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Additional funds for Valencia Grove Housing Project in Redlands focus of grand jury

Overruns blamed on departure of project's original contractor

By Kristina Hernandez, Redlands Daily Facts

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REDLANDS >> An additional \$3.2 million to help fund the first phase of the Valencia Grove Housing Project here became the focus of a San Bernardino County grand jury investigation.

In its annual report released last week, the grand jury blames overrun costs on Clayton Homes, the project's original contractor, after the company "withdrew from (it) midway during construction."

"That contract," said the report, "comprised approximately 25 percent of the overall construction cost (and) brought the project to a standstill for approximately six months" resulting "in the cost overruns

exceeding the original construction loan."

A senior manager with the Housing Authority of San Bernardino County [asked for the additional funds during a Board of Supervisors meeting on Sept. 1](#). The original loan approved in February 2013 was \$2 million, but with the approval of the additional loan the project's cost totaled \$5.2 million.

A call to Clayton Homes late Tuesday went unanswered.

The grand jury decided to investigate the additional loan seven days after its approval, the report said.

Housing Authority cooperated with the investigation, which included interviews with department heads and a tour of the construction site, said Ana Gamiz, its director of policy and community affairs.

The Valencia Grove Housing Project replaces rental homes at the northeast corner of Orange Street and Lugonia Avenue that are more than 70 years old. The project, [which broke ground in August 2012](#), will have 228 units, a multi-use recreation center with a pool and three playgrounds.

Housing Authority and Housing Partners I Inc. are spearheading the project, which is funded through other sources, including grants, in addition to county funds.

The first phase of construction was completed earlier this year, with families moving in around late March. The site became fully occupied in April, said Gus Joslin, Housing Authority's deputy executive director.

The project saw various delays in construction since its ground breaking in addition to its original contractor pulling out. Among the delays was from the widening of Lugonia and Orange, required before construction could begin.

The multi-million dollar Valencia Grove project is made possible through a partnership with the county housing authority, Chase Bank, PNC Bank, Perera Construction, the city of Redlands and the Redlands Unified School District.

The second phase of the project is expected to begin once funds are available, Joslin said.

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