

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

**August 19, 2025**

**FROM**

**CARRIE HARMON, Director, Community Development and Housing Department**

**SUBJECT**

Resolution to Commit Funding for the Development of Affordable Housing Units at Arrowhead Grove in the City of San Bernardino

**RECOMMENDATION(S)**

Adopt **Resolution No. 2025-185** committing up to \$5,000,000 of HOME Investment Partnerships Program funds to assist Arrowhead Grove Partners IV, L.P. to repay a construction bridge loan associated with the development of 92 affordable housing units as part of Phase IV of the Arrowhead Grove Inclusive Redevelopment Project.  
(Presenter: Carrie Harmon, Director 382-3983)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Promote the Countywide Vision.**

**Create, Maintain and Grow Jobs and Economic Value in the County.**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The proposed Resolution commits up to \$5,000,000 to assist Arrowhead Grove IV L.P., a partnership between the Housing Authority of the County of San Bernardino (HACSB) and its development partners, National Community Renaissance (National CORE) (collectively referred to as Developer). The repayment of the construction bridge loan associated with the development of Phase IV of the Arrowhead Grove Redevelopment Project (Project) will be funded by the HOME Investment Partnerships Program (HOME). HOME funding was awarded to the County by the United States Department of Housing and Urban Development. Adequate appropriation and revenue have been included in the Community Development and Housing Department's (CDH) 2025-26 budget.

**BACKGROUND INFORMATION**

On March 12, 2024 (Item No. 18), the Board of Supervisors (Board) adopted Resolution No. 2024-27, committing up to \$5,000,000 in HOME funds for the Project. This commitment enabled HACSB and the Developer to successfully apply for and secure a Low-Income Housing Tax Credit (LIHTC) allocation from the state.

Because Resolution No. 2024-27 expired on March 12, 2025, the Project requires a new Resolution indicating the County's financial commitment. Additionally, the Project's funding

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August 19, 2025**

structure has evolved due to the complex federal regulatory requirements associated with replacing former public housing. To address these requirements, the Developer will utilize bridge-loan financing for construction, with the County's HOME funds disbursed upon project completion rather than during construction.

The HOME Loan Agreement will feature a 3% interest rate and a 55-year term, with repayment through residual receipts, meaning the County will receive 11.2% of any surplus revenue after the Project covers its annual operating expenses. The County's loan will be subordinate to financing from the construction lender, Capital One National Association, and HACSB will maintain priority over the City of San Bernardino's HOME loan and other funding sources. A County-imposed Regulatory Agreement will ensure the 20 HOME-assisted units remain affordable for 55 years.

The Project represents the comprehensive transformation of the former Waterman Gardens public housing complex at Waterman Avenue and Baseline Street. Since 2018, HACSB has executed a phased revitalization plan replacing 252 outdated public housing units with a modern 534-unit mixed-income community. Three phases have been completed, delivering 322 affordable housing units to date.

Phase IV will add 92 affordable apartments serving households earning 25% to 80% of the Area Median Income. The development will include a community center with nonprofit office space designated for a new Federally Qualified Health Center operated by Dignity Health, directly advancing the Countywide Vision through quality housing expansion, neighborhood revitalization, and improved health outcomes.

Construction is scheduled to begin in the fall of this year, with completion anticipated by winter 2027. Following Board approval of this Resolution, CDH will return with the detailed HOME Loan Agreement for formal approval. The funding Resolution will expire on April 20, 2028, allowing the County to redirect uncommitted funds to other projects, if necessary.

**PROCUREMENT**

On February 29, 2024, CDH issued a Notice of Funding Availability for Affordable Housing and Permanent Supportive Housing Developments (NOFA) for HOME funds, which was published on the CDH website.

CDH has received two responses for the HOME Funding NOFA to date, one of which was the Project. The Project was evaluated based on the established HOME Funding NOFA criteria and CDH determined that it met all benchmarks for feasibility, impact, and project readiness.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on July 11, 2025, Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on August 4, 2025; and County Finance and Administration (Allegra Pajot, Administrative Analyst, 388-0218) on August 4, 2025.

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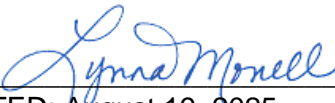
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 19, 2025



cc: File - Community Development & Housing w/resolution  
CCM 08/21/2025