>	<b>205</b>		
<b>Planned</b>												
NC	Paseo Verde (Juniper Family Apartments) Phases II and III	(68) 2 bed, (32) 3 bed	100	50	0	0	0	0	100	50	55 years	50%
	<b>Subtotal</b>		<b>100</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>50</b>		
	<b>SUBTOTAL 2005 forward</b>		<b>549</b>	<b>349</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>551</b>	<b>350</b>		
	<b>TOTAL created or planned</b>		<b>1,306</b>	<b>1,034</b>	<b>151</b>	<b>61</b>	<b>333</b>	<b>256</b>	<b>1,795</b>	<b>1,350</b>		

Key: ENC - Units created by new construction prior to 1994. These units are included in count of prior units built from Project Adoption to 1994.

NC - Units created by new construction.

PC - Units created from existing units through the purchase of affordability covenants.

SR - Units created through the rehabilitation of existing units with the imposition of affordability covenants.

To date, the Agency's efforts have yielded 1,795 affordable units. Because the Agency has produced a number of affordable units outside of the Project Areas, the Agency's inclusionary unit need has been credited with only 1,350 restricted units. Of the 1,350 credited restricted units provided, 1,034 units are reserved for very low income households, and the remaining 316 are available to very low, low, and moderate income households. (These figures exclude manager's units that are included as a part of the multifamily housing projects)

## AFFORDABLE UNITS REQUIRED

CCRL Section 33413(b) requires that not less than 30 percent of any Agency-developed units ("30 percent Units") or 15 percent of privately developed units in the Project Areas ("15 percent Units") produced during the next five and ten years be affordable to low and moderate income households. The CCRL also requires that 50 percent of the 30 percent Units and 40 percent of the 15 percent Units be specifically limited and affordable to very low income households. These affordable housing production requirements should be met during the next ten years.

Based upon the forecast of housing construction presented earlier and inventory of affordable housing projects completed to date, Table 4 presents the computation of the Agency's affordable housing production requirement for the remaining five years of the current ten-year compliance period, the next ten years, as well as the duration of each of the Redevelopment Plans.

Reconciliation of Inclusionary Units

Table 4

Timeframe	New Construction	Substantial Rehab.	Total	Inclusionary Requirement	Low/Mod. Requirement	Very Low Requirement	Inclusionary Production	Low/Mod Production	Very Low Production	Inclusionary (Need) or Surplus	Very Low (Need) or Surplus	
<b>Pre 1994-95</b>												
From Inception of Plans through 6-30-94 /1												
Privately Developed	4,128.0	0.0	4,128.0	619.2	371.5	247.7						
<b>Total Pre 1994-95</b>	<b>4,128.0</b>	<b>0.0</b>	<b>4,128.0</b>	<b>619.2</b>	<b>371.5</b>	<b>247.7</b>						
<b>Pre 1994-95 Inclusionary Units Produced and Restricted</b>							293.0	57.0	236.0			
<b>First 10-Year Period (1994-95 - 2003-04)</b>												
Pre 94-95 deficit units allocated for 1st 10 yrs (total/28x10yrs)				(221.0)	(132.6)	(88.4)						
1994-95 through 2003-04												
Privately Developed	10,684.0	66.0	10,750.0	(1,612.5)	(967.5)	(645.0)						
<b>Total First 10-Year Period</b>	<b>10,684.0</b>	<b>66.0</b>	<b>10,750.0</b>	<b>(1,833.5)</b>	<b>(1,100.1)</b>	<b>(733.4)</b>						
<b>Total First 10-Year Period Inclusionary Units Produced/Restricted</b>							707.0	258.5	448.5			
<b>Total First 10-Year Period Status of Inclusionary Obligation</b>										(833.5)	(48.9)	
<b>Second 10-Year Period (2004-05 - 2013-14)</b>												
First 5 Years (2004-05 - 2008-09) - Actual												
Pre 94-95 deficit units allocated for 2nd 10 yrs (total/28x10yrs/2)				(110.5)	(66.3)	(44.2)						
Actual Units 2004-05 - 2008-09												
Privately Developed	3,184.0	0.0	3,184.0	(477.6)	(286.6)	(191.0)						
<b>Subtotal First 5 Years of Second 10-Year Period</b>	<b>3,184.0</b>	<b>0.0</b>	<b>3,184.0</b>	<b>(588.1)</b>	<b>(352.9)</b>	<b>(235.2)</b>						
<b>Subtotal First 5 Years Inclusionary Units Produced/Restricted</b>							95.0	0.0	95.0			
Second 5 Years (2009-10 - 2013-14) - Projected												
Pre 94-95 deficit units allocated for 2nd 10 yrs (total/28x10yrs/2)				(110.5)	(66.3)	(44.2)						
Projected Units 2009-10 - 2013-14												
Privately Developed	1,546.0	0.0	1,546.0	(231.9)	(139.1)	(92.8)						
<b>Subtotal Second 5 Years of Second 10-Year Period</b>	<b>1,546.0</b>	<b>0.0</b>	<b>1,546.0</b>	<b>(342.4)</b>	<b>(205.4)</b>	<b>(137.0)</b>						
<b>Subtotal Second 5 Years Inclusionary Units Produced/Restricted</b>							255.0	1.0	254.0			
<b>Total Second 10-Year Period</b>	<b>4,730.0</b>	<b>0.0</b>	<b>4,730.0</b>	<b>(930.5)</b>	<b>(558.3)</b>	<b>(372.2)</b>						
<b>Total Second 10-Year Period Inclusionary Units Produced/Restricted</b>							350.0	1.0	349.0			
<b>Total Second 10-Year Period Status of Inclusionary Obligation</b>										(580.5)	(23.2)	
<b>Cumulative Inclusionary Obligation through 2013-14</b>										(1,414.0)	(72.1)	
<b>Third 10-Year Period (2014-15 - 2023-24)</b>												
First 5 Years (2014-15 - 2018-19) - Projected												
Pre 94-95 deficit units allocated for 2nd 10 yrs (total/28x10yrs/2)				(110.5)	(66.3)	(44.2)						
Projected Units 2014-15 - 2018-19												
Privately Developed	0.0	0.0	0.0	0.0	0.0	0.0						
<b>Subtotal First 5 Years of Third 10-Year Period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(110.5)</b>	<b>(66.3)</b>	<b>(44.2)</b>						
<b>Subtotal First 5 Years Inclusionary Units Produced/Restricted</b>												
<b>Total Third 10-Year Period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(110.5)</b>	<b>(66.3)</b>	<b>(44.2)</b>				0.0	0.0	
<b>Total Third 10-Year Period Inclusionary Units Produced/Restricted</b>												
<b>Total Third 10-Year Period Status of Inclusionary Obligation</b>										(110.5)	(44.2)	
<b>Cumulative Inclusionary Obligation through 2023-24</b>										(1,524.5)	(116.3)	
<b>From 2019-20 through end of Redevelopment Plans</b>	<b>3,582.0</b>	<b>0.0</b>	<b>3,582.0</b>	<b>(537.3)</b>	<b>(322.4)</b>	<b>(214.9)</b>				(537.3)	(214.9)	
<b>Duration of Redevelopment Plans /2</b>				23,190.0	(3,411.8)	(2,047.1)	(1,364.7)	1,350.0	316.5	1,033.5	(2,061.8)	(331.2)

## Notes:

/1 Since deficit was created from adoption through 1994, the unit deficit identified under "Pre-1994 will be addressed over the term of the Redevelopment Plans.

/2 Duration of Redevelopment Plans: Downtown - 1/2025; SWIP - 8/2017 to 8/2032; North Fontana - 1/2023; Jurupa Hills - 11/2021; Sierra Corridor - 7/2032.

## PAST INCLUSIONARY UNIT NEED

The Agency has actively worked to produce the required number of inclusionary units over the last 15 years, producing nearly 1,800 units (with a credit of 1,350 units; see Tables 3A and 3B). However, despite the Agency's work to produce these affordable units, the Agency has a large inclusionary housing need.

The increase in the number of affordable units needed is the result of the housing boom that occurred during the late 1990s and early 2000s, with an especially heavy concentration of home construction occurring from 2001 through 2004. Much of the new housing built in Fontana and the Project Areas has been affordable to moderate income households, although they have not been covered by restrictive covenants. This accelerated new construction has exacerbated the Agency's inclusionary unit need. To the Agency's credit, its efforts at creating affordable housing has focused on the very low income category, producing a total of 1,306 very low income units for a total inclusionary credit of 1,034 very low income units.

Therefore, as compared to the number of units produced and expected to be produced during this ten-year compliance period, the Agency will need to implement additional affordable housing programs to meet the units needed for low and moderate income households to address the anticipated 1,414 unit deficit.

To address this additional unit need, the Agency plans to construct a number of family and senior affordable housing projects (Paseo Verde Apartments, Piazza Senior Apartments, and Plaza at Sierra Senior Housing). In addition, the Agency will continue to fund programs such as the First Time Homebuyers Program and Multifamily Acquisition Program that are designed to increase the number of affordable dwelling units in the City. Details can be found in the "Proposed Projects and Programs" section of this 2009 Housing Compliance Plan.

The Agency will also work with the City in the development and implementation of an inclusionary housing ordinance that requires at least 15 percent of all new units to be reserved and affordable to very low, low, and moderate income households. It is anticipated that the ordinance will be enacted in late 2009 or early 2010. The Agency will utilize its Housing Fund dollars to insure that any units developed pursuant to this ordinance are reserved for the time periods required by the CCRL.

#### **CURRENT FIVE AND TEN YEAR PERIOD INCLUSIONARY UNIT NEED**

As detailed in Table 4, for the remaining five years of the ten-year compliance period (2009-10 through 2013-14), the Agency must create or provide a total of 581 restricted very low, low, and moderate income housing units. To project for ten years requires the period 2014-15 through 2018-19 be taken into consideration; the Agency must provide a total of 111 additional restricted very low, low, and moderate income housing units. In addition, as required by the CCRL, the Agency will address its unmet need of 834 units from the prior ten-year compliance period. Therefore, the Agency must create and restrict a total of 1,414 affordable units by the end of this ten-year compliance period (by June 30, 2014). Looking ahead ten years to June 30, 2019, the Agency must create and restrict a total of 1,525 affordable units.

During the next five year period, the Agency intends to focus its efforts on creating and preserving very low income units. Very low income units are the most difficult to create and reserve both logically and financially. It is assumed that with the adoption of the City's inclusionary housing ordinance, the Agency will be able to use this tool to achieve its needed low and moderate income housing units.

## REPLACEMENT HOUSING PRODUCTION NEEDS

The CCRL states that whenever housing units occupied by very low, low, or moderate income households are destroyed or removed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated within the community. These units must provide at least the same number of bedrooms destroyed, and 100 percent of the replacement units must be affordable to the same income categories or lower (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Areas.

The Agency has participated in redevelopment projects that have resulted in the loss of 56 affordable units through June 30, 2009. Table 5 presents a summary of the affordable housing units removed.

**Dwelling Units Destroyed or Removed  
Directly or Indirectly by the Agency**

**Table 5**

Project Area/Address	Units Destroyed/ Removed	Bedrooms Removed	Very Low Income Units	Low Income Units	Moderate Income Units
<b>Units Removed Prior to 1999</b>					
Downtown	9		2	2	5
North Fontana	12		4	4	4
Jurupa Hills	0		0	0	0
SWIP	0		0	0	0
Sierra Corridor	0		0	0	0
<b>SUBTOTAL</b>	<b>21</b>	<b>unknown</b>	<b>6</b>	<b>6</b>	<b>9</b>
<b>Units Removed from 1999 through 6-30-2004</b>					
8669 Nuevo Avenue	1	2	1	0	0
8671 Nuevo Avenue	1	2	1	0	0
8673 Nuevo Avenue	1	2	0	1	0
8677 Nuevo Avenue	1	2	0	1	0
8679 Nuevo Avenue	1	2	1	0	0
8691 Nuevo Avenue	1	2	0	1	0
8693 Nuevo Avenue	1	2	0	1	0
8695 Nuevo Avenue	1	2	0	1	0
<b>SUBTOTAL</b>	<b>8</b>	<b>16</b>	<b>3</b>	<b>5</b>	<b>0</b>
<b>Units Removed from 7-1-04 through 6-30-09</b>					
16298 Ceres Avenue - studio	5	5	5	0	0
16298 Ceres Avenue - 1 bedroom	15	15	15	0	0
16298 Ceres Avenue - 2 bedroom	5	10	5	0	0
16298 Ceres Avenue - SRO 1 bdrm	2	2	2	0	0
<b>SUBTOTAL</b>	<b>27</b>	<b>32</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>56</b>	<b>48</b>	<b>36</b>	<b>11</b>	<b>9</b>

Table 6 below identifies those replacement units the Agency has created or reserved to meet its replacement housing obligations as summarized in Table 5.

## Inventory of Replacement Housing Units

Table 6

	Project Area	# of Units Applied	Total # of Bedrooms	Very Low Units	Low Units	Moderate Units
<b>Housing Units Removed Prior to 1999</b>		<b>21</b>	unknown	<b>6</b>	<b>6</b>	<b>9</b>
<b>Replacement Units (75% of same income category or lower)</b>						
16005 Dorsey Avenue	No	(3 total) (2) 2bed, (1) bed	5	1	0	2
16030 Dorsey Avenue	No	(4) 2bed	8	1	0	3
16080 Dorsey Avenue	No	(4) 2bed	8	1	0	3
16000 Dorsey Avenue	No	(3) 2bed	6	3	0	0
16010 Dorsey Avenue	No	(3) 2bed	6	2	1	0
16040 Dorsey Avenue	No	(4) 2bed	8	2	2	0
<b>Replacement Housing Need Met</b>		<b>21</b>	<b>41</b>	<b>10</b>	<b>3</b>	<b>8</b>
	Project Area	# of Units Applied	Total # of Bedrooms	Very Low Units	Low Units	Moderate Units
<b>Housing Units Removed From 1999 through 6-30-2004</b>		<b>8</b>	<b>16</b>	<b>3</b>	<b>5</b>	<b>0</b>
<b>Replacement Units (100% of same income category or lower)</b>						
16045 Dorsey Avenue	No	(4) 2bed	8	2	2	0
16055 Dorsey Avenue	No	(4) 2bed	8	2	2	0
<b>Replacement Housing Need Met</b>		<b>8</b>	<b>16</b>	<b>4</b>	<b>4</b>	<b>0</b>
	Project Area	# of Units Applied	Total # of Bedrooms	Very Low Units	Low Units	Moderate Units
<b>Housing Units Removed From 7-1-2004 through 6-30-2009</b>		<b>27</b>	<b>32</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>Replacement Units (100% of same income category or lower)</b>						
Ceres Court Apartments	No	(4) 2bed	8	4	0	0
Ceres Court Apartments	No	(6) 3bed	18	6	0	0
Ceres Way Apartments	No	(12) 2bed	24	12	0	0
Ceres Way Apartments	No	(5) 3bed	15	5	0	0
<b>Replacement Housing Need Met</b>		<b>27</b>	<b>65</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>REPLACEMENT CREDIT OR (NEED)</b>		<b>0</b>	<b>0</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>

The Agency does not anticipate demolishing or removing any additional affordable dwelling units during the remaining five years of this ten-year compliance period.

## ESTIMATED HOUSING FUND RESOURCES & PROJECTED EXPENDITURES

### LOW AND MODERATE INCOME HOUSING FUND

One of the Agency's primary sources of revenues for housing program implementation is 20 percent housing set-aside deposits. These deposits reside in the Agency's Low and Moderate Income Housing Fund (the "Housing Fund"). The CCRL requires that not less than 20 percent of all tax increment revenue allocated to the Agency must be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low, and moderate incomes. Other sources of housing revenues include interest earnings, loan repayments, federal HOME and HELP funds, and developer loan proceeds.

Table 7 presents a forecast of Housing Fund revenues and operations debt service costs for the remaining five years of the ten-year compliance period. Pursuant to the requirements of Section 33490, Table 7 identifies estimated amounts of available Housing Fund dollars expected to be deposited into the Housing Fund during each of the next five years.

Projected Housing Fund Revenues and Expenditures - 2009-10 through 2013-14

Table 7

	Projected					Projected 5 Year TOTAL
	1 2009-10	2 2010-11	3 2011-12	4 2012-13	5 2013-14	
<b>Beginning Cash Balance (including reserves)</b>	<b>17,706,754</b>	<b>22,237,766</b>	<b>27,141,173</b>	<b>32,424,382</b>	<b>38,086,712</b>	
<b>Revenues</b>						
Net Tax Increment Revenues	18,746,850	19,121,750	19,499,000	19,879,000	20,286,500	\$97,533,100
Other Revenue	-	-	-	-	-	\$0
Interest Revenue	21,000	21,000	21,000	21,000	21,000	\$105,000
<b>Total</b>	<b>18,767,850</b>	<b>19,142,750</b>	<b>19,520,000</b>	<b>19,900,000</b>	<b>20,307,500</b>	<b>\$97,638,100</b>
<b>Total Available Funds</b>	<b>36,474,604</b>	<b>41,380,516</b>	<b>46,661,173</b>	<b>52,324,382</b>	<b>58,394,212</b>	
<b>Operations and Debt Service Costs</b>						
Debt Service	1,606,675	1,609,180	1,606,628	1,607,507	1,602,721	\$8,032,711
Cost Allocation	282,100	282,100	282,100	282,100	282,100	\$1,410,500
Administration, Maintenance, Overhead	963,063	963,063	963,063	963,063	963,063	\$4,815,315
<b>Total</b>	<b>2,851,838</b>	<b>2,854,343</b>	<b>2,851,791</b>	<b>2,852,670</b>	<b>2,847,884</b>	<b>\$14,258,526</b>
<b>Funds Available for Housing Projects</b>	<b>33,622,766</b>	<b>38,526,173</b>	<b>43,809,382</b>	<b>49,471,712</b>	<b>55,546,328</b>	<b>\$220,976,360</b>
<b>Housing Projects/Programs</b>	<b>11,385,000</b>	<b>11,385,000</b>	<b>11,385,000</b>	<b>11,385,000</b>	<b>11,385,000</b>	<b>\$56,925,000</b>
Ceres Way Apartments	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	\$8,500,000
Paseo Verde Apartments	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	\$28,500,000
Piazza Senior Apartments	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	\$6,000,000
Multifamily Housing	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	\$7,000,000
Senior Housing	600,000	600,000	600,000	600,000	600,000	\$3,000,000
First Time Homebuyers Program	400,000	400,000	400,000	400,000	400,000	\$2,000,000
Single Family Rehabilitation Program	110,000	110,000	110,000	110,000	110,000	\$550,000
Other Housing Projects/Programs	275,000	275,000	275,000	275,000	275,000	\$1,375,000
<b>Total Costs</b>	<b>14,236,838</b>	<b>14,239,343</b>	<b>14,236,791</b>	<b>14,237,670</b>	<b>14,232,884</b>	<b>\$71,183,526</b>
<b>FUND BALANCE SURPLUS/(SHORTFALL)</b>	<b>22,237,766</b>	<b>27,141,173</b>	<b>32,424,382</b>	<b>38,086,712</b>	<b>44,161,328</b>	
Changes in Other Balance Sheet Accounts						
<b>Ending Cash Balance</b>	<b>22,237,766</b>	<b>27,141,173</b>	<b>32,424,382</b>	<b>38,086,712</b>	<b>44,161,328</b>	
Cash Flow Reserve	412,887	414,377	420,737	421,837	427,807	
<b>Ending Cash Available</b>	<b>21,824,879</b>	<b>26,726,796</b>	<b>32,003,645</b>	<b>37,664,875</b>	<b>43,733,521</b>	

The State's proposed SERAF shift for 2009-10 and 2010-11 is not shown due to an anticipated lawsuit challenging the taking. The Agency is awaiting the outcome of the lawsuit and will make the payments if necessary.  
Source: City of Fontana Management Services Department, RDA Update June 2009

The Agency is borrowing from the Housing Fund a portion of its ERAF payments for 2009-10 and 2010-11, as is permitted by legislation. The Agency intends to repay the Housing Fund during the next 10 year compliance period.

## TARGETING OF HOUSING FUND EXPENDITURES

As set forth by CCRL Section 33333.4, each redevelopment agency shall expend, over the duration of the ten-year compliance period, the moneys in the Housing Fund in proportion to the community's need, both in terms of the income categories and the number of family (versus senior) households assisted.

### **Income Categories Assisted**

Pursuant to CCRL Section 33334.4(a), Housing Funds must be expended for very low and low income households in at least the same proportion as the City's housing need as established by the Regional Housing Need Assessment ("RHNA") for very low and low income households. The number of units in each income category in the City's RHNA figures may be adjusted for units not assisted by the Agency that feature 55 or 45 year covenants.

According to the Southern California Association of Governments, the current RHNA figures for the City cover the time period of 2006 through 2014. Table 8 indicates a Citywide need of 1,365 very low income units, 932 low income units, and 1,073 moderate income units. Table 8 utilizes the housing unit need by income category to arrive at the proportional spending minimums. Based on these figures, the Agency's Housing Fund expenditures over the current ten-year compliance period must at a minimum allocate 40.5 percent to very low income projects and programs and 27.7 percent to low income projects and programs. The remaining 31.8 percent of Housing Fund expenditures may be allocated among very low, low, and moderate income projects and programs at the Agency's discretion.

**Proportional Expenditure of Housing Funds  
by Income Category - 2004-05 through 2013-14**

**Table 8**

Income Category	Housing Units	Percent of Total
Very Low (0-50% of county median income)	1,365	40.5%
Low (50-80% of county median income)	932	27.7%
Moderate (80-120% of county median income)	1,073	31.8%
<b>Total Housing Units</b>	<b>3,370</b>	<b>100.0%</b>

*Note: Percentage of housing fund expenditures for households of very low, low, and moderate income based upon City of Fontana Regional Housing Needs Assessment 2006-2014 ("RHNA").*

### **Family and Senior Housing**

Section 33334.4(b) requires that Housing Fund expenditures for senior housing also be in proportion to the community's low income population of that age, according to the most recent Census. As noted in Table 9 below, data for low income senior households is not readily available. The nearest metric for such data represents low income households with a member under the age of 62, which is available via the Comprehensive Housing Affordability Strategy ("CHAS"). According to this metric, not more than 8.9 percent of Housing Funds may be spent on senior housing projects.

**Proportional Expenditure of Housing Funds by Age - 2004-05 through 2013-14**

Table 9

Low Income Age Group	Number of Persons	Percent of Total
Senior (age 65 and older)	1,846	8.9%
Family (under age 65)	18,923	91.1%
<b>Total Persons</b>	<b>20,769</b>	<b>100.0%</b>

*Note: Percentage of housing fund expenditures for households under the age of 65 based upon 2000 Census data reported in the Comprehensive Housing Affordability Strategy, in which 91.1 percent of the City's low income households are under the age of 62. Data for low income households under the age of 65 is not readily available from the Census. The nearest metric for such Census data represents households under the age of 62 (available via the Comprehensive Housing Affordability Strategy at <http://socds.huduser.org/chas/index.htm>).*

### **Progress of Targeting Expenditures**

CCRL Section 33490 (a)(C)(iv) requires agencies to report the amounts of Housing Fund dollars utilized to assist affordable units over the previous five year period. Housing Authority and Business Development staff have identified Housing Funds expended on affordable housing projects since 2004-05, and the following Table 10 details the Housing Funds spent during this period.

**Summary Housing Fund Expenditures  
2004-05 through 2008-09**

Table 10

Project	Units		Income Category	2004/05	2005/06	2006/07	2007/08	2008/09	Total
	Created	Credited							
<b>Family Projects</b>									
Ceres Avenue Apartments	43	21	VL	\$3,245,345	\$659,763				\$3,905,108
Ceres Court Phase II	20	10	VL						\$4,031,666
Ceres Learning Center	n/a	n/a	VL		\$1,774,518	\$998,401	\$4,075,032	\$1,188,034	\$8,035,986
Citrus Grove Apt. Preservation	50	50	VL	\$717	\$2,182				\$2,899
Laurel Woods Apartments	68	34	VL			\$8,701,442	\$633,820		\$9,335,261
Paseo Verde (Juniper Ave. Phase I)	50	25	VL			\$9,794	\$5,985,832		\$6,005,619
Valencia Woods Apartments	60	30	VL	\$6,935,301	\$831,368	\$41,514			\$7,808,182
16150 Whittram Court Rehab	4	2	VL	\$228,850	\$343				\$229,193
Paseo Verde (Juniper Ave) Phase II	46	23	VL						\$5,504,360
Single Family Property Improvement	n/a	n/a		\$36,928	\$44,938	\$63,377	\$58,200	\$53,740	\$55,504,360
<b>Subtotal Family Projects</b>	<b>341</b>	<b>195</b>		<b>\$10,447,142</b>	<b>\$3,313,113</b>	<b>\$9,814,527</b>	<b>\$10,752,884</b>	<b>\$10,787,793</b>	<b>\$45,115,458</b>
<b>Senior Projects</b>									
Fountains at Sierra (Senior Phase II)	93	92	VL		\$1,191	\$1,257			\$2,449
Gardens at Sierra (Senior Phase III)	84	84	VL		\$60,055				\$60,055
Senior Housing Phase IV	90	90	VL			\$5,097,184	\$1,880,692	\$881,219	\$7,859,095
<b>Subtotal Senior Projects</b>	<b>267</b>	<b>266</b>		<b>\$61,246</b>	<b>\$5,098,442</b>	<b>\$1,880,692</b>	<b>\$881,219</b>	<b>\$0</b>	<b>\$7,921,598</b>
<b>Total - Projects</b>	<b>608</b>	<b>461</b>		<b>\$10,508,388</b>	<b>\$8,411,554</b>	<b>\$11,695,219</b>	<b>\$11,634,103</b>	<b>\$10,787,793</b>	<b>\$53,037,056</b>

Source: City of Fontana

As noted above, during the present ten-year compliance period, the Agency must spend at least 40.5 percent of Housing Funds on very low income projects and programs and at least 27.7 percent of Housing Funds on low income projects and programs. Further, during the present ten-year compliance period, the Agency may spend a maximum of 8.9 percent of Housing Funds on senior projects and programs. Table 11 below presents a summary of the Agency's expenditures thus far on projects and programs for each of these groups.

**Summary of Proportional Expenditure Requirements**  
**2004-05 through 2008-09**

**Table 11**

Category	Actual		Target		Status of Expenditures
	Expenditures	Percent of Total	Proportional Expenditure (RHNA and CHAS)		
Very Low Income	\$52,779,874	99.5%	at least	40.5%	exceeds
Low Income	\$0	0.0%	at least	27.7%	under acceptable
Moderate Income	\$257,183	0.5%	no more than	31.8%	
	\$53,037,056			100.0%	
Family	\$45,115,458	85.1%	at least	91.1%	under
Senior	\$7,921,598	14.9%	no more than	8.9%	exceeds
	\$53,037,056			100.0%	

*Source: City of Fontana*

As Table 11 demonstrates, during the first five years of the current ten-year compliance period, the Agency has exceeded proportional spending targets for senior and very low income projects and programs, and under-spent on low income projects and programs.

Table 12 below presents a summary of the Agency's projected available dollar resources for the ten-year compliance period. Table 12 then presents estimates of ten-year proportional expenditures for income category and age (see Tables 8 and 9), subtracts expenditures for the first five years, and provides an expenditure target for the remaining five years.

**Projected Housing Fund Resources**  
2004-05 through 2013-14

Table 12

		Actual and Projected 10 Year Total	
<b>Beginning Cash Balance (2004-05)</b>		\$25,407,140	
Tax Increment Revenue Set Aside		176,777,867	
Interest and Other Revenue		4,767,658	
<b>Total Revenue</b>		\$181,545,525	
<b>Total Available Funds</b>		\$206,952,665	
<b>Total Operations and Debt Service</b>		49,297,149	
<b>Net Revenue Available for Projects</b>		\$157,655,516	
<b>Expenditure Program by Income Category</b>			
Very Low Income (minimum) Low Income (minimum) Unrestricted (VL, L, and M)	Estimated Revenue	2004-05 - 2008-09 Expenditures	Balance to Spend by 2013-14
	\$63,857,501	\$52,779,874	\$11,077,628
	\$43,600,873	\$0	\$43,600,873
	\$50,197,142	\$257,183	\$49,939,959
<b>Total Expenditures</b>	<b>\$157,655,516</b>	<b>\$53,037,056</b>	<b>\$104,618,460</b>
<b>Expenditure Program by Age</b>			
Senior Projects (maximum) Family Projects (minimum)	Estimated Revenue	2004-05 - 2008-09 Expenditures	Balance to Spend by 2013-14
	\$14,012,812	\$7,921,598	\$6,091,213
	\$143,642,704	\$45,115,458	\$98,527,247
<b>Total Expenditures</b>	<b>\$157,655,516</b>	<b>\$53,037,056</b>	<b>\$104,618,460</b>
Source: City of Fontana Management Services Department, RDA Update June 2009; SCAG Regional Housing Needs Assessment, 2007; HUD Comprehensive Affordable Housing Strategy, 2009.			

## OTHER FUNDING SOURCES FOR HOUSING PROGRAMS

All potential sources of funding will be actively pursued by the Agency in its efforts to implement its housing goals and objectives. Key to this effort continues to be the establishment of relationships between public entities (especially the City) and the private sector. In recent years, Fontana's real estate market had improved due to the strong economy and increased demand for relatively affordable housing outside of Orange and Los Angeles Counties. However, demand has declined significantly due to the current severe economic downturn. Fontana's housing program recognizes that the "market" will drive certain aspects of producing affordable housing. Market factors have impacted, and will continue to impact, the amount of housing the Agency can effectuate given current revenues. Therefore, efforts to cooperate with other public entities and especially with the private sector continues to be a priority, with the goal being to produce, improve, and protect the City's housing stock utilizing the Agency funds as leverage. In particular, the Housing Authority and Business Development departments will actively pursue the rehabilitation of multifamily projects and the purchase of affordability covenants as vehicles to engage the private sector.

**Other City / Agency Revenues.** Existing Agency funding requirements for nonhousing redevelopment funds include outstanding bonded debt obligations, pass through payments to taxing entities, required programs/projects, rent, and administrative costs. Because of these heavy funding commitments, no revenue from the Agency's Redevelopment (non housing) Fund will be available to assist with the implementation of affordable housing projects.

### **Federal/State Revenue Sources**

**Federal Programs.** The City of Fontana is a recipient of Community Development Block Grant, HOME, and Emergency Shelter Grant funds from the Department of Housing and Urban Development. Allocations of these entitlement funds are based on a locality's population and on a number of other socio-economic indices, including overcrowded housing, poverty levels, growth lag, and age of the housing stock. The City of Fontana uses these federal funds to leverage additional public and private investment to fund activities that benefit very low to moderate income households and sustain services to the homeless and other special needs populations.

- Community Development Block Grant: The Community Development Block Grant ("CDBG") Program was established under the Housing and Community Development Act of 1974. Use of CDBG funds must primarily benefit low to moderate income households. The City uses CDBG program funds primarily for infrastructure and supportive services in low-income areas.
- HOME Program: The HOME Investment Partnership Act of 1990 created the HOME program specifically to increase affordable housing opportunities. The City uses HOME funds to expand affordable housing opportunities through acquisition, rehabilitation, and professional management of selected multi-family housing projects.
- Emergency Shelter Grant Program: In 2004, the City of Fontana became an entitlement recipient of Emergency Shelter Grant ("ESG") funds. The formula-based grant was established in 1987 under the Stewart B. McKinney Homeless Assistance Act to assist homeless persons. In the City, ESG funds are used exclusively for activities relating to emergency shelters and transitional housing for the homeless.

**State Programs.** In conjunction with implementation of the City's comprehensive housing program, the Agency will utilize available affordable housing resources administered by the State Department of Housing and Community Development. Potential State housing programs, which could be utilized, include:

- California Housing Finance Agency ("CHFA") Multifamily Housing Rental Program: Provides below market rate financing through the issuance of tax-exempt bonds to builders and developers of multi-family and elderly rental housing.
- CHFA Home Mortgage Purchase Program: CHFA sells tax-exempt bonds to make below market interest rate loans to first time homebuyers. The program operates through participating lenders who originate loans for CHFA purchase.
- California Housing Rehabilitation Program Owner Occupant Component ("CHPRO"): Provides low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor housing rehabilitation projects.
- Emergency Shelter Program ("ESG"): Grants awarded to non-profit organizations for shelter support services.

- Multifamily Affordable Housing Program (“MAP”): Provides permanent financing funds for the acquisition, rehabilitation, preservation, and new construction of affordable rental housing.

### **Other Financial Resources**

**Low Income Housing Tax Credit.** As part of the 1986 Tax Reform Act, unit rents limited at 60 percent of median income and below are eligible to receive financial assistance under the tax credit program. The tax credit allocation process is extremely competitive both on a statewide and regional basis.

**Tax Exempt Multifamily Mortgage Revenues Bonds.** Use of mortgage revenue bonds is possible if one of the following criteria is met 1) at least 20 percent of the completed units are rented to households at or below 50 percent of the area median income, or 2) at least 40 percent of the units are rented to households at or below 60 percent of the area median income. Rents on tax credit units cannot exceed 30 percent of the maximum income limits based upon household size.

**Agency Financing.** The Agency has the legal power to issue taxable or tax exempt bonds and notes for the development (including rehabilitation) of both single family and multifamily housing. Such bonds would be issued under established federal and state requirements.

- Fontana Housing Authority Financing: Multifamily revenue bonds could be issued through the Housing Authority to finance apartment projects. These bonds could be used to provide construction financing and permanent financing for newly constructed projects, and in some cases to provide for the acquisition and substantial rehabilitation of existing projects.
- Affordable Housing Program (“AHP”) Grant: AHP provides grants through Federal Reserve banks for the preservation and creation of affordable housing opportunities for families of very low and low income.

## PROPOSED PROJECTS AND PROGRAMS

The following affordable housing projects and programs will be undertaken in order to meet long-term affordable housing needs for the Project Areas and the community as a whole.

### PROJECTS AND PROGRAMS IN PROGRESS

#### Ceres Way Apartments

Due to the overwhelming success of Ceres Court Apartments, Ceres Way Apartments is currently being planned. This affordable housing project will consist of 60 two- and three-bedroom units, 17 of which will be used as replacement units.

Anticipated Expenditures During Next Five Years .....	\$8,500,000
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#### Paseo Verde Apartments

To facilitate construction of additional affordable housing units, the Fontana Housing Authority purchased 5.02 acres located at the northwest corner of Valley Blvd and Juniper Avenue. This vacant property represents an excellent opportunity for neighborhood revitalization through construction of 50 two- and three-bedroom town-home style housing units with no less than 2,000 square feet of community area, including a community room, multipurpose room, office areas, and miscellaneous other uses. Laundry facilities will also be included within each unit. Outdoor amenities will include a swimming pool as well as patios and other open space. The apartments will be affordable to very low income families (with incomes at or below 50 percent of median income). Plans for an additional phase of 45 units are well underway.

Anticipated Expenditures During Next Five Years for Phase I .....	\$8,500,000
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Anticipated Expenditures During Next Five Years for Phase II .....	\$7,000,000
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Anticipated Expenditures During Next Five Years for Phase III .....	\$13,000,000
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#### Piazza Senior Apartments

The Piazza Senior Apartments will be located on the east side of Juniper Avenue, approximately 400 feet south of Marigold Avenue, on 1.83 acres. The apartments will be a welcome addition to the existing Dino Papavero Senior Center and will include 60 senior housing units affordable to very low income senior citizens (with incomes at or below 50 percent of median income).

Anticipated Expenditures During Next Five Years for Phase I .....	\$2,500,000
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Anticipated Expenditures During Next Five Years for Phase II .....	\$3,500,000
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#### Plaza at Sierra Senior Housing

The Fontana Housing Authority acquired approximately 3.81 acres of land on the southeast corner of Sierra Avenue and Orange Way to be the site of the three-story 90 unit senior affordable housing facility consisting of 72 one-bedroom units and 18 two-bedroom units. It will also include over 4,500 square feet of community/recreation area. This area will encompass a community room, fitness equipment, pool tables, a computer/media room, a library, and an outdoor swimming pool and two spa facilities.

The facility will be designed to create an extremely attractive "entrance statement" to the downtown community. In addition, the facility will be architecturally compatible with the Phase I ("Gardens at Sierra") facility located on the northwest corner of Sierra and Orange Way. This downtown senior

housing facility will be affordable to very low income senior citizens (with incomes at or below 50 percent of median income). Construction began March 2009, with completion anticipated April 2010.

Anticipated Expenditures During Next Five Years ..... \$0

## POTENTIAL PROJECTS AND PROGRAMS

### Multifamily Housing

A multifamily development with Palm Desert Development Company is under consideration.

Anticipated Expenditures During Next Five Years ..... \$7,000,000

### Senior Housing

A potential Section 202 senior housing project with CSI/CO-OP is under consideration.

Anticipated Expenditures During Next Five Years ..... \$3,000,000

## ONGOING PROJECTS AND PROGRAMS

### First Time Homebuyers Program

This program is specifically designed to attract first-time homebuyers to Fontana. The program is open to homebuyers that have not owned/held interest in a principal residence in the prior three years and can qualify for a first trust deed loan. Borrowers' income must not exceed 120 percent of median household income based on family size. Purchase price limits do not apply. Program participants would be eligible to receive a maximum of \$35,000 or 10 percent of property purchase price.

Anticipated Expenditures During Next Five Years ..... \$2,000,000

### Other Homeownership Programs

The Agency promotes two additional homeownership programs, the Lease Purchase Program that provides a three year lease option to eligible households. California Cities Home Ownership Authority ("CCHOA") will purchase new or existing homes on behalf of qualified individuals who hope to become future homeowners. The lease purchaser is required to lease for three years and three months. After that time, the lease purchaser has the right to exercise the option to purchase by assuming the mortgage.

The First Time Homebuyer Program ("FTHP") is offered by the County of San Bernardino for the purpose of assisting low and moderate income first-time homebuyers in purchasing homes. The Program provides first mortgage financing for up to 97 percent of the sales price to qualified borrowers and provides a three percent gift towards the down payment and closing costs. Funds will be available on a first-come, first-served basis. Funding is provided by bond sales. Neither the Lease Purchase nor the FTHP are administered directly by the Agency, and no Agency or City funds are allocated to these programs.

### **Single Family Residential Rehabilitation Programs**

The Agency is involved in several single family rehabilitation programs geared towards minor repairs and renovations. Though none of these activities would result in significant rehabilitation to assist in meeting long-term affordable housing production goals, these efforts are critical to reducing the number of deteriorating and/or at-risk housing units in the City.

The Minor Home Program allocates up to \$50,000 in redevelopment set aside funds to fund activities by the Oldtimers Foundation, which administers a minor repair program for senior and disabled households throughout the City.

The Emergency Grant Program provides grants to eligible disabled individuals and seniors up to \$2,000 to for emergency repairs such as unsanitary plumbing, hazardous electrical, sewer line or septic failures, or other catastrophic damage to the home.

Anticipated Expenditures During Next Five Years .....\$550,000

### **Multifamily Revitalization Program**

This program is specifically designed to address the negative impacts created within the community by substandard buildings and to serve as a vehicle for reducing code enforcement activity and police department calls for service. The area primarily targeted for program assistance includes Foothill Boulevard on the north, Valley Boulevard on the south, Citrus Avenue on the west, and Mango Avenue on the east.

No Agency expenditures are expected to be contributed to this project during the next five years.

### **Infill Housing Program**

This program is designed to develop quality single family detached homes on small tract (1 to 10 acres) infill parcels located within targeted areas in Fontana. Through this program, the City has reduced many development fees by half for projects located within the oldest section "Central Core" of the City. Additionally, to assist residential builders with the identification of potential infill development sites, the City prepared a vacant Residential Properties Resource Guide.

No Agency expenditures are expected to be contributed to this project during the next five years.

### **Manufactured Housing Program**

This program is designed to educate the public and developers on the advantages of manufactured housing and to encourage its inclusion in the infill housing development. Activities include meeting with manufacture housing builders and distributing information to the general public.

No Agency expenditures are expected to be contributed to this project during the next five years.

### **Developer Proposed Projects**

This program facilitates the acquisition, rehabilitation, and management of large-scale multifamily projects by private developers. (Ancillary to Multi-family revitalization)

No Agency expenditures are expected to be contributed to this project during the next five years.

### **Proactive Rental Enforcement Program**

This program responds to complaints on development code violations for rental units. During the housing compliance period, the City intends to utilize CDBG funds for code enforcement activities, with special attention placed on the approximately 6,000 properties within the City's low and moderate income neighborhoods. In addition to responding to general code violations, abandoned

structures will be boarded-up or cleaned-up to provide a safe environment for surrounding residents.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will come from the City's CDBG allocation.

### **Development of Second Units on Single Family Lots**

The City will work with private industry to expand housing opportunities through new construction. Developers will be afforded the opportunity to use incentives such as density bonuses to provide affordable housing.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.

### **Density Bonus**

The City allows an increase in density of at least 25 percent, plus additional incentives, to housing developers who agree to construct at least: 20 percent of the units affordable to lower income households, 10 percent of the units to very low income households, or 50 percent of the units for senior citizen housing.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.

### **Inclusionary Housing Ordinance**

The City is in the process of developing an inclusionary housing ordinance that would require up to 15 percent of the total number of units constructed in all future housing projects larger than ten units or lots to be affordable to lower income households. The ordinance would require that lower income units be constructed in similar locations as market rate housing. Developers would also be required to construct inclusionary housing in each phase of construction proportional to market rate housing. This would ensure that the affordable housing maintains a similar design treatment and does not saturate any phase of development.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.

### **Fair Housing**

Fontana contracts with the Inland Fair Housing and Mediation Board ("IFHMB") for the provision of fair housing services. The IFHMB provides educational and technical assistance as well as outreach activities, including informational materials, referrals, and workshops, within the City.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City's CDBG allocation.

### **Affordable Housing Geographic Distribution**

The City's housing rehabilitation, supportive, and rental assistance efforts are targeted to census tracts that are identified as having concentrations of low and moderate income families. These efforts are intended to eliminate slum and blight, encourage private investment into the community, and achieve a balanced community. The City will continually review updated census data to determine if a shift of emphasis to other census tracts is warranted.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.

### **Housing Referral and Information Services**

The County of San Bernardino Housing Authority provides rental subsidies and property improvements to County-owned rental units to assist eligible low and moderate income Fontana residents through the Section 8 programs. Housing referral and information services will continue to be provided through a contract with the County of San Bernardino Housing Authority.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the San Bernardino County Housing Authority and Inland Fair Housing and Mediation Board.

### **Anti-Poverty Program**

This program addresses the priority needs of low-income residents associated with affordable housing: employment, income management, housing, emergency services, nutrition, and family self-sufficiency. Specifically, the program aims to provide on-the-job training for low-income summer youth and CalWorks recipients to gain marketable employment skills. Provide short-term emergency assistance and services to low-income families including temporary shelter, household counseling and conservation-weatherization assistance, emergency crisis to prevent utility service shutoff, gas and food vouchers, and limited medical assistance.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by HOME funding.

### **Community Assistance Program**

Provides individuals in need with services and referrals for family life skills, job preparation skills, temporary assistance due to short term health issues, counseling referrals, emergency housing repairs and maintenance for seniors, substance abuse or behavioral problems, temporary shelter or housing.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the Fontana Police Department.

### **Domestic Violence Services Program**

In conjunction with the Fontana Police Department and the Fontana Housing Authority, Option House (a nonprofit service provider) operates the Fontana Domestic Violence Facility and has a three-tiered program consisting of emergency, temporary, and transitional housing for victims of domestic violence. This tiered program utilizes ten units in the following manner: one one-bedroom unit is designated for emergency drop-off purposes, where Option staff can perform individual needs assessments; two two-bedroom units are reserved for temporary shelter units with a maximum length of stay of up to 60 days; and six two-bedroom units are reserved for transitional housing with a maximum length of stay of up to 18 months.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by Emergency Shelter Program ("ESG") funds.

### **Homeless Prevention**

The City recognizes that both owner and renter households may at some point require emergency assistance to stay an eviction proceeding or in making mortgage payments on an emergency basis. Additionally, for units the City deems unsafe and fit for demolition, the families residing in substandard units will require assistance in acquiring acceptable shelter in these cases.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by San Bernardino County.

### **Transitional Housing Facilitation**

San Bernardino County Community Services Department receives funding from public, private, federal, and state sources to address the most serious needs of low-income residents of San Bernardino County. The County currently operates several programs at no cost to the participant so that they can more easily make the transition to permanent housing. These programs are targeted for homeless, low-income, or special needs populations.

The Family Development Program provides holistic case management to homeless facilities, a transitional housing program, rental security deposit program, and direct services such as rent assistance food vouchers, gasoline vouchers, bus tickers, etc., to low-income persons. This Food Bank program provides food for low-income residents throughout San Bernardino County through governmental surplus commodity distributions and salvage food agencies. The Senior Nutrition program provides low-cost or no-cost nutritionally sound meals for residents age 60 and over, in community centers, or by home delivery.

The Transitional Housing program provides homeless families with a temporary home while helping them get back on their feet through case management. The San Bernardino County Community Services Department leases the homes through HUD and, in turn, rents them to homeless families at a very low cost. Additionally, the City works in conjunction with several local non-profits to develop transitional and low-income housing units for homeless persons within the City using redevelopment set-aside funds, HOME funds, and Veterans Administration funds. Professional management is provided for each building and provides residents of these units with supportive services.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the Community Services Block Grants, Low & Moderate Set-Aside Funds, HOME, Veterans Administration.

### **Mentally Ill Services Program**

The San Bernardino County Department of Mental Health administers a Homeless/Mentally Ill Program that provides the basic needs of food, clothing, and shelter to mentally ill homeless adults in San Bernardino County. The program utilizes intensive case management and assists clients in obtaining Social Security Supplement (SSI), permanent housing, and employment. All of the mental health services are provided with state, local, and private donations to homeless and non-homeless mentally ill throughout the County.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by San Bernardino County.

### **Supportive Housing Program**

Supportive Housing is a competitive grant program to which the City, non-profits, and community mental health associations may apply for funds to promote the development of supportive housing and services. Grants are made for operating costs up to 75 percent for the first two years and 50 percent for the next three years. Recipients must match funds requested for acquisition and rehabilitation activities with an equal amount from other non-federal sources.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.

**Family Self Sufficiency Program**

This program provides an opportunity for Section 8 participants to move to financial independence and eventually into homeownership. The program is administered by the San Bernardino County Housing Authority and involves individualized counseling, career planning, education, and work experience.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the San Bernardino County Housing Authority.

**Energy Weatherization Program/Energy Conservation Program**

This program provides weatherization and energy conservation assistance to eligible low-income residents and processes applications for the Home Energy Assistance Program (HEAP).

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by Community Service Block Grants.

**Expedited Permit Processing for Affordable and Senior Housing**

To mitigate the entitlement costs involved with developing affordable housing, the City allows priority development review processing for low and moderate income housing applications, as well as housing for the elderly. The City also reduces fees through the Infill Housing Program.

No Agency expenditures are expected to be contributed to this project during the next five years. Project funding will be provided by the City General Fund.