

Housing Authority of the County of San Bernardino



Moving to Work FY 2010 Annual Plan Amendment #3

Building Communities, Changing Lives

**SUBMITTED: JULY 15, 2010
RESUBMITTED: August 27, 2010**

Housing Authority of the County of San Bernardino
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I. INTRODUCTION

Background - In March 2008, the United States Department of Housing and Urban Development (HUD) signed a 10 year Moving to Work (MTW) Demonstration Agreement with the Housing Authority of the County of San Bernardino (HACSB). Subsequently, an Initial MTW Plan and a comprehensive Revised Initial Plan were submitted and approved by HUD for the period covering October 1, 2008 through September 30, 2009. Our FY 2010 MTW Annual Plan was approved by HUD on September 30, 2009. After the FY 2010 Plan was adopted we submitted and HUD approved an Amendment to the FY 2010 MTW Annual Plan to incorporate the proposed HOPE VI Revitalization Plan for the Lugonia Avenue public housing site in Redlands, California.

Our second Amendment to the FY 2010 MTW Annual Plan was submitted in January 2010 concurrently with an Amendment to our MTW Agreement. These Amendments provide HACSB with the authorization to use MTW Block Grant funds for an Operating Subsidy at the Vista del Sol affordable housing senior community until such time that Project-Based Vouchers are available.

The Amendment presented in this document will be our third and final Amendment to the FY 2010 MTW Plan. This Amendment modifies and clarifies two approved activities. The first activity, Local Project Based Voucher Program, Activity 11, was approved through our FY 2009 Initial MTW Plan. Through this Amendment, HACSB is clarifying the components of our local program.

The second activity we are modifying through this Amendment is Activity 14, Local Asset Management program. Modifying this activity will allow us to project and reconcile the budget for our entire Public Housing program accurately. We anticipate implementing a larger scale Property Management Innovation activity, including some rent reform activities through our FY 2011 MTW Plan.

The flexibility afforded to us through our MTW designation, and the continuing improvements to our MTW Plan allow us to carefully plan and implement innovative initiatives that help us meet local needs and increase affordable housing options for the residents of the County of San Bernardino.

II. GENERAL OPERATING INFORMATION

There are no proposed changes to the General Operating Information in this amendment.

III. LONG-TERM MTW PLAN

There are no proposed changes to the Long-Term MTW Plan in this amendment.

IV. PROPOSED MTW ACTIVITIES

HACSB is not proposing any new MTW Activities through this Amendment.

V. ONGOING MTW ACTIVITIES

In our FY 2009 Initial MTW Plan we provided an overview of HACSB's Local Project Based Voucher Program (PBV). Through this Amendment we are identifying the specific components that are critical to ensuring our Local PBV program meets the needs of our local community. In addition, in our FY 2010 MTW Plan we provided an overview of HACSB's Local Asset Management program. This Amendment clarifies the individual components of the Local Asset Management Program.

Activity 11: Local Project Based Voucher Program

A. Description – Using the flexibility granted through our MTW Agreement, HACSB will develop a Local Project Based Voucher program that meets the needs of the local community. HACSB anticipates utilizing the flexibilities through this Amendment in two Project-Based Voucher initiatives in FY 2010.

The first PBV initiative will allocate the use of PBV to 308 disposed public housing units anticipated in August 2010. Using the flexibility granted in our MTW FY 2009 Plan, HACSB will project base these units, to be disposed to our affiliate nonprofit entity, Housing Partners I, Inc. Project-basing will help HACSB achieve the goal of renovating and preserving these units for low-income housing, as required by HUD's disposition approval of June 9, 2010.

The second PBV initiative will be the allocation of PBV to the Vista del Sol senior community. Vista del Sol is also owned by our affiliate nonprofit, Housing Partners I, Inc. Currently, HACSB is exercising the flexibility to use MTW funds for local low-income housing programs approved in our second Amendment to the FY 2010 plan, to provide an operating subsidy to the Vista del Sol community. After HACSB is in a position to project-base 53 units in the Vista del Sol community, the Agency will provide the subsidy and execute a HAP contract with our affiliate nonprofit. As we described in our FY 2010 Amendment 2, without the allocation of PBVs in the Vista del Sol community the majority of the units would remain unaffordable to low-income seniors in the Redlands community.

The specific components HACSB intends to implement that were not explicitly identified through our initial FY 2009 MTW Plan include:

- Up to 100% percent of units in any development may be project-based, irrespective of whether particular units would qualify as "exception units" under the PBV regulation.
- Up to 50% of the funding committed to vouchers may be allocated for PBV.
- PBV will be allocated to all of the public housing units approved for disposition other than 27 units to be rehabilitated in conjunction with the County Department of Behavioral Health (308 PBV units), irrespective of the income

eligibility status or family size of households currently in occupancy (over-income households will have to move).

- Households residing in PBV units will not have automatic priority to receive tenant-based vouchers after one year, but instead will have such a priority after two years, either at the time of regularly scheduled recertifications or if HACSB approves a move because the head of household obtains a job or obtains a better job in a location that is more than 10 miles from their current residence, or receives a scholarship or other financial aid to attend a college or university that is located more than 10 miles from their current residence.
- A local PBV HAP contract will be developed that will modify the terms and conditions of the HAP contract, including the ability to execute PBV HAP contracts for groupings of non-contiguous scattered-site properties and to contract for a total number of units by bedroom size within a development rather than for specific units.
- An over-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher may remain in its unit and HACSB will subsidize the household based on the size of the unit, not the qualifying voucher size. Alternatively, HACSB may require such households to move with a voucher for the number of bedrooms for which the family qualifies.
- HACSB may require an under-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher to move with a voucher for the number of bedrooms for which the household qualifies. Alternatively, HACSB may allow such a household to remain in its unit and HACSB will subsidize the household based on the size of the unit, not the qualifying voucher size.
- For a unit other than former Public Housing units, HACSB may designate the unit as a PBV unit and allow an in-place household for which the unit is a wrong-sized unit to remain in occupancy for up to one year, if the owner agrees to accept a PBV contract rent that does not exceed the HACSB subsidy standard for the household for the initial term of the lease.
- Initial contract rent for units owned by HACSB as defined in the PBV regulations may be determined using an HACSB market study that will consider local rental submarkets, in lieu of the requirement to use an independent entity with rents based on an appraisal by a state-certified appraiser. Continuing rent reasonableness requirements for such units may be fulfilled by HACSB staff on an ongoing basis, rather than by a HUD-approved independent entity.

B. Statutory Objective – This activity addresses the MTW statutory objective to increase housing choices for low income families.

C. Anticipated Impacts – The anticipated impacts of this activity are enhanced ability of HACSB to serve more families through the Project-Based Voucher program.

D. Baselines, proposed benchmarks, and metrics to assess outcomes –

Baseline	Metric	Benchmark	Outcome
3.76% of MTW Fund Budget is allocated for PBV	Percentage of MTW Fund Budget allocated for PBV	3% increase of MTW Fund Budget allocated for PBV annually	More households are served through PBV program
Current number of Public Housing disposition families remaining in wrong sized unit- over-housed (84) and under-housed (14).	Number of Public Housing disposition families in wrong sized unit	Less than 50% of current families will remain in the wrong sized units	Families will move to appropriately sized units

- E. Data Collection and Protocols** – All data for this activity will be collected through the Great Plains accounting software system and the VisualHOMES housing management software system. All data will be monitored and analyzed through our MTW Quarterly Report.
- F. Authorization Cited** – HACSB is authorized to undertake this initiative through Attachment C, Section D.7. of the MTW Agreement.

Activity 14: Local Asset Management Program

A. Description – In our FY 2010 MTW Annual Plan we proposed implementing a Pilot Local Asset Management program in two AMPs that more closely mirrors the private sector practices for housing operations management. However, as we began planning the implementation of this activity we determined that the proposed flexibility granted through this activity was more expansive than HACSB finds necessary to adopt at this time. We have proposed a Property Management Innovation program through our FY 2011 MTW Plan but many components of the activity require authorizations outside of the cited regulations in our FY 2010 Plan. In our FY 2010 Annual Plan we provide comprehensive details, including all authorizations, for this Local Property Management Innovation program.

In our FY 2010 MTW Annual Plan, however, we did intend to expand certain Asset Management principles throughout our entire MTW Block Grant, not just to the two specified AMPs that were described. Through this Amendment to our Plan we are clarifying the scope of our Local Asset Management program.

Using the authorizations provided through our MTW Agreement, HACSB will modify HUD’s Asset Management guidelines to allow for increased budgetary flexibility across all Public Housing AMPs. Through this Activity, HACSB will ensure full fungibility of the MTW Block Grant by allowing transfers among AMPs regardless of whether a project has excess cash. In addition, our Local Asset

Management program will allow HACSB to charge asset management fees to each AMP regardless of whether they have excess cash available at the end of the Fiscal Year. Although HACSB does not anticipate taking advantage of this flexibility often, and only when absolutely necessary to meet the financial needs of the AMP and the Authority, this Activity is critical to ensuring that the Agency can achieve efficiencies and ensure greater effectiveness of federal expenditures.

B. Statutory Objective – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.

C. Anticipated Impacts – The anticipated impacts of this activity include a more flexible approach to Asset Management accounting principles that allows HACSB to monitor project performance as well as ensure the financial integrity of its public housing portfolio. In addition, by requiring all AMPs to pay an Asset Management Fee, HACSB ensures it has the resources that can provide necessary support to the public housing portfolio.

D. Baselines, proposed benchmarks, and metrics to assess outcomes –

Baseline	Metric	Benchmark	Outcome
In FY 2009, 3 AMPs were ineligible to pay asset management fee based on negative excess cash	Number of AMPs ineligible to pay asset management fee based on negative excess cash	All AMPs will be eligible to pay asset management fee	AMPs will be required to perform more efficiently

E. Data Collection and Protocols – All data for this activity will be collected through the Great Plains accounting software system and the VisualHOMES housing management software system. The data will be monitored on a monthly basis as well as through our MTW Quarterly Metrics Report.

F. Authorization Cited – HACSB is authorized to undertake this initiative through the First Amendment to the MTW Agreement which deleted Section II.F. of the Amended and Restated Agreement and replaced it with 6. Local Asset Management program within MTW.

RESOLUTION NO. 2281

WHEREAS, the Housing Authority of the County of San Bernardino entered into a Moving to Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD) on March 14, 2008, and

WHEREAS, on September 30, 2009, HUD approved the Housing Authority of the County of San Bernardino's FY 2009-2010 Annual MTW Plan; and

WHEREAS, the Housing Authority of the County of San Bernardino now desires to amend the FY 2009-2010 Annual MTW Plan to modify and clarify two approved activities - Local Project Based Voucher Program, Activity 11, and Local Asset Management Program, Activity 14:

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the County of San Bernardino does hereby adopt this Amendment to the FY 2009-2010 Annual Moving-to-Work Plan.

Adopted: July 14, 2010

C E R T I F I C A T E

I, Susan L. Benner, Executive Director of the Housing Authority of the County of San Bernardino hereby certify that the attached Resolution No. 2281 was adopted by the Board of Commissioners by vote of the members present as the same appears in the Official Minutes of said Authority at the regular meeting of July 14, 2010.

July 15, 2010
Date



Susan L. Benner
Secretary

SEAL

APPENDIX B: PUBLIC PROCESS (including Public Hearing Minutes)

The following steps were taken by HACSB to ensure a thorough public process in the adoption of the FY 2010 MTW Annual Plan Amendment #3:

Thursday - July 8, 2010	Public notice published in the San Bernardino Sun announcing the public hearing on Tuesday, July 13 th : text and affidavit of publication included as part of Appendix B. Plan posted on HACSB's website and made available at HACSB offices
Tuesday – July 13, 2010	Public Hearing held: minutes included as part of Appendix B
Wednesday – July 14, 2010	Approval by Board of Commissioners – Resolution included in Appendix A

SAN BERNARDINO COUNTY SUN

This space for filing stamp only

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PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN BERNARDINO) ss

Notice Type: HRGSB - NOTICE OF HEARING-SB

Ad Description: FY 2010 AMENDMENT

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN BERNARDINO COUNTY SUN, a newspaper published in the English language in the city of SAN BERNARDINO, county of SAN BERNARDINO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN BERNARDINO, State of California, under date 06/20/1952, Case No. 73084. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

07/08/2010

Executed on: 07/15/2010
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature

NOTICE OF PUBLIC HEARING

On March 14, 2008, the U.S. Department of Housing and Urban Development (HUD) executed a ten-year Moving to Work (MtW) Agreement with the Housing Authority of the County of San Bernardino (HACSB) and on September 25, 2008, HUD approved HACSB's first Annual MtW plan. On September 30, 2009, HUD approved our FY 2010 MtW Annual Plan. As an MtW agency, HACSB is provided with more flexibility and authorization to develop policies that are outside the limitations of certain HUD regulations in order to more successfully achieve its mission and program goals, and to enhance its ability to serve the needs of low-income people and communities in San Bernardino County.

In continuing to develop its MtW program and address community and client needs, HACSB has prepared a third and final Amendment to the FY 2010 MtW Plan. The FY 2010 Annual Plan Amendment #3 will be available to the public for review at the following location from Friday, July 2, 2010 through Tuesday, July 13, 2010:

Housing Authority of the
County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408

The FY 2010 Annual Plan Amendment #3 will also be available on HACSB's website at www.hacsb.com and any HACSB satellite office.

Notice is hereby given that the Housing Authority of the County of San Bernardino will conduct a public hearing on July 13, 2010 at 11.00 a.m. at 715 E. Brier Drive, San Bernardino, CA 92408. If a citizen wishes to challenge the nature of the above action(s) in court he/she may be limited to raising only those issues he/she or someone else raised at the public hearing described in this notice, or in written correspondence delivered Monday through Friday to the Secretary's Office located at 715 E. Brier Drive, San Bernardino, CA 92408 prior to the hearing.

In accordance with the Rehabilitation Act of 1973, the Housing Authority will make reasonable efforts to accommodate persons with disabilities. Please call (909) 890-0644 at least three days in advance if you require special accommodations. To receive copies of this notice in Spanish, please call (909) 890-0644. 7/8/10

SBS-1898203#



**HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
MOVING-TO-WORK ANNUAL PLAN AMENDMENT 3 PUBLIC HEARING
HELD ON JULY 13, 2010**

The Housing Authority of the County of San Bernardino (HACSB), California held a public hearing for the third amendment to the FY 2010 Moving to Work (MTW) Annual Plan at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on July 13, 2010.

Present: Suket Dayal – Planning and Policy Analyst

I. Purpose of the Public Hearing

The purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding HACSB's third amendment to the Moving to Work FY 2010 Annual Plan before it is submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

II. Opening Remarks

The purpose of the MTW demonstration is to give participating public housing authorities (Agencies) the flexibility to design and test innovative approaches to providing and administering housing assistance that accomplished the three primary objectives: To achieve programmatic efficiency and reduce costs; to promote self-sufficiency among assisted families; and to increase housing choices for low-income households.

Each Housing Authority participating in this demonstration, such as the Housing Authority of the County of San Bernardino, is required to submit an Annual Plan that describes its goals and objectives for the upcoming year. After our FY 2010 Annual Plan was adopted, we submitted two amendments that were also approved. This is our third and final amendment to the FY 2010 plan. Our amendment was made available for public viewing on July 2, 2010. The amendment was advertised in the San Bernardino Sun (county newspaper), on the Housing Authority's website, and copies were available at all Housing Authority offices.

III. Call for Public Comments

The public hearing convened at 11:00 a.m. with Suket Dayal, Planning and Policy Analyst, presiding. Mr. Dayal explained that the purpose of this hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the third amendment to the Moving to Work FY 2010 Annual Plan before it is submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

MTW FY 2010 Annual Plan – Amendment 3 Public Hearing (July 13, 2010)

IV. Comments

There were neither members of the public nor representatives of any other agencies in attendance, and the hearing was adjourned at 11:15 a.m.

APPENDIX C: SUMMARY OF MTW ACTIVITIES

ONGOING ACTIVITIES			
ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR
Activity 1	Single Fund Budget	Operational Efficiency	FY 2009
Activity 2	Strategic Investment Policies	Operational Efficiency	FY 2009
Activity 4	Biennial Recertifications	Operational Efficiency	FY 2009
Activity 5	Local Verification Policies	Operational Efficiency	FY 2009
Activity 6	Elimination of Assets	Operational Efficiency	FY 2009
Activity 7	Controlled Program Moves	Operational Efficiency	FY 2009
Activity 8	Local Policies for Portability	Self-sufficiency	FY 2009
Activity 9	Elimination of Earned Income Disallowance	Self-sufficiency	FY 2009
Activity 10	Minimum Rent	Self-sufficiency	FY 2009
Activity 11	Local Project Based Voucher Program	Expanding Housing Opportunities	FY 2009
Activity 12	Local Payment Standards	Expanding Housing Opportunities	FY 2009
Activity 13	Local Inspection Standards	Operational Efficiency	FY 2010
Activity 14	Local Asset Management Program	Operational Efficiency	FY 2010
Activity 15	Pilot Work Requirement	Self-sufficiency	FY 2010
Activity 16	Operating subsidy for Vista del Sol	Expanding Housing Opportunities	FY 2010

POSTPONED ACTIVITIES			
ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR
Activity 3	Alternate Assessment Program	Operational Efficiency	FY 2009