



# **Moving to Work**

## **Annual Plan- Amendment #1**

**Fiscal Year 2008-2009**

Stepping stones to an enriched quality of life...



...changing programs to accomplish the local vision.

Submitted: May 29, 2009

## **Board of Commissioners**

Mario Saucedo, Chairman  
Karen Fricke, Vice Chairman  
Debbie Mc Cray  
Frank Williams  
George Guerrero  
Jessie Munoz  
Loretta Guillen

## **Executive Director**

Susan Benner

## **Senior Management Team**

Gustav Joslin  
Deputy Executive Director, Office of Real Estate Development

Marcia Waggoner  
Deputy Executive Director, Office of Housing Programs

Maria Razo  
Deputy Executive Director, Office of Business Administration

Alison Crawford  
Director, Administrative Services

Ana Gamiz  
Director, Policy & Community Affairs

Carlene Friesen  
Director, Human Resources

## TABLE OF CONTENTS

SECTION	TITLE	PAGE
I	Introduction	1
II	General Operating Information	1
	• Housing Stock Information	1
	• Public Housing Units to be Demolished	2
	• Public Housing Units to be Disposed	3
	• Capital Fund Program	4
	• Non-HUD Housing Stock	4
	• Leasing Information	5
	• Waiting List Information	6
III	Non-MTW Information	7
IV	Long Term MTW Plan	8
V	Proposed MTW Activities	10
	1. Single Fund Operating Budget	10
	2. Strategic Investment Policies	11
	3. Alternate Assessment Programs	12
	4. Bi-Annual Recertifications	13
	5. Local Verification Policies	14
	6. Elimination of Assets	15
	7. Controlled Program Moves	16
	8. Local Policies for Portability	17
	9. Elimination of Earned Income Disregard	19
	10. Minimum Rent	20
	11. Local Project Based Voucher Program	22
	12. Local Payment Standards	23
VI	Ongoing MTW Activities	24
VII	Sources and Uses of Funds	25
VIII	Administrative	27
<b>APPENDICES</b>		
A	Board Resolution Adopting Plan	28
B	Public Hearing Minutes	31
C	Summary Chart of MTW Activities	36
D	Impact Analysis of Rent Reform Initiatives	37
E	Capital Fund Program- 5 Year Action Plan and Budget	41

## 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 was submitted and approved by HUD for the period covering October 1, 2008 through September 30, 2009 (HACSB FY 2009). In the Initial Plan, HACSB established its long term vision and goals, but limited activities related to these goals were identified and approved.

As the Agency began implementation of the activities approved in the Initial Plan, additional MTW activities were identified for immediate adoption and implementation by HACSB through a draft Amendment to the Initial Plan that was submitted to HUD in April 2009. These activities increase operational efficiency and innovation; promote family self-sufficiency; reposition critical assets and expand housing opportunities; and, position the Agency as a vital community partner and national leader. This amendment also incorporated HACSB's pre-MTW long term strategic plan with its MTW Plan, resulting in a single strategic plan that will guide the agency. After discussion with HUD, HACSB has opted to consolidate its Initial Plan with the previously submitted Amendment. This comprehensive document ("Initial Plan") includes all information from the original Initial Plan, the additional activities from the draft Amendment as well as supplementary information. HACSB has provided the consolidated Initial Plan and additional proposed activities in the approved OMB Form 50900 format as required in Attachment B of the MTW Agreement.

This document has been prepared to enable the agency to commence implementation on the identified additional activities prior to the approval of the first Annual Plan which will be effective for the period October 1, 2009 through September 30, 2010. Each of the activities meets one of the three statutory objectives as required and the Amendment has been submitted for public comment as well as Board of Commissioners' approval.

## II. GENERAL OPERATING INFORMATION

HACSB administers almost 11,000 units of housing assistance throughout the County of San Bernardino consisting of Public Housing, Section 8 Housing Choice Vouchers, Shelter Plus Care Vouchers, Veterans Administration Supportive Housing (VASH) Vouchers and other local programs.

### HOUSING STOCK INFORMATION

**HUD Unit Summary** – The chart below summarizes the Public Housing units at the beginning of the year, the changes in units anticipated during the year and the total units projected at the end of the current plan year. This chart also summarizes the MITW Housing Choice Vouchers; Project Based Vouchers at the beginning of the year; Project Based Vouchers to be added during the year; Non-MTW vouchers; and, the total Housing Choice Vouchers authorized.

HACSB HOUSING STOCK SUMMARY – HUD PROGRAMS			
Public Housing	Number of Units	Housing Choice Vouchers	Number of Vouchers
Total Public Housing Units Under ACC	1,680	MTW Tenant Based Vouchers Authorized Beginning of Year	7,399
Units Permanently Off-Line	9	Project Based Vouchers Beginning of Year	349
Total Public Housing Units Available for Occupancy	1,671	MTW Vouchers to be Project Based During the Year	0
Units to be Removed from the ACC During the Year	702	TOTAL MTW VOUCHERS	7,748
Units to be Added During the Year	0	Non MTW Vouchers Authorized	170
<b>TOTAL ALL UNITS END OF YEAR</b>	<b>969</b>	<b>TOTAL ALL VOUCHERS</b>	<b>7,918</b>

**Public Housing** – As noted above, HACSB plans to remove 702 units from the existing Public Housing ACC; 367 units will be demolished and the sites redeveloped as Mixed Income Housing Developments. The balance of 335 will be disposed of to an affiliate non-profit entity of the Housing Authority. The chart below lists the individual sites and number of units that will be removed from the Public Housing ACC. The first four sites: 19-001, 19-002, 19-008 and 19-009 will be redeveloped as the Mixed Income communities and will contain some new public housing units but development plans have not yet been finalized and new unit types and counts have not been determined.

PUBLIC HOUSING UNITS TO BE DEMOLISHED		
Development(s)	Type	Number of Units
CA16P019-001 (Redlands-Lugonia)	Family	50
CA16P019-002 (San Bernardino-Waterman Gardens)	Family	252
CA16P019-008 (Redlands-Lugonia)	Family	45
CA16P019-009 (Redlands-Lugonia)	Elderly	20
<b>TOTAL UNITS TO BE DEMOLISHED</b>		<b>367</b>

**Justification for Demolition** – The above units have been identified for removal from the Public Housing ACC through demolition because these units are no longer financially or physically viable to maintain as public housing. More detailed information will be submitted with the demolition application to the Special Applications Center (SAC) during the plan year.

PUBLIC HOUSING UNITS TO BE DISPOSED		
Development(s)	Type	Number of Units
CA16P019-017 (Scattered – AMP 6 – Bloom/O/F)	Family	28
CA16P019-020 (Scattered – AMP 6 – Montclair)	Family	8
CA16P019-021 (Scattered – AMP 6 – Ontario)	Family	2
CA16P019-022 (Scattered – AMP 8 – Victorville)	Family	9
CA16P019-023 (Scattered – AMP 6 – Fontana)	Family	9
CA16P019-024 (Scattered – AMP 5 – Redlands)	Family	8
CA16P019-025 (Scattered – AMP 9 – 29 Palms)	Family	10
CA16P019-026 (Scattered – AMP 6 – Ontario)	Family	8
CA16P019-028 (Scattered – AMP 9 –Yucca Valley)	Family	10
CA16P019-029 (Scattered – AMP 9 – 29 Palms)	Family	10
CA16P019-030 (Scattered – AMP 6 – Ontario)	Family	10
CA16P019-031 (Scattered – AMP 6, 8, 9)	Family	45
CA16P019-032 (Scattered – AMP 5, 6)	Family	63
CA16P019-034 (Scattered – AMP 8 –Hesp/Ad/AV)	Family	32
CA16P019-035 (Scattered – AMP 5, 6, 8)	Family	49
CA16P019-036 (Scattered – AMP 5 – Red/O/F)	Family	19
CA16P019-042 (Scattered – AMP 5 - Yucai/AV)	Family	15
TOTAL UNITS TO BE DISPOSED		335

**Justification for Disposition** – The above units have been identified for removal from the Public Housing ACC through disposition because they are no longer financially viable to maintain as public housing units. San Bernardino is the largest county geographically in the 48 contiguous states and the distance and small size of these properties makes them impossible to operate based on current financial resources. It is the intent of HACSB to transfer these properties to a related entity of the Authority and utilize Section 8 Project Based Assistance to support the actual operational costs of these properties.

**Capital Fund Program** – The Capital Fund Program Annual Action Plan (Capital Fund Plan) is attached as an exhibit to this Plan. As detailed on the Capital Fund Plan, the most significant capital expenditures planned for this plan year are at the Medical Center Housing site (19-03, AMP 3) which consists of a total of 296 units. Work at this site includes lead based paint abatement (previously encapsulated and managed in place), energy related improvements including replacement of existing windows to dual pane energy efficient windows, replacement of water main supply lines and damaged sewer laterals. New roofs will also be installed on the buildings and buildings will be painted and weatherized. Details of smaller planned capital projects are described on the corresponding exhibit.

**Housing Choice Voucher Program** – It is the intent of HACSB to apply for additional Housing Choice Vouchers during this plan year upon approval of demolition and/or disposition of public housing units described above. We will also increase the number of Project Based Vouchers for those properties that HACSB will redevelop, but based on current redevelopment schedules, we do not anticipate that any additional Project Based units will be committed during this Initial Plan Year.

**Non-HUD Housing Stock** – In addition to the HUD programs and units identified above, HACSB owns and administers a variety of other affordable housing programs. The chart below lists the properties and total number of units in each property in the HACSB Non-HUD Affordable Housing Portfolio. We do not anticipate any change in the Non-HUD Housing stock during this plan year.

HACSB HOUSING STOCK SUMMARY – NON-HUD PROGRAMS		
SECTION 8 PROJECT BASED ASSISTANCE PROPERTIES		
Property Name	City	Total Units
Redwood Terrace	Fontana	68
Robert O. Townsend	Montclair	48
Arrowhead Woods	San Bernardino	51
Grandview Towers	Twin Peaks	40
Desert Village	Victorville	46
Yucaipa Crest	Yucaipa	45
Yucaipa Terrace	Yucaipa	51
<b>TOTAL SECTION 8 PROJECT BASED UNITS</b>		<b>349</b>

HACSB HOUSING STOCK SUMMARY – NON-HUD PROGRAMS		
HOME FUNDED OR OTHER AFFORDABLE HOUSING PROPERTIES		
Property Name	City	Total Units
Chehalis	Apple Valley	30
Baker (Desert View)	Baker	24
9 <sup>th</sup> Street	Colton	3
Cahuilla (Canyon villas	Colton	46
Acacia	Fontana	28
Date Street (Las Palmas)	Fontana	16
A Avenue	Hesperia	4
Sunnyside	Hesperia	30
G Avenue (Mesa Gardens)	Hesperia	29
Sequoia/Muni	Hesperia	42
Van Leuven 20 (Stone Creek)	Loma Linda	20
Van Leuven 14Plus8	Loma Linda	22
Mentone (State)	Mentone	34
Poulson (Kingsley Patio)	Montclair	34
Bahia	Ontario	3
Brockton/Crafton/3 <sup>rd</sup>	Redlands	32
Hampton Court	Redlands	24
Stillman/Lombard	Redlands	13
Merrill	Rialto	24
Kendall	San Bernardino	37
Yucca	San Bernardino	14
Sunset Gardens	Yucaipa	39
<b>TOTAL OTHER AFFORDABLE HOUSING UNITS</b>		<b>548</b>
<b>TOTAL ALL NON-HUD HOUSING STOCK</b>		<b>897</b>

### LEASING INFORMATION

**Summary** – The chart below provides a utilization analysis for the Housing Choice Voucher Program. Based on available Annual Budget Authority, HACSB is not able to sustain the allocated baseline vouchers. Thus, leasing information provided further in this Plan is premised on the ABA supportable vouchers as reflected below.

HOUSING CHOICE VOUCHER UTILIZATION ANALYSIS		
	MTW Vouchers	Annual Budget Authority
<b>Baseline</b>	8,244	\$59,938,890
<b>Under Contract</b>	7,748	\$62,089,734
<b>Utilization Percentage</b>	93.9%	103.6%

HACSB LEASING INFORMATION					
Public Housing		Housing Choice Vouchers		Non-HUD Housing Units	
Total Units	1,671	Total MTW Vouchers Based on ABA	7,748	Total Units	897
Total Units Leased	1,606	Total MTW Vouchers Leased	7,748	Total Units Leased	870
Percent of Units Leased	96%	Percent of MTW Voucher Utilization	100%	Percent of Units Leased	97%
		Total Non MTW Vouchers	175		
		Total Non MTW Vouchers Leased	146		
		Percent of Non MTW Vouchers Leased	83%		

**Anticipated Leasing Issues** – As noted on the chart on page 5, Housing Choice Voucher Program utilization was 103.6% of our annual budget authority for the past fiscal year. This trend has continued in the current fiscal year. Current projections indicate that our per unit costs (PUC) under the HCV program will increase this fiscal year over 14%, from \$642.87 to \$733.89. We have submitted an application to HUD under the \$100 million set aside requesting an adjustment in our annual budget authority based on significant increases in renewal costs due to unforeseen circumstances: unemployment in San Bernardino County has risen to 12.9% far above the national average of 8.5%.

We will continue to honor vouchers currently under contract, but until such time that funding is adjusted to support our actual costs, we are unable to re-issue terminated vouchers during this fiscal year.

Relocation of residents from public housing units will commence during the plan year based on approval of demolition and disposition activities previously described. We intend to apply for new Housing Choice Vouchers as demolition and disposition applications are approved. Thus, relocation resources will include available public housing units, other affordable housing units available, and Housing Choice Vouchers.

### WAITING LIST INFORMATION

**Summary** – The chart below provides a summary of the waiting list applicants by income and household type for both the Public Housing Program and the Housing Choice Voucher Program. The waiting list for the Housing Choice Voucher Program is currently closed and we do not anticipate opening the list during this plan year. Based on redevelopment strategies and actual HAP expenditures that exceed budget authority by 3.6%, we do not anticipate selecting any new applicants from the Housing Choice Voucher Program during this plan year.

The public housing waiting list is site based and remains open at all sites. Based on redevelopment strategies for the current plan year, we anticipate closing the waiting lists for all properties designated above for demolition and/or disposition. Upon approval of the demo/dispo application, all applicants will be notified of the pending action for the property and will be advised of alternate properties where they can apply for housing.

HACSB WAITING LISTS DEMOGRAPHICS								
Family Type	Public Housing Waiting List				Housing Choice Voucher Waiting List			
	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	TOTAL PH	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	TOTAL HCV
Elderly	524	93	16	633	1,229	396	57	1,682
Disabled	178	26	2	206	193	74	12	279
All Other	5,447	1,030	320	6,797	19,975	4,948	949	25,872
<b>TOTAL</b>	<b>6,149</b>	<b>1,149</b>	<b>338</b>	<b>7,636</b>	<b>21,397</b>	<b>5,418</b>	<b>1,018</b>	<b>27,833</b>

  

PUBLIC HOUSING AND HOUSING CHOICE VOUCHER WAITING LIST INCOME SUMMARY	
TOTAL EXTREMELY LOW INCOME APPLICANTS	27,546
TOTAL VERY LOW INCOME APPLICANTS	6,567
TOTAL LOWER INCOME APPLICANTS	1,358
<b>TOTAL APPLICANTS ALL PROGRAMS</b>	<b>35,469</b>

### III. NON-MTW RELATED INFORMATION

**Strategic Plan** - Prior to receiving the MTW designation, a comprehensive 30 year strategic plan served as a guiding map for HACSB to ensure that all assisted families are working toward and achieve independence from government aid as well as ensuring the financial viability and sustainability of the Agency.

Many of the strategies articulated in the strategic plan are also initiatives and activities identified under the MTW Plan; some are outside of the MTW Plan. This plan incorporates the shared initiatives and strategies. Future MTW Plans will also include those strategies that are unique to the non-HUD activities of the Agency. For example, HACSB has multiple strategies related to Human Resources that are only tangentially related to MTW. However, a combined "Master Plan" for the Agency that will be developed in future MTW Plans will provide a clearer overall roadmap for the Agency's future and will more easily facilitate accomplishment of the established goals.

**Local Programs** - In addition to HUD Programs, HACSB has a portfolio of other affordable housing properties and administers local programs. In addition to the non-HUD affordable housing portfolios identified above in Section II, HACSB administers two local Rental Assistance Programs.

- **Tenant Based Assistance** – This program is funded by HOME funds and serves 125 families. The TBA program is modeled after the federal Housing Choice Voucher program and HACSB administers the TBA identically to the HUD HCV Program.

- **Master Leasing Program** – This program is funded by State of California Mental Health funds and serves 17 mentally ill or developmentally disabled families in a group home setting. Case management and comprehensive support services are provided for residents participating in this program.
- **HOPWA/Shelter Plus Care** – Through inter-agency agreements, HACSB administers 60 HOPWA vouchers and two Shelter Plus Care projects totaling 145 units. These units are allocated under separate ACC's to other municipalities and are not part of the Authority's ACC contract with HUD, thus we have been classified them in this section of the plan, under local programs.

#### IV. LONG-TERM MTW PLAN

**Mission** - The Mission of the Housing Authority of the County of San Bernardino is: *“Empower all individuals and families in need, to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.”* The goals established in the MTW Agreement and the corresponding MTW activities are designed to support HACSB's Mission.

**Vision** – The long term strategic vision of the Housing Authority of the County of San Bernardino is: *“Become a vital community partner and national leader in the delivery of affordable housing services.”*

**Values** - The HACSB strives to be a key participant in supporting and improving the community it serves. HACSB seeks to streamline its program and establish a higher standard of services to the community. To this end, the Agency has adopted the following values that will guide it towards achieving its Mission and Vision.

- Create a workplace environment that attracts and retains capable employees who feel they are making a difference
- Develop an effective communication program that disseminates information to all employees
- Maintain strong collaborative relationships with a wide variety of agencies and innovative community partners
- Positively engage the community in building a safe and stable environment

**Goals** – Our long term MTW Plan aims to accomplish the following goals:

- **Operational Efficiency through Innovation** – *Maximizing HACSB's economic viability and sustainability*
- **Self-Sufficiency** – *Facilitating opportunities for families and individuals to become self-sufficient and financially independent to transition from dependency on housing subsidy*
- **Expand Housing Opportunities through Repositioned Assets** – *Providing quality affordable housing opportunities in mixed-income communities with access to excellent quality of life services*

**Goal 1 - Operational Efficiency through Innovation** - One of the key benefits of participating in MTW is regulatory relief that allows HACSB to streamline its business processes to operate more cost-effectively and efficiently. HACSB will maximize this flexibility and implement innovative business solutions, amend policies, and redesign processes and procedures that will reduce administrative complexity, costs and staff time. MTW activities implemented under the goal of operational efficiency and innovation will improve staff morale, reduce program fraud, increase accuracy, and make the program more understandable to the community and clients. The following strategies will direct the MTW activities under this goal:

- Create programs to achieve zero fraud
- Serve as an excellent steward of resources and related programs
- Create a workplace environment that attracts and retains employees who feel they are making a difference
- Earn respect and recognition by the Community that values the work and services that HACSB provides.

The specific MTW Activities included in this Initial Plan that address these strategies include:

- Bi-annual re-certifications
- Local verification policies
- Elimination of assets
- Controlled Program moves
- Local policies for portability

**Goal 2 - Promote Self-Sufficiency** - Building on the success of its affordable housing programs and increased flexibility provided through the MTW demonstration, HACSB has developed strategies to increase family self-sufficiency. The following long-term strategies will help improve the quality of lives of HACSB assisted families:

- Transform client mindset from entitlement to empowerment
- Execute networking, partnership and delivery systems to enhance personal and family development
- Expand and diversify funding sources for resident services

The specific MTW Activities in this Initial Plan that address these strategies include:

- Elimination of the Mandatory Earned Income Disregard (MEID)
- Increased minimum rent

**Goal 3 - Expand Housing Opportunities through Repositioned Assets** - Creating quality housing choice options for low-income families is a top priority of HACSB. Through its Initial Plan the Agency has already begun repositioning assets in order to better serve the community. HACSB is implementing the following long-term strategies to expand housing opportunities:

- Have an increasingly diverse number of funding sources
- Build, buy and rehab housing stock
- Maintain excellent stewardship of resources and related programs

The specific MTW Activities in this Amendment that address these strategies are:

- Develop a local Project-Based Voucher program
- Local Payment Standards

## V. PROPOSED MTW ACTIVITIES

**General** – The activities described below are conceptual plans based on current information and preliminary impact analysis. Various scenarios of design and implementation of these activities will be undertaken that will result in more detailed impact analysis for program participants as well as for the financial sustainability of the agency. HACSB also envisions developing more detailed and refined benchmark measurements as the details of each activity are developed and implemented. These finalized benchmarks will be included in the MTW Annual Report. Detailed implementation plans will be developed for each activity; data collection and analysis will be ongoing; and implementation plans will be revised as needed.

### GOAL 1: OPERATIONAL EFFICIENCY AND INNOVATION

**Previous Activities** - Activities 1 through 3 were previously approved in an initial plan on September 25, 2008, but have been redefined in accordance with the guidelines in the new Exhibit B of the MTW Agreement.

#### **Activity 1: Single Fund Budget with Full Flexibility**

- Description** - HACSB will combine resources (Public Housing Operating Funds; Public Housing Capital Fund and Housing Choice Voucher funding) under a single fund block grant.
- Statutory Objective** – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.
- Anticipated Impacts** – This activity will enable the Authority to allocate federal resources to support the local initiatives described under this plan and provide flexibility to redistribute resources among federal programs based on actual needs.
- Baseline, Metrics and Benchmarks** – The baseline will be the per unit funds and percent of total funds currently provided by HUD to operate the Public Housing Program and the Housing Choice Voucher Program. The metric will be the allocation of funds during each year of the MTW Program to support the actual per unit operating costs of each program and the MTW activities. Benchmarks of decreasing the actual per unit costs through implementation of the MTW activities by 5% over the life of the MTW agreement have been established. The outcome of this activity will be that programs are funded based on their actual level of need with ongoing flexibility.

Baseline	Metric	Benchmark	Outcome
Per unit funds by program	Allocation of funds	Decrease of per unit cost at the end of the MTW Agreement	Programs funded based on need

- E. Data Collection and Protocols** – Financial data from fiscal year 2009 will be used to establish the baseline and an annual financial report and analysis will be developed to measure actual annual costs and percent of total funding of each program.
- F. Authorization Cited** – HACSB is authorized to undertake this initiative through Attachment C (B)(1) which waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 CFR 905, 982 and 990.
- G. Rent Reform Initiatives** – Not applicable.

**Activity 2: Adopt Strategic Investment Policies**

- A. Description** - HACSB will adopt investment policies consistent with California Government Code to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSB shall invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely.
- B. Statutory Objective** – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.
- C. Anticipated Impacts** – This activity will enable the Authority to achieve a portfolio that is safer, more liquid and contains a competitive yield. Under California investment policies, HACSB will be able to invest in stronger investment instruments with lower transaction costs, thus increasing overall investment returns.
- D. Baseline, Metrics and Benchmarks** – The baseline will be the average interest rate earned on the HUD investments during the 2009 fiscal year for all funds invested in HUD eligible investments. The metric will be the interest rate earned on investments. The benchmark will be an increase in the average interest rate earned on investments of .01% per year.

Baseline	Metric	Benchmark	Outcome
Average interest rate earned on HUD investments during FY 2009	Interest rate earned on investments	.01% increase per year.	Increased overall investment returns

- E. Data Collection and Protocols** – Investment data from 2009 will be used to establish the baseline. An investment report will be developed that charts the earnings on State eligible investments against the earnings on HUD eligible investments each year. This report will determine if the benchmark has been achieved using this new portfolio investment strategy.

**F. Authorization Cited** – HACSB is authorized to undertake this initiative through Attachment C (B)(5) which waives certain provisions of Sections 6(c)(4) of the 1937 Act and 24 CFR982.156.

**G. Rent Reform Initiatives** – Not applicable.

**Activity 3: Alternate Assessment Programs**

**A Description** – HACSB will opt out of the HUD SEMAP and PHAS systems and will establish its own program assessment system designed to measure the quality and timeliness of work performed under the MTW Agreement.

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

**C. Anticipated Impacts** – This activity will enable the Authority to establish an organizational performance assessment system that measures the outcomes of program performance based on the local goals and objectives established by HACSB.

**D. Baseline, Metrics and Benchmarks** – The baseline will be the level of performance on key program indicators to be established by the end of the 2009 fiscal year (September 30, 2009). The metrics will be the performance level of each indicator established on an annual basis. The benchmark will be a performance score of 90% or greater for all program indicators throughout the life of the agreement.

Baseline	Metric	Benchmark	Outcome
Key program indicators to be established by 9/30/09	Performance level of each indicator established	Performance score of 90% or greater for all program indicators	Overall increased program performance relative to local goals.

**E. Data Collection and Protocols** – Program indicators to be measured will be established by September 30, 2009 (FYE). Data will be collected to confirm current status of each performance indicator as of this date and an initial rating will be assigned. Reports will be developed to track the performance indicators on an ongoing basis and a rating will be assigned at the end of each fiscal year. Detailed action plans will be implemented for any indicator that decreases from the previous year.

**F. Authorization Cited** – HACSB is authorized to undertake this initiative through Attachment D (A)(1) which waives certain provisions of Section 6(j) of the 1937 Act and 24 CFR 902 and 985.

**G. Rent Reform Initiatives** – Not applicable.

**Additional Activities** - Activities 4 through 12 have been identified as additional initiatives that HACSB desires to implement in the current fiscal year and have thus, been added to this plan.

**Activity 4: Bi-Annual Recertifications**

- A. Description** - HACSB will conduct re-certifications every two years for elderly and disabled households that have no other adult members and for which there is no earned income for both the Public Housing and Housing Choice Voucher programs.
- B. Statutory Objectives** - This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures
- C. Anticipated Impacts** - This activity is projected to generate significant staff time reduction and will reduce reporting burdens for the affected families.
- D. Baseline, Metrics and Benchmarks** – The baseline is an average of 1.5 hours to complete an annual recertification for households with no earned income using the current households of 2,422 for the HCV program and 351 for the Public Housing program affected by this activity. The metric will be the hours to complete annual recertifications. This activity will be implemented based on 50% of the benchmark in year one and 50% in year two. A benchmark of reducing staff time by 1,816 hours in the HCV program and 263 hours in the public housing program has been established. A second baseline is the number of families completing annual recertification packets each year. The metric will be the actual families required to complete the annual recertification packet. A benchmark has been established to reduce the number of families required to complete recertification packets by 2,000 in the HCV program and by 200 in the PH program.

Baseline	Metric	Benchmark	Outcome
Total number of staff hours to complete annual recertification	Hours to complete recertification (estimate of 1.5)	staff hours reduced by 1,816 in HCV and 263 in PH	Total number of staff hours reduced
Actual number of families required to complete recertification packet annually	Number of families completing recertification packets annually	Families completing annual recertification packets will decrease by 2,000	Reduced reporting burden for families as less families complete recertification packets.

- E. Data Collection and Protocols** - A time study will be conducted to confirm the estimated time for completion of annual re-certifications for the affected families under this activity. The actual number of families converted to bi-annual recertifications will be tracked and a report will be provided that confirms the exact amount of reduced staff time.
- F. Authorization Cited** - HACSB is authorized to undertake this initiative through Attachment C (C)(4) which waives certain provisions of Sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257 and Attachment C(D)(1)(c) which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

**G. Rent Reform Initiatives – Not applicable.**

**Activity 5: Local Verification Policies**

- A. Description** - HACSB will implement local verification policies for both the Public Housing and Housing Choice Voucher programs. Verification for new admissions will be limited to documents provided by the applicant; no third party verification will be required. Verification for annual and/or interim re-certifications will continue to be based on the HUD EIV reports and HACSB will establish a local schedule of values that will govern when third party verification will be required. All verifications will remain valid for a period of six months from the date received.
- B. Statutory Objectives** - This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures
- C. Anticipated Impact** - This activity is projected to generate a significant reduction in staff time and reduce other operating costs such as postage.
- D. Baselines, Metrics and Benchmarks** – The baseline is an average of fifteen minutes per transaction to process third party verifications. The metric is the number of minutes staff must spend processing each verification. The benchmark established for this activity is reduction in staff hours for the Public Housing Program of 428 hours per year and 1,939 hours per year for the Housing Choice Voucher Program. An additional baseline is the current amount spent on postage for third party verifications. The metric is the dollar value spent on postage. The benchmark is reduction in postage costs estimated at \$8,300 per year based on two third party verifications mailed per recertification.

Baseline	Metric	Benchmark	Outcome
Average minutes of staff time to process third party verification	Minutes per verification (estimate of 15)	Number of staff hours reduced	Total number of staff hours reduced (estimate of 1,939 HCV and 428 PH)
Current annual cost of postage for third party verifications	Cost of postage per third party verification	Reduction in postage costs	Total amount spent on postage is reduced (estimate of \$8,300/year)

- E. Data Collection and Protocols** - A time study will be conducted to confirm the estimated time for completion of third party verification under this activity. The actual number of third party verifications that would have been issued without this activity will be tracked and a report will be provided that confirms the reduced staff time and the reduced postage costs.
- F. Authorizations** - HACSB is authorized to undertake this initiative through Attachment C (C)(4) and (11) which waives certain provisions of Sections 3(a)(1), 3(a)(2), 3(a)(3)(A) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, 960.255, 966.4 and 960.257 and Attachment C(D)(1)(c) and (3)(b) which waives certain provisions of Section 8(o)(5) and 24 CFR 982.516 and 982 Subpart E.

**G. Rent Reform Initiatives – Not applicable.**

**Activity 6: Elimination of Assets**

- A. Description** – HACSB will eliminate assets in the calculation of tenant rent. Information related to assets will no longer be collected and income from assets will not be considered as part of the rent calculation formula. The elimination of assets from the rent calculation will be applicable in both the Public Housing and Housing Choice Voucher programs.
- B. Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.
- C. Anticipated Impact** - The anticipated impact of this activity is to generate staff time reductions. A possible unanticipated impact could be a reduction in rental revenue in the Public Housing program and an increase in Housing Assistance Payments in the Housing Choice Voucher program.
- D. Baselines, Metrics and Benchmarks** – The baseline for this activity is the amount of time per transaction to calculate income from assets. We estimate this is approximately six minutes per transaction to collect asset data and an additional 15 minutes to calculate the income from assets. The metric for this baseline is the amount of time it takes to process each transaction. The benchmark established for this activity is reduction in staff time of 874 hours per year for the HCV program (775 hours for data collection from all HCV households and 99 hours for calculation based on 395 current families with assets); and 184 hours per year for the Public Housing program (167 hours for data collection from all PH households and 17 hours for calculation based on 69 current households with assets).

Baseline	Metric	Benchmark	Outcome
Average minutes of staff time to collect and calculate asset income	Minutes per household	Number of staff hours reduced	Total number of staff hours reduced (874 for HCV and 184 for PH)

- E. Data Collection and Protocols** - A time study will be conducted to confirm the average completion time of annual re-certifications without assets to estimate time saved from elimination of assets from the recertification process. A financial analysis will be completed to determine the reduction in tenant rent in the public housing program and the increased HAP payments in the HCV program. These costs will be compared with the savings from staff time reductions to determine if the anticipated savings have been realized.
- F. Authorizations** - HACSB is authorized to undertake this activity through Attachment C (C)(11) which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A and Attachment C (D)(2)(a) which waives certain provisions of Sections (8)(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

**G. Rent Reform Initiatives -**

- a. **Board Approval** – Attached in the appendices
- b. **Impact Analysis** – Attached in the appendices
- c. **Annual Re-evaluation** – A re-evaluation of this policy will be completed on an annual basis.
- d. **Hardship** – There will be no hardship on families as this will result in a reduction of total tenant payment.
- e. **Transition Period** – This activity will be implemented at the participant's next regularly scheduled Annual Re-examination.
- f. **Public Hearing** – This activity was included as part of the Amendment to the Initial Public Hearing. The documentation for this Public Hearing is included in the appendices.

**Activity 7: Controlled Program Moves**

- A. **Description** - HACSB will limit voluntary program moves for Housing Choice Voucher participants to once every two years, only at the time of annual re-certification and upon verification from their current landlord that they are a tenant in good standing.
- B. **Relation to Statutory Objectives** –This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.
- C. **Anticipated Impact** –The anticipated impact of this activity is a reduction in the number of families that voluntarily move each year and the corresponding reduction in staff time to process program moves every year.
- D. **Baselines, Metrics and Benchmarks** – The baseline for this activity is based on an estimated four hours to complete the entire program move process. A baseline of 600 families per year or 8% of the total program voluntarily moved at anytime throughout the year, resulting in total staff hours to process voluntary moves of 2,400 hours per year. The metric for this baseline is the percent of households that move voluntarily on an annual basis and the corresponding number of staff hours to process these moves. A benchmark has been established to reduce the voluntary program moves to 4% of the total program each year, thus reducing staff costs correspondingly.

Baseline	Metric	Benchmark	Outcome
Percent of total program moves voluntarily each year	Percent of families that voluntarily move each year	No more than 4% of total program voluntarily moves each year and only at annual recertification	Families voluntarily move only at annual recertification and only bi-annually.
Number of staff hours annually spent to process program moves	# of hours to process a program move	50% reduction in total annual staff hours processing voluntary program moves	Reduced staff time to process program moves

- E. **Data Collection and Protocols** - A time study will be conducted to confirm the average time to complete the entire move process. The number of families approved for voluntarily moves will be tracked and a report developed to monitor the percent of families moving and the voucher success rate of these families. Analysis will be conducted to determine the resulting reduction in costs.
- F. **Authorizations** - HACSB is authorized to undertake this initiative through Attachment C, D 1.a and b and D 2.b which waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(G) and 8(o)(13)(F) of the 1937 Act and 24 CFR 982.303, 982.308, 982.309, 982.451 and 983 Subpart E and F.
- G. **Rent Reform Initiatives** – Not applicable.

**Activity 8: Local Policies for Portability**

- A. **Description** - As HACSB exercises its MTW flexibility its policies will begin to differ significantly from other Public Housing Authorities, as a result, HACSB will apply all MTW requirements to inbound and outbound portability. In order to achieve operational efficiency, HACSB must be able to apply its policies and procedures to all participants in its jurisdiction. HCV participants porting into San Bernardino County or porting out to another jurisdiction will all be required to comply with HACSB's MTW policies and requirements. HACSB will enforce the MTW requirements on outbound ports that are administered by the Receiving PHA through verification of compliance at the time of annual re-certifications. Families wanting to port into HACSB's jurisdiction will be advised of MTW requirements at the time of initial contact with HACSB and will only be permitted to port in if they are in compliance with all MTW requirements.
- B. **Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures. HACSB intends to use its MTW flexibility to implement innovative, streamlined approaches to providing housing assistance. HACSB understands that portability is critical to increasing housing choice options; however, operational efficiency would be compromised if the Agency had two sets of policies—one for portable families and another for families from the waiting list. In order to achieve the statutory objectives of MTW, the HACSB needs to be able to have one Housing Choice Voucher program with one set of policies and procedures.
- C. **Anticipated Impact** – The anticipated impact of this activity is to generate staff time reductions and reduce the accounts payable from initial PHAs. A possible unanticipated impact could be a decrease in housing choice for families who are interested in moving to San Bernardino County, but do not qualify because they are not compliant with the MTW requirements. HACSB will work with its largest inbound port agencies to educate them on any upcoming policy changes to ensure that the portability processes remain smooth and seamless for families.
- D. **Baselines, Metrics and Benchmarks** – A baseline of 454 families ported in and 190 families ported out during the last fiscal year. An additional baseline is based on an estimated two hours to process outbound portability families and four hours to complete the entire process for inbound portability families. A ~~third baseline~~ is

that HACSB's accounts payable from Receiving PHA's averages up to 5% of total monthly HAP. The metrics for this baseline are the number of families that port in and the number that port out; the amount of staff time reduction to process portability; and, the decrease in the accounts payable from Receiving PHA's.

A benchmark of a reduction of 20% of families porting out and a reduction of 50% of families porting in has been established. Additional benchmarks have been established to decrease in accounts payable from Receiving PHA's of 5% each year. Analysis will be conducted to determine the resulting reduction in costs. To minimize unanticipated impact of limiting housing choice, an additional benchmark has been established to monitor the number of in-bound families not accepted and the number of outbound requests not approved.

Baseline	Metric	Benchmark	Outcome
Average staff time spent to process portability.	Hours to process portability	20% reduction in port out and 50% reduction in port in Number of in-bounds not accepted and number of out-bounds not approved	Reduction in staff time to process portability
Accounts receivable due to untimely payments from Receiving PHA's	Percent of monthly HAP receivable from portability	Reduction of 5% of accounts each year.	Increase in cash available to make timely HAP payments.

- E. **Data Collection and Protocols** –A time study will be conducted to confirm the average time to complete processing of both an in-bound and out-bound portability family. The number of families porting in and porting out will be tracked to determine the percent of reduction and the corresponding savings in staff time. Portability data will be analyzed to determine the total number of families requesting to port in and total number requesting to port out. The percent of families not approved will be analyzed. A financial report will be developed to monitor the impact on the HCV accounts payable amount.
- F. **Authorizations** - HACSB is authorized to undertake this activity through Attachment C (D)(1)(g) which waives certain provisions of Section (8)(r) of the 1937 Act and 24 CFR 982 Subpart H.
- G. **Rent Reform Initiatives** – Not applicable.

## GOAL 2: PROMOTE FAMILY SELF-SUFFICIENCY

Two MTW Activities have been identified as additional initiatives that HACSB desires to implement through this Initial Plan during the current fiscal year that will help meet the goal to Promote Family Self-Sufficiency.

### **Activity 9: Elimination of the Earned Income Disallowance**

- A. Description** - HACSB will eliminate the HUD Mandatory Earned Income Disallowance (MEID) from the calculation of total tenant payment and replace it with the rent reform activities authorized under the MTW Agreement and exercised in MTW Plans.
- B. Relation to Statutory Objectives** - This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- C. Anticipated Impact** – The anticipated impact of this activity is to remove a false sense of financial security or perceived entitlement and guide families through the real world experience of budgeting and managing available financial resources, and prioritizing expenditures for basic needs including housing costs. An unanticipated impact will be an increase in rental revenue in the Public Housing program and reduced Housing Assistance Payments in the HCV program and staff time reductions.
- D. Baselines, Metrics and Benchmarks** – The baseline for this activity is based on an estimated 100 hours of staff time for each family receiving the MEID throughout the life of the MEID entitlement. An additional baseline is 7 public housing families and 5 housing choice families that currently receive an MEID with average annual income disallowance for the public housing families of \$9,855 and \$13,595 for the housing choice families. Historically, families have severed their employment once the MEID has expired. The metrics for this baseline is the reduction in staff time to manage the MEID program and the percent of the current families that retain earned income upon elimination of the MEID. The benchmarks are a reduction of 300 hours of staff hours per year (1200 over four years) and 50% of the current MEID families will retain earned income upon elimination of the program.

Baseline	Metric	Benchmark	Outcome
Families receiving EID with earned income	Families that retain earned income	50% of families will retain earned income upon expiration of EID	Families working towards self-sufficiency
Average staff time to manage EID	Reduction in staff time to manage EID	Reduction of 1200 hours of staff time over 4 years.	Reduced staff time to manage EID and more time to manage MTW initiatives

- E. **Data Collection and Protocols** –The current EID households will be tracked to determine if they retain earned income after elimination of program. A time study will be conducted to confirm the average time to manage the Earned Income Disallowance over the life of the exemption and hours saved in staff time will be calculated accordingly.
- F. **Authorizations** - HACSB is authorized to undertake this initiatives through Attachment C, D 1.a and b and D 2.b which waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(G) and 8(o)(13)(F) of the 1937 Act and 24 CFR 982.303, 982.308, 982.309, 982.451 and 983 Subpart E and F.
- G. **Rent Reform Initiatives:**
  - a. **Board Approval** – Attached in the appendices
  - b. **Impact Analysis** – Attached in the appendices
  - c. **Annual Re-evaluation** – A re-evaluation of this policy will be completed on an annual basis.
  - d. **Hardship** - A hardship policy will allow for a two year phase out of the Mandatory Earned Income Disregard.
  - e. **Transition Period** – The two year period from implementation until the elimination of the MEID.
  - f. **Public Hearing** – This activity was included as part of the Amendment to the Initial Plan Public Hearing.

#### **Activity 10: Minimum Rent**

- A. **Description** – HACSB will increase the minimum rent from \$50.00 to \$125.00 per month for all households in both the Public Housing and the Housing Choice Voucher Programs.
- B. **Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- C. **Anticipated Impact** – The anticipated impact of this activity is to decrease the number of zero income households and increase the number of households who will seek employment. An additional impact will be increased rental revenue in the Public Housing program and reduced Housing Assistance Payments in the HCV program.
- D. **Baselines, Metrics and Benchmarks** – The baseline for this activity is 663 or 8% of all households in the Housing Choice Voucher Program and 153 households or 9.3% of all households in the Public Housing Program whose current total tenant payment is less than \$125.00 per month. An additional baseline is the amount of annual earned income of the households paying less than \$125.00 per month. A third baseline is the rental revenue from Public Housing households and the HAP expense for HCV families currently paying minimum rent or less. The metrics for this baseline is the percent of households paying minimum rent; the amount of earned income of the households paying minimum rent; the rental income in Public

Housing; and, the HAP expense in the HCV Program for households below minimum rent.

A benchmark has been established to reduce the number of households paying less than \$125 per month to not more than 1% of all households in each program (with the 1% consisting only of approved hardship exemptions) and reduce the households paying the new minimum rent by 1% per year. Another benchmark is to increase the amount of earned income of households paying minimum rent or less by 1% per year. An additional benchmark has been established to increase the rental revenue received from Public Housing minimum rent households by 50% and reduce the HAP payments for HCV households paying minimum rent by 6%.

Baseline	Metric	Benchmark	Outcome
8% of HCV families and 6.3% of PH households with TTP <\$125.00	Percent of households at minimum rent	< or = 1% of all households pay less than minimum rent.	Reduction in the number of households paying minimum rent
Current earned income from households with TTP<\$125.00	Aggregate amount of earned income from households with TTP<\$125	Increase earned income of these households by 1% per year.	Increased earned income of households
Limited rental revenue and additional HAP expense from households with TTP<\$125.00	Increase in rental revenue and decrease in HAP expense	Increase PH rental revenue from minimum rent households by 50% and HCV households by 6%	Additional revenue available to meet other local goals and assist more families

**E. Data Collection and Protocols** – A report will be developed to track the total number and percent of minimum rent families in each program each year. A financial report will be developed to measure the increased rental revenue and the decrease in average HAP for the minimum rent families.

**F. Authorizations** - HACSB is authorized to undertake this initiative through Attachment C, C.11 which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, and 960.255 and 966 Subpart A and Attachment C, D2(a) which waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

**G. Rent Reform Initiatives:**

- a. **Board Approval** – Attached in the appendices
- b. **Impact Analysis** – Attached in the appendices
- c. **Annual Re-evaluation** – A re-evaluation of this policy will be completed on an annual basis.
- d. **Hardship** - A hardship policy will allow for temporary waiver of the minimum rent for brief periods if adequate justification is provided.
- e. **Transition Period** – Effective at the annual recertification following the implementation date.
- f. **Public Hearing** – This activity was included as part of the Amendment to the Initial Plan Public Hearing.

### **GOAL 3: EXPAND HOUSING OPPORTUNITIES THROUGH REPOSITIONED ASSETS**

The following activities have been identified as additional initiatives that HACSB desires to implement during the current fiscal year that will help meet the goal to Expand Housing Opportunities through Repositioned Assets.

#### **Activity 11: Local Project-Based Voucher Program**

**A. Description** – HACSB will implement a local Project-Based Voucher (PBV) program to increase the availability of quality housing units. The local PBV Program will include the following components:

1. Project-based assistance at properties owned by the Authority or an affiliate of the Authority that are not public housing.
2. Establishment of a reasonable competitive process for project-basing leased housing assistance at units in which the Authority or a related affiliate has no ownership interest that meet existing Housing Quality Standards or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, and for-profit housing entities.
3. Adoption of alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of our MTW Agreement.

**B. Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to increase housing choices for low-income families.

**C. Anticipated Impact** – The anticipated impact of this activity is an increase in the total affordable housing portfolio owned directly or indirectly by HACSB and to increase the number of tenant based voucher families that voluntarily move to project based units because of improved quality of housing that does not exist in the existing rental housing inventory in San Bernardino County.

**D. Baselines, Metrics and Benchmarks** – The baseline for this activity is 897 non-HUD affordable housing units in HACSB's portfolio. The metrics for this baseline is the number of additional affordable housing units created and the percent occupied by current tenant based voucher participants. A benchmark has been established to develop 100 additional affordable housing units per year of which 5% will be occupied by current tenant based voucher holders that desire to improve the quality of their current housing unit.

Baseline	Metric	Benchmark	Outcome
Number of non-HUD affordable housing units	Non-HUD affordable housing units and percent of new units occupied by tenant based voucher holders.	Increase in the number of Non-HUD affordable housing units (target at 100 per year) and 5% percent of new units occupied by tenant based voucher holders	An increase in the number of Non-HUD affordable housing units and more housing choice for tenant based households.

- E. Data Collection and Protocol** – A report will be developed to track the new housing units developed each year and the number of new units under PBV contracts. An initial occupancy report for each project will be used to determine the tenant based voucher holders that choose to relocate to these newly developed units.
- F. Authorizations** - HACSB is authorized to undertake this initiative through Attachment C 7 which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983, 983.51, 983.57 as well as Section 8(o)(8) of the 1937 and 24 CFR 982 Subpart I.
- G. Rent Reform Initiatives** – Not applicable.

#### **Activity 12: Local Payment Standards**

- A. Description**– HACSB will implement Local Payment Standards that accurately reflect the varying rental submarkets that exist across San Bernardino County. A third party market study will be conducted to define the submarkets and the corresponding market rent.
- B. Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to increase housing choices for low-income families.
- C. Anticipated Impact** – The anticipated impact of this activity is increased housing opportunities for participants, improved quality of units for families to choose and more accurate determination of rent to owner based on true market data.
- D. Baselines, Metric and Benchmarks** – The baseline for this activity is the HUD published Fair Market Rents and the current percent of households residing in impacted areas. The metrics for this baseline is the percent of families that move to less impacted areas each year; the number of new first time landlords; and the number of Class B or greater multi-family apartment complexes that accept Housing Choice Vouchers for the first time.

Benchmarks have been established to determine the actual market rate rents in each submarket of San Bernardino County; increase the percent of families that move to less impacted submarkets by 1% per year; add 25 new first time landlords each year; and add at least one Class B or greater multi-family rental apartment complex each year.

Baseline	Metric	Benchmark	Outcome
Current percent of families residing in impacted areas	Percent of families that move to less impacted areas; number of first time landlords in the program; and, number of Class B or greater multi-family apartment complexes accepting vouchers for the first time.	1% of program families move to less impacted areas per year; 25 first time landlords each year; and, 1 Class B or greater apartment complex each year.	Actual % of families that move to less impacted areas per year, actual number of first time landlords each year, and number of new Class B or greater apartment complexes added

- E. Data Collection and Protocols** – An independent extensive market study will be conducted to determine the local real estate submarkets and the payment standards applicable to each submarket. A report will be developed to track the movement of participants within each submarket and to track first time landlords.
- F. Authorizations** - HACSB is authorized to undertake this initiative through Attachment C D(2)(a) which waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.
- G. Rent Reform Initiatives** – Not applicable at this time. HACSB does anticipate an impact on tenant rent in the Housing Choice Voucher program after the adoption of local payment standards. HACSB will provide the required elements upon the completion of the local market study.

## VI. ONGOING MTW ACTIVITIES

This plan represents the first year of MTW activities for HACSB, therefore, there are no ongoing MTW activities.

VII. SOURCES AND USES OF FUNDS

A. Planned Source and Uses of HUD Funds

1. **Planned Source and Uses of MTW Funds** - The chart below summarizes the HACSB Consolidated MTW Budget for Fiscal Year 2009 (October 1, 2008 through September 30, 2009). This chart lists all planned revenues and expenditures for all funding sources that comprise the MTW Block Grant sources including Section 9 Operating Funds; Section 9 Capital Funds; Section 8 Housing Assistance Payments; and, Section 8 Administrative Fees. The budgeted net loss is anticipated to be drawn from pre Calendar Year 2008 restricted HAP reserves and will be used only for HAP.

CONSOLIDATED SOURCES AND USES OF MTW FUNDS (FISCAL YEAR 2009)		
REVENUE (SOURCES)		
Housing Choice Voucher Program HAP	\$	60,667,192
Housing Choice Voucher Program Admin Fees	\$	5,642,909
Public Housing Operating Fund	\$	5,185,224
Public Housing Capital Fund	\$	5,833,172
Rental Income	\$	5,870,748
Miscellaneous Income	\$	398,863
Investment Income	\$	87,500
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>83,685,608</b>
EXPENSE (USES)		
Administration and General Expense	\$	10,789,845
Utilities	\$	1,546,964
Operations and Maintenance	\$	7,269,093
Housing Assistance Payments	\$	60,547,948
Development and Capital Projects	\$	3,968,362
<b>TOTAL EXPENSE</b>	<b>\$</b>	<b>84,122,212</b>
<b>OPERATING INCOME/LOSS</b>	<b>(\$</b>	<b>436,604)</b>
Reserve Drawdown (pre CY 2008 restricted HAP reserves)	\$	436,604
<b>NET INCOME/LOSS</b>	<b>\$</b>	<b>0</b>

2. **Planned Source and Uses of NON-MTW Funds** – The chart below summarizes the HACSB Consolidated Budget for NON-MTW Funds for Fiscal Year 2009 (October 1, 2008 through September 30, 2009). This chart lists all planned revenues and expenditures for all funding sources for other funds that are not eligible MTW Block Grant funds (including state, local and central office cost center funds). The budgeted net income is anticipated to be deposited to current operating reserves.

CONSOLIDATED SOURCES AND USES OF NON- MTW FUNDS (FISCAL YEAR 2009)		
REVENUE (SOURCES)		
Grants	\$	1,938,098
Rental Income	\$	8,597,269
Investment Income	\$	384,993
Miscellaneous Income	\$	4,702,250
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>15,622,610</b>
EXPENSE (USES)		
Administration and General Expense	\$	10,382,998
Utilities	\$	716,460
Operations and Maintenance	\$	2,907,237
Extraordinary Maintenance	\$	122,818
Housing Assistance Payments	\$	1,170,808
<b>TOTAL EXPENSE</b>	<b>\$</b>	<b>15,300,321</b>
<b>OPERATING INCOME/LOSS</b>	<b>\$</b>	<b>322,289</b>
Reserve Buildup	\$	322,289
<b>NET INCOME/LOSS</b>	<b>\$</b>	<b>0</b>

**B. Planned Sources and Uses of State/Local Funds** - The chart below summarizes the HACSB State and Local Budget for Fiscal Year 2009 (October 1, 2008 through September 30, 2009). This chart lists all planned revenues and expenditures for all funding sources that comprise State and Local operating activities. The budgeted net income is anticipated to be deposited to current operating reserves.

SOURCES AND USES OF STATE AND LOCAL FUNDS (FISCAL YEAR 2009)		
REVENUE (SOURCES)		
Rental Income	\$	530,683
Investment Income	\$	643
Miscellaneous Income	\$	17,037
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>548,363</b>
EXPENSE (USES)		
Administration and General Expense	\$	292,555
Utilities	\$	55,344
Operations and Maintenance	\$	168,797
<b>TOTAL EXPENSE</b>	<b>\$</b>	<b>516,696</b>
<b>OPERATING INCOME/LOSS</b>	<b>\$</b>	<b>31,667</b>
Reserve Buildup	\$	31,667
<b>NET INCOME/LOSS</b>	<b>\$</b>	<b>0</b>

- C. Planned Sources and Used of Central Office Cost Center** - The chart below summarizes the HACSB Central Office Cost Center Budget for Fiscal Year 2009 (October 1, 2008 through September 30, 2009). This chart lists all planned revenues and expenditures for all central office cost center operations. The budgeted net loss is anticipated to be transferred out of other operating funds.

SOURCES AND USES OF CENTRAL OFFICE COST CENTER (FISCAL YEAR 2009)		
REVENUE (SOURCES)		
Miscellaneous Income	\$	4,006,854
<b>TOTAL REVENUE</b>		<b>\$ 4,006,854</b>
EXPENSE (USES)		
Administration and General Expense	\$	4,857,430
Utilities	\$	48,561
Operations and Maintenance	\$	697,215
<b>TOTAL EXPENSE</b>		<b>\$ 5,603,206</b>
Operating Transfers In/(Out)		\$ 1,596,352
<b>NET INCOME/(LOSS)</b>		<b>\$ 0</b>

**D. Cost Allocation or Fee for Service Methodology**

HACSB is utilizing the HUD prescribed Fee for Service approach with no deviations for Fiscal Year 2009.

**E. Single Fund Flexibility**

HACSB is not using any single fund flexibility for fiscal year 2009. Since this represents our initial year under our MTW Agreement, we have described Single Fund Flexibility as activity number 1 above and anticipate its use in the next MTW Plan year.

**VIII ADMINISTRATIVE**

- A. Resolution of the Board Of Commissioners** – Attached in the appendices is the Resolution of the Board of Commissioners adopting this Annual MTW Plan along with the Certificate of Compliance prescribed by HUD in Exhibit B of the MTW Agreement.
- B. Planned Ongoing Agency Evaluations of the Demonstration** – As of the submission of this plan, HACSB does not have any planned or ongoing Agency-directed evaluations of the MTW Demonstration.

APPENDIX A

RESOLUTION NO. 2230

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 12, 2008, and

WHEREAS, on September 25, 2008, HUD approved the Housing Authority's Initial MTW Plan outlining its long term vision and goals but was limited in activities that would improve the overall operation of our housing programs; and

WHEREAS, the Housing Authority of the County of San Bernardino now desires to amend the Initial Plan to incorporate additional MTW activities that will increase operational efficiency and innovation; promote family self-sufficiency; reposition critical assets and expand housing opportunities;

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 Initial MTW Plan.

Adopted: March 11, 2009

Housing Authority of the

County of San Bernardino

PHA Name

GA019

PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official  Debbie McCray	Title  Chairman
Signature  <i>x Debbie McCray</i>	Date  September 10, 2008

## Moving to Work Annual Plan PHA Certifications of Compliance

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

### PHA Certifications of Compliance with Regulations: Board Resolution to Accompany the *Moving to Work Annual Plan*

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Moving to Work Annual Plan for the PHA fiscal year beginning 2009, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
2. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
3. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
4. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
5. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
6. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
7. The PHA has submitted with the Plan a certification with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
8. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
9. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
10. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
11. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
12. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
13. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
14. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
15. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
16. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
17. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

## APPENDIX B

### **HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO MEETING OF THE BOARD OF COMMISSIONERS MOVING-TO-WORK ANNUAL PLAN AMENDMENT PUBLIC HEARING HELD ON MARCH 11, 2009**

The Commissioners of the Housing Authority of the County of San Bernardino (Housing Authority), California held a public hearing for the 2008-2009 Moving-To-Work (MTW) Annual Plan Amendment at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on March 11, 2009.

Present: Commissioner, Mario Saucedo, Chairperson  
Commissioner, Karen Fricke, Vice-Chairperson  
Commissioner, Frank Williams  
Commissioner, George Guerrero  
Commissioner, Jessie Munoz  
Commissioner, Loretta Guillen

Absent: Commissioner, Debbie McCray

Also Present: Susan Benner, Executive Director  
Alison Crawford, Director, Administrative Services  
Maria Razo, Deputy Executive Director, Office of Business Administration  
Marcia Waggoner, Deputy Executive Director, Office of Housing Programs  
Gus Joslin, Deputy Executive Director, Office of Real Estate Development  
Ana Gamiz, Director, Policy & Community Affairs  
Carlene Friesen, Director, Human Resources  
Marsha Zeller, Procurement & Contracts Manager  
Marco Martinez, General Counsel; Best, Best & Krieger

#### **I. Purpose of the Public Hearing**

The purpose of this hearing is to conclude a 30 day public review and comment period of the Housing Authority of the County of San Bernardino's 2008-2009 MTW (Moving-to-Work) Annual Plan Amendment before we submit the plan to the U.S. Department of Housing and Urban Development (HUD) for review and approval.

#### **II. Opening Remarks**

The purpose of the MTW (Moving-to-Work) demonstration is to give participating public housing authorities (Agencies) the flexibility to design and test innovative approaches to providing and administering housing assistance that accomplishes 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.

## APPENDIX B

MTW Annual Plan Public Hearing  
March 11, 2009

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. Our plan was made available for public viewing on February 3, 2009. The plan was advertised in the San Bernardino Sun (county newspaper), on the Housing Authority's website, copies were available at our Administrative Office at 715 E. Brier Drive, San Bernardino, CA 92408, and the activities were discussed at the Resident Advisory Board Meeting.

### **III. Call for Public Comments**

The public hearing was opened and Commissioner Saucedo asked if there was anyone present who would like to make comments.

### **IV. Comments**

There was no public comment.

The public hearing was closed.

## APPENDIX B

### **Comments received from Resident Advisory Board (RAB)**

During the public comment period, the Resident Advisory Board was presented the proposed Moving to Work Activities at their February 13, 2009 monthly meetings.

Those in attendance were:

Robert Talavera, Chairman, Rep. Colton  
Johanna Carlos, RAC Secretary, Rep. Chino  
Valinda Lowe, Vice Chairman, Rep. Redlands  
Sylvia Miller, Community Relations Officer, Rep. HCV  
Yvonne Downing, Council Member Rep. Medical Center  
Patricia Dodson, Resident from Medical Center  
Jessie Munoz, Honorary Council Member  
Loretta Guillen, Honorary Council Member  
Marcia Waggoner, Deputy Executive Director, Office of Housing Programs  
Estella Nunez, Resident Services Coordinator  
Robert Scott, Resident Services Coordinator  
Janice Simmons, Resident Services Coordinator  
Darlene McIntosh, Resident Services Coordinator

Each Council Member was issued a copy of the proposed Moving to Work activities currently available on the HACSB website.

The items open for public comment were presented by Estella M. Nunez, Resident Services Coordinator, in the following order:

#### **Activity 5: Bi-Annual Recertification's**

- Council members R. Talavera, S. Miller and J. Munoz voiced approval of proposed change.
- Council member Y. Downing asked for definition of how elderly, handicap, disabled person is defined. E. Nunez explained to Council the difference between one on temporary disability.

#### **Activity 6: Local Verification Policies**

- Council was unfamiliar with EIV and HA policies with income verification and payback agreements. E. Nunez gave council detailed explanation of current policies. The changes proposed were then clarified.
- S. Miller asked for further clarification as to what third party verification meant.
- The HA policies for reporting changes of income was explained to Council in detail.

## APPENDIX B

### Comments received from Resident Advisory Board (RAB)- continued

#### Activity 7: Eliminate Assets and Earned Income Disallowance Calculation

- Council was unfamiliar with HA procedures for assets and Earned Income Disallowance. HA current procedures were clarified and it was explained as to how the proposed change would affect HA current practices.
- R. Talavera expressed approval of the proposed change and the effect it will have for families moving towards self sufficiency.
- Council had no questions regarding this proposed change.

#### Activity 8: Local Policies for Portability

- Council was unfamiliar with our portability process. E. Nunez explained the current policies and procedures on portability and how the proposed change would affect our current practices.
- S. Miller and Y. Downing questioned if this change would affect someone on Homeownership. E. Nunez briefed Council on the Homeownership Program and explained this proposed change would not affect Homeownership.
- Council had no comment on proposed change.

#### Activity 9: Streamlined Interim Recertification's

- Council articulated approval of proposed change.

#### Activity 10: Controlled Program Moves

- Council was briefed on the current policies and procedures for those on the HCV program and moving. E. Nunez clarified the current process and how the proposed would affect our current practices.
- Council members had no questions regarding this proposed change.

#### Activity 11: Minimum Rent

- E. Nunez explained what minimum rent is and the current procedures

#### Activity 12: Local Project-Based Voucher Program

- M. Waggoner explained the Local Project-Based Voucher Program.
- Council had no questions or comments regarding this activity.

## APPENDIX B

### **Comments received from Resident Advisory Board (RAB)- continued**

#### **Activity 13: Local Payment Standards**

- How HACSB local payment standards are currently established was explained to Council. The proposed changes with MTW were clarified and their affect if changes were approved were explained. Council expressed favor of change and their approval of the impact it will have in providing families with stable housing opportunities.

In closing, Honorary Council Member, Jessie Munoz, commented that she felt the proposed changes are a positive move for the Residents and the Housing Authority.

The Resident Advisory Council was informed that their participation was appreciated and their comments regarding this proposal would be submitted to the Board.

APPENDIX C: SUMMARY CHART OF FY 2009 MTW PLAN ACTIVITIES

The chart below provides a summary listing of the MTW Activities that will be undertaken by HACSB during the initial year of the MTW Agreement (October 1, 2008 through September 30, 2009).

	Activity	Goal
1	Single Fund Budget with Full Flexibility	Operational Efficiency and Innovation
2	Strategic Investment Policies	Operational Efficiency and Innovation
3	Alternate Assessment Programs	Operational Efficiency and Innovation
4	Bi-Annual Recertifications	Operational Efficiency and Innovation
5	Local Verification Policies	Operational Efficiency and Innovation
6	Elimination of Assets	Operational Efficiency and Innovation
7	Controlled Program Moves	Operational Efficiency and Innovation
8	Local Policies for Portability	Promote Family Self-Sufficiency
9	Elimination of Earned Income Disregard	Promote Family Self-Sufficiency
10	Minimum Rent	Promote Family Self-Sufficiency
11	Local Project-Based Voucher Program	Expanding Housing Opportunities
12	Local Payment Standards	Expanding Housing Opportunities

**Note:** Activities 1-3 of this Summary were included in the Agency's approved Initial Plan. Conversion/Demolition/Disposition of Public Housing Units was previously included as Activity #4 in the Initial Plan. However, after discussion with HUD this Activity does not require MTW flexibility and therefore was removed from the Activities.

The following proposed MTW activities are rent reform initiatives; therefore, we have prepared an impact that analyzes the impact of these activities on the program participants in both the Public Housing and Housing Choice Voucher Programs as well as the overall impact to HACSB.

### **Activity 6: Elimination of Assets**

**Participant Impact** – The resulting impact of eliminating assets from the rent calculation is positive for participants in both the Public Housing and Housing Choice Voucher programs.

**Housing Choice Voucher Program** - Currently 395 Housing Choice Voucher families have asset income which represents 5% of the total program. The average asset income is \$169 for households reporting assets and \$8.00 per household if averaged across all program participants.

The impact of this MTW Activity will be that each Housing Choice Voucher family that reports assets will decrease their income from assets that is considered by the tenant rent calculation by an average of \$169. Another impact of this MTW Activity is a decreased reporting burden for families. All Housing Choice Voucher families will no longer be required to submit paperwork for savings, retirement or other asset accounts.

**Public Housing Program** - Currently 69 Public Housing families have asset income which represents 4% of the total program. The average asset income is \$7 for households reporting assets and \$0.29 per household if averaged across all program participants.

The impact of this MTW Activity will be that each Public Housing family that reports assets will decrease their income from assets that is considered by the tenant rent calculation by an average of \$7. Another impact of this MTW Activity is a decreased reporting burden for families. All Public Housing families will no longer be required to submit paperwork for savings, retirement or other asset accounts.

**Agency Impact** – The impact on HACSB is two-fold: anticipated reduction in staff time but a slight decrease in total tenant payment which will result in higher HAP payment and rent payments.

A time study will be conducted to determine the exact reduction in staff time and resulting cost savings. However, we estimate that it takes approximately six minutes to collect information on assets per transaction and another 15 minutes to calculate the income from assets. Based on these estimates, HACSB will likely realize a reduction in staff time of 874 hours per year for the HCV program (775 hours for data collection from all HCV households and 99 hours for calculation based on 395 current families with assets); and 184 hours per year for the Public Housing program (167 hours for data collection from all PH households and 17 hours for calculation based on 69 current households with assets).

Based on current data, the estimated financial increase in HAP and rent payments to the Agency is \$67,124. The total program annual income from assets is \$66,643 in the Housing Choice program and \$481 in the Public Housing program. Upon implementation of this Activity, HACSB will no longer consider income from assets and the Agency's responsibility for HAP and rent subsidy will increase by the corresponding reduction in asset income for participants. This financial increase (which may be offset by reductions in staff time) will impact the Agency gradually over the next two years as every participant has their income re-calculated at the time of their next annual re-certification.

### **Activity 9: Elimination of Earned Income Disallowance**

**Participant Impact** - The resulting impact of eliminating the Earned Income Disallowance will be minimal for the vast majority of HACSB participants. HACSB will phase in the EID elimination over a two-year period which will allow current recipients to maintain their status. However, no new participants will be allowed to receive the EID upon implementation of this Initial Plan. Currently .06% families in the HCV program and .4% families in Public Housing program use the EID.

HACSB has observed that many EID participants sever their employment at the conclusion of their eligibility under the current program rules. Through the self-sufficiency incentives planned through its MTW Plan the Agency estimates that this will be mitigated and about 50% of the EID participants will maintain employment after the phase out of the program.

**Housing Choice Voucher Program** - The average annual income disallowance is currently \$13,595 for the 5 families who receive it. On a monthly basis, the average income disallowance is \$1,132. These families will continue to receive this disallowance under the current program rules until the phase out of the program.

**Public Housing Program** - The average annual income disallowance is currently \$10,979 for the 36 participants (in 7 individual families) who receive it. On a monthly basis the average income disallowance is \$915. These families will continue to be eligible for the disallowance under the current program rules until the phase out of the program.

**Agency Impact** – The impact on HACSB is minimal until the complete phase out of the program. Some staff time will be saved by not approving new families for the MEID. However, we estimate additional savings in staff time that will be realized two years after the implementation of the program when the phase out is complete. We estimate a reduction of savings in staff hours of approximately 300 hours per year across the Public Housing and Housing Choice Voucher programs.

In addition, upon the phase out of the program it is estimated that HACSB will experience a decrease in HAP and rental subsidy by the corresponding amount that is no longer disregarded in a participant's income. Based on current data the average decrease would be \$13,595 per Housing Choice Voucher participant and \$10,979 per Public Housing participant.

The metrics for this baseline is the reduction in staff time to manage the MEID program and the percent of the current families that retain earned income upon elimination of the MEID. The benchmarks are a reduction of 300 hours of staff hours per year (1200 over four years) and 50% of the current MEID families will retain earned income upon elimination of the program.

**Activity 10: Minimum Rent**

**Participant Impact** – The increase in minimum rent will require some families in both the Housing Choice Voucher and Public Housing programs to experience an increase in their minimum rent. Participants with lower incomes will be required to pay more of their income for rent. The Agency’s current minimum rent is \$50 with no families currently maintaining an exemption through a hardship request. Based on this experience, HACSB believes that participants will continue to meet their monthly rent responsibilities and will be more likely to seek employment.

Although the participant impact will be a greater rent responsibility, which will be closely monitored and evaluated, this Activity impacts a relatively small portion of the program: 8% of Housing Choice Voucher families and 9.3% of Public Housing families.

**Housing Choice Voucher Program** - Currently 663 Housing Choice Voucher families pay less than \$125 a month in Total Tenant Payment (TTP) and would be impacted by the increase in minimum rent from \$50 to \$125. Of these families, 121 have zero reported income and 207 are currently at the established minimum rent of \$50. Under the current program regulations, participants can only pay up to 40% of their annual adjusted income at initial lease up. After the initial term of the lease there is no regulatory maximum for the percentage of annual adjusted income that may be paid for rent.

Although there is no regulatory maximum the rent burden faced by families must be monitored to ensure affordability. HACSB believes there will be an impact on participants’ rent burden. However, the Agency believes this impact will be mitigated by participants either seeking earned income or requesting a hardship exemption.

Based on current data, HACSB anticipates the following that families will pay the following percentage of their annual adjusted income in rent once the \$125 minimum rent is implemented at their next annual re-certification:

Anticipated Rent Burdens of HCV \$125 Minimum Rent Families	
Percent of Income	Number of Families
Less than \$125 monthly adjusted income	168
71-99%	51
61-70%	32
51-60%	65
41-50%	174
30-40%	173

**Public Housing Program** - Currently 153 Public Housing pay less than \$125 a month in Total Tenant Payment (TTP) and would be impacted by the increase in minimum rent from \$50 to \$125. Of these families, 41 have zero reported income and 58 are currently at the established minimum rent of \$50.

HACSB believes there will be an impact on percentage of annual adjusted income participants will be paying on a monthly basis for their share of the rent. However, the Agency believes this impact will be mitigated by participants either seeking earned income or requesting a hardship exemption.

Based on current data, HACSB anticipates the following that families will pay the following percentage of their annual adjusted income in rent once the \$125 minimum rent is implemented at their next annual re-certification:

Anticipated Rent Burdens of Public Housing \$125 Minimum Rent Families	
Percent of Income	Number of Families
Less than \$125 monthly adjusted income	53
71-99%	6
61-70%	9
51-60%	18
41-50%	28
30-40%	39

**Agency Impact** – The impact on HACSB will be a reduction in the Agency’s rental subsidy portion on a monthly basis of approximately \$31,766 in the Housing Choice Voucher program and \$7,690 in the Public Housing program. This results in a 1.1% decrease in HAP for the Housing Choice Voucher program and a 1.3% decrease in rental subsidy in the Public Housing program.

APPENDIX E

Capital Fund Program Five-Year Action Plan  
Part II: Supporting Pages--Work Activities

Activities for Year 1	Activities for Year: 2009 FFY Grant: 2009 PHA FY: 9/30/2009	Activities for Year: 2010 FFY Grant: 2010 PHA FY: 9/30/2010
Development Name/Number	Major Work Categories	Estimated Cost
<b>PHA-Wide</b>		
Operations		802,446.00
Management Improvements		
Homeownership	Homeownership	130,000.00
Staff Development	Staff Development	85,358.00
Crime Prevention/Reduction	Crime Prevention/Reduction	208,088.00
Resident Services	Resident Services	300,000.00
IT Software Improvements	IT Software Improvements	79,000.00
Administration	Administration	401,223.00
Non-Dwelling Structures	Non-Dwelling Structures	
Com Ctr/Office Upgrades	Com Ctr/Office Upgrades	25,000.00
Non-Dwelling Equipment	Non-Dwelling Equipment	10,000.00
Fees & Costs		
Total	Total	200,000.00
A&E costs	A&E costs	
Misc. Fees and Costs	Misc. Fees and Costs	
Relocation	Relocation	25,000.00
Contingency	Contingency	0.00
Audit	Audit	10,000.00
Debt Service Pledge (CFFP)	Debt Service Pledge (CFFP)	642,716.00
1450 Site Improvements	1450 Site Improvements	400,000.00
Total	Total	400,000.00
1460 Dwelling Improvements	1460 Dwelling Improvements	693,398.00
Landscaping/Paving/504 work	Landscaping/Paving/504 work	
Total	Total	693,398.00
LBP Removal	LBP Removal	
Window Replacement	Window Replacement	
Roofing Replacement	Roofing Replacement	
<b>Total CFP Estimated Cost</b>	<b>Total CFP Estimated Cost</b>	<b>\$ 4,012,229.00</b>

**APPENDIX E**  
**Capital Fund Program Five-Year Action Plan**  
**Part II: Supporting Pages--Work Activities**

Activities for Year: <b>2011</b>		Activities for Year: <b>2012</b>	
FFY Grant: <b>2011</b>		FFY Grant: <b>2012</b>	
PHA FY: <b>9/30/2011</b>		PHA FY: <b>9/30/2012</b>	
Development Name/Number	Major Work Categories	Development Name/Number	Major Work Categories
<b>PHA-Wide</b>		<b>PHA-Wide</b>	
Operations		Operations	
Management Improvements		Management Improvements	
	Homeownership		Homeownership
	Staff Development		Staff Development
	Crime Prevention/Reduction		Crime Prevention/Reduction
	Resident Services		Resident Services
	IT Software Improvements		IT Software Improvements
Administration		Administration	
Non-Dwelling Structures		Non-Dwelling Structures	
	Com Ctr/Office Upgrades		Com Ctr/Office Upgrades
Non-Dwelling Equipment		Non-Dwelling Equipment	
Fees & Costs		Fees & Costs	
Total	A&E costs	Total	A&E costs
	Misc. Fees and Costs		Misc. Fees and Costs
Relocation		Relocation	
Contingency		Contingency	
Audit		Audit	
Debt Service Pledge (CFFP)		Debt Service Pledge (CFFP)	
1450 Site Improvements		1450 Site Improvements	
Total	Landscaper/Paving/504 work	Total	Landscaper/Paving/504 work
1460 Dwelling Improvements		1460 Dwelling Improvements	
Total	LBP Removal	Total	LBP Removal
	Window Replacement		Window Replacement
	Roofing Replacement		Roofing Replacement
<b>Total CFP Estimated Cost</b>		<b>Total CFP Estimated Cost</b>	
		<b>\$ 4,012,229.00</b>	
		<b>\$ 4,012,229.00</b>	