

San Bernardino County Case Study

San Bernardino County is one of the hardest hit counties in the state of California. The San Bernardino-Riverside region has the nation's 5th worst foreclosure rate.ⁱ **In January 2010 the unemployment rate was a staggering 14.9%, up 120% from 2008.** The construction industry, the main industry in San Bernardino County lost a crushing 25.4% of its employment in the Inland Empire in 2009.ⁱⁱ Food stamp **caseloads have increased by 50% over the past year** and traffic to the county's employment resource centers has increased by over 400%. The county is projecting a decrease in property tax intake by at least 6%; In addition, city governments and schools are facing budgetary problems because of the reduction in sales taxes and state fundingⁱⁱⁱ.

In response, the American Recovery and Reinvestment Act of 2009 (ARRA) dispersed \$936 million into the county, including \$374 million for transportation infrastructure and \$328 million for education. This moderate investment by the federal government will work to diminish the impact of the recession in San Bernardino; however without proper oversight these funds may not reach the most impacted communities and sectors. Moreover, in order to understand the affect of ARRA in San Bernardino County, it is critical to detail how the funds were distributed to date, and who benefitted most from the millions of dollars invested in the region. Research shows that neighborhoods with the highest foreclosures received some of the lowest ARRA funds.

Sampling of San Bernardino Zip Codes Foreclosure, People of Color, and ARRA Funding

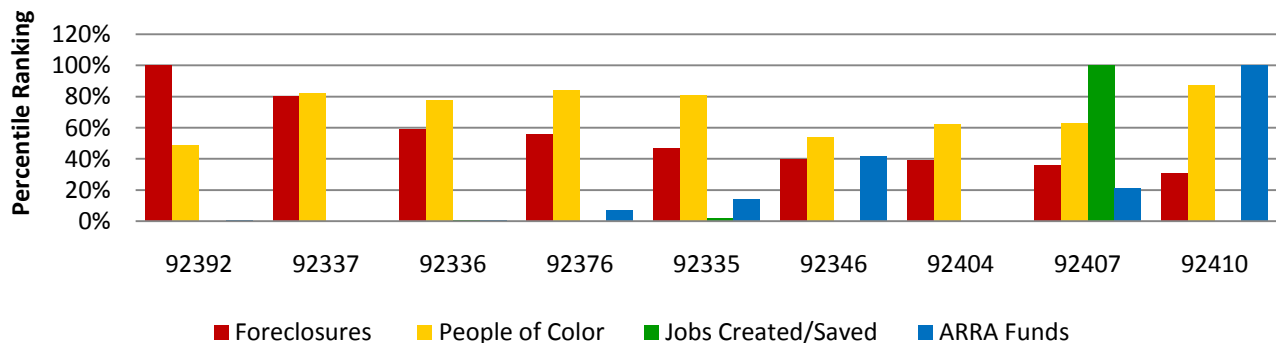


Figure 1: **Methodology** All Categories are based on a percentage ranking. The Highest value constitutes 100% and lowest 0%.^{iv v}

Disparities

The state can, and should, improve its distribution of funds to ensure that disadvantaged neighborhoods receive much needed help. Over the past decade, San Bernardino saw record growth propelled primarily through its housing sector, which made the county particularly vulnerable to the subprime mortgage crisis. However, the ARRA investment is not significant enough to address the impact of the recession. For example, San Bernardino received on average **\$464 per person** of ARRA funds, and their neighboring county of Riverside received only **\$266 per person**, as compared to Alameda County, similar in size and with lower unemployment rate, who received an average of **\$1,609 per person**. This puts tremendous strain on the San Bernardino-Riverside metro area and its residents.

Fontana has a foreclosure rate of 2.12%, almost quadruple the state rate, and they received no ARRA funds.

Looking even closer, some neighborhoods hardest hit by foreclosures received some of the lowest funding totals. For example, zip code 92337, located in Fontana, has a foreclosure rate of 2.12% that almost quadruples the California rate, and **received no ARRA funds**. Zip Code 92392, located in Victorville, has the highest foreclosure rate in the county and received less than 0.2% of funds. In contrast, zip code 92315, located in Big Bear, has one of the lowest foreclosure rates in the county and received double that investment. This disproportionate allocation demonstrates the need for oversight and transparency.

“ARRA provides an opportunity to improve local hiring and state distribution of funds to local communities in need of economic help.”

Grantee Profile # 1: *Community Action Partnership of San Bernardino County* received \$4.4 million dollars for a Weatherization Assistance Program, to install weatherization measures and appliances and did so by hiring locally.

Grantee Profile #2: *Eastside LRT Constructors* received \$50 million to develop the Metro Gold Line, the eastward expansion of the Los Angeles light rail system.

Workforce

California should concentrate on providing decent paying jobs and job training that will provide long term security for residents. In San Bernardino, only \$21 million dollars were spent on workforce development, representing 2% of total funds to the county. The largest grant, of \$18 million, was received by the County of San Bernardino, through the Federal Workforce Investment Act, funding 90 jobs. The San Bernardino Employment & Training Agency (SBETA) also received funding for job training and placement totaling \$3 million and funding 38 jobs for case managers and support staff. These workers will also assist unemployed residents connect work readiness and occupational skills training needed to assure success in the current and future job markets. This investment is an important step in returning the 119,000 unemployed residents to work, however, a stronger investment is needed to address the effects of the recession in this region.

Even with underfunding in the county, there are a few projects that are important to communities in San Bernardino and the region including a grant from the Department of Energy. The County of San Bernardino received almost \$10 million for a project titled, *J.B. Hunt LNG Project: Made in America*, that will deploy approximately 262 Liquid Natural Gas (LNG) trucks and construct two fuel stations to disperse LNG fuel to San Bernardino and South Gate fleet yards. This project is extremely important to communities in San Bernardino and Los Angeles County, especially poor communities of color impacted by the Southern California trucking industry. This will eliminate approximately 2.9 tons of diesel particulate emissions from a large fleet of trucks which operate in low-income and minority communities that suffer from disproportionate impacts from diesel emissions, including higher rates of cancer, low birth weight and asthma. Moreover, it will serve as a model for other commercial heavy-duty trucking companies on how to successfully implement advanced technology alternative fuel programs in large commercial fleet operations. In the region it will reduce more than 15.5 million pounds (7,023 metric tons) of greenhouse gas (GHG) emissions per year.

Accountability

There are a number of decision-makers we need to hold accountable:

- Private vendors that can provide local and high paying jobs to communities in need.
- Local government that decide on what funds to apply for and where funds are spent within our schools, health programs and social services.
- State departments that decide on where funds should be targeted and the timing of release of dollars.

These are decision points where your voice can have an impact.

Not only has the state failed to provide targeted funding equitably, the lack of good data limits the ability of citizens to hold leaders accountable. Research has shown missing and incomplete data throughout each report distributed by the Governor's "Recovery.ca.gov" task force; a problem the Governor's task force must rectify. In addition they need to ensure they are collecting ethnicity, gender, zip code and wage level data for jobs created or we can never know the real impact of such funding. You can make a difference by getting involved. For info on what you can do contact us at info@voiceofcalifornia.org or call us at 213.489.3776

ⁱ www.RealtyTrac.com accessed May 2009

ⁱⁱ Cho, Rebecca "IE Economy Won't Bounce Back Until Late 2011" http://www.dailybulletin.com/ci_15096489 May 15,2010

ⁱⁱⁱ Morgan, Adam "A Snapshot of the Impact of the Recession on Large, Urban Counties" NACO April 2009

http://www.naco.org/UrbanTemplate.cfm?Section=luc_library&template=/ContentManagement/ContentDisplay.cfm&ContentID=30709

^{iv} Data from: California Recovery Task Force at www.recovery.ca.gov, Department of Housing and Urban Development www.HUD.gov, Community Economic Development Agency for the County of San Bernardino http://www.co.san-bernardino.ca.us/OpportunityCA/aboutSBC/domogr_ourPeople.html

^v Foreclosures calculated comparing Foreclosure data supplied by the Department of Housing and Urban Development compared to Total Housing Units per zip code, data supplied by Economic Development Agency of San Bernardino County