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- The third, and last, level of appeal is to have the appeal presented to the Superior Court.

**FINDINGS**

1. The company handling administrative actions for parking citations is paid once per citation.
2. Individuals do not receive sufficient information on the process of requesting an appeal to a parking citation or fully understand the information they are provided. They can obtain information either by writing to the address on the citation, or calling the toll-free number.

**RECOMMENDATION**

12-01            The City of San Bernardino provide detailed information regarding how parking citation appeals are handled. (Finding 2)

<b><u>Responding Agency</u></b>	<b><u>Recommendations</u></b>	<b><u>Due Date</u></b>
City Manager, San Bernardino	12-01	September 29, 2012

## **CITY OF SAN BERNARDINO NEIGHBORHOOD STABILIZATION PROGRAM**

### **BACKGROUND**

The Grand Jury received a complaint regarding the sale of rehabilitated homes under the Neighborhood Stabilization Program (NSP) administered by the City of San Bernardino.

A federal grant for the NSP was congressionally appropriated under the Housing and Economic Recovery Act of 2008, which authorized \$8,408,558 to be spent over a 48-month period ending in March 2013. Eligible projects under the grant are rehabilitation of single-family residences for resale, demolition of uninhabitable properties, and rehabilitation of multi-family units. A nonprofit corporation, Affordable Housing Solutions, was formed to implement housing projects for the City of San Bernardino's Economic Development Agency (Agency), which is the office of primary responsibility for administration and management of the NSP funds.

This report is focused on the procedures the Agency employed in NSP rehabilitation of single family residences (SFR) and their resale. As an initial step, the Agency prepared and released a *Request for Proposal* to identify qualified construction contractors/developers and real estate agents to rehabilitate the properties. These entities were designated as *intermediaries*. Fifteen applications were submitted and six were selected and approved by the City Council. Through Memorandum of Understanding (MOU), the specific requirements for process of the rehabilitation and resale were detailed. Each Intermediary is responsible for selecting its vendors, employees (laborers) and real estate agents. The Agency is responsible for monitoring the processes of construction and resale.

The properties are selected and purchased by the Agency, the intermediaries provide quotes to complete the rehabilitation project, and the Agency selects the Intermediary, and negotiates final costs. The intermediaries are responsible for the entire rehabilitation process and security of properties through the resale. Upon project completion, the Agency inspects and approves construction quality and compliance with standards for reimbursement/payment.

An independent appraisal is requested by the Agency and the listing and sale price is based upon the fair market value with or without total rehabilitation costs, whichever is less. The real estate agent is to comply with *Affirmative Marketing Requirements*, as detailed in the MOU. Also, the real estate agent must recruit and refer to the Agency, qualified and eligible buyers at or below 120% of the local area median income. A third party consultant is utilized by the Agency to