

# Moving to Work **ANNUAL PLAN**

Housing Authority of the County of San Bernardino

**2017**  
Amendment 2



*Building Communities  
Changing Lives*

Response to HUD Comments – September 1, 2017

715 E. Brier Drive | San Bernardino, CA 92408  
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## Our Mission

HACSB empowers all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.

## Our Vision

HACSB is committed to creating a world in which all people have a stable and enriched quality of life.

## Our Core Values

**Respect** | We believe that all people should have a stable and enriched quality of life and should be afforded the opportunity to not only survive, but to thrive in environments that are sensitive to and encourage respect and empathy for individual circumstances.

**Safety** | We believe that all residents deserve a safe and secure living environment that is crime and distraction free and where families can feel good about raising their children.

**Integrity** | We believe that there is a strong, mutually-reinforcing connection between the integrity of our staff/programs and the success of our clients. Integrity building within our organization is key toward fulfilling our mission statement.

**Service** | We believe that in order to be successful we must serve the public by being effective stewards of its financial resources and by developing a customer service business model based on benchmarks and measurements.

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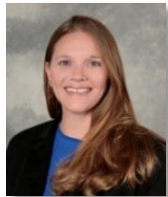
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## **For More Information**

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# Section I: Introduction

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For over 70 years, the Housing Authority of the County of San Bernardino (HACSB) has been one of the leading providers of affordable housing in the County of San Bernardino. The County of San Bernardino is the largest county in the contiguous United States consisting of 24 cities and covering over 20,000<sup>1</sup> square miles of land. It is the twelfth largest county in the nation<sup>2</sup>, with more residents than 15 of the country's states. The population of San Bernardino County has grown by 4.6<sup>3</sup> percent between 2010 and 2015 and is expected to rise by 27% between 2014 and 2035. HACSB proudly serves more than 30,000 people, most of whom are seniors, disabled individuals and children.

Our agency's success is a result of our business approach to strategic planning and delivery of services. We strive to design our program as a stepping stone, providing housing stability to our families on their path to economic independence. Along with an extensive list of community partners, government agencies, employment service providers, and institutions of higher education, we provide family/individual case management and counseling, assist with career training and job placement, and ensure program integrity. These efforts are building blocks to achieve our mission and vision while upholding our core values of respect, safety, integrity and service.

***HACSB Mission Statement*** - Empower all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.

***HACSB Vision*** – HACSB is committed to creating a world in which all people have a stable and enriched quality of life.

***HACSB Values*** - HACSB strives to be a key participant in supporting and improving the community it serves. HACSB seeks to streamline its programs and establish a higher standard of services to the community. Our core values of respect, safety, integrity and service will guide us in accomplishing our Mission and Vision.

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<sup>1</sup> San Bernardino County 2013 Community Indicators Report

<sup>2</sup> Census Population Estimates 2013

<sup>3</sup> Census Quick Facts 2015

## What is in this plan?

This document is HACSB's second amendment to our Fiscal Year 2017 Moving to Work (MTW) Annual Plan. It contains the same information submitted via the 2017 MTW Annual Plan and proposed Amendment 1 to that Plan, both of which have been approved by HUD, as well as new information about the voluntary transfer of the Housing Choice Voucher and Public Housing programs from the Housing Authority of the City of Upland (UHA) to HACSB. This Plan complies with the format required by the U.S. Department of Housing and Urban Development (HUD) as outlined in the 2008 Amended and Restated (MTW) Agreement between HUD and HACSB, which was extended through 2028 in April 2016, and also complies with the requirements set forth by HUD in Form 50900. This Plan is separated into the following sections:

- *Section I: Introduction* provides an overview of the layout of the document and HACSB's short term and long term goals.
- *Section II: General Housing Authority Operating Information* provides an overview of the agency's housing portfolio, leasing rates, and wait list information.
- *Section III: Proposed MTW Activities* describes the new MTW activities that we plan to pursue in FY 2017, including applicable evaluation criteria and waiver citations that provide the agency with the authority to undertake the new activities.
- *Section IV: Approved MTW Activities* provides information on previously approved uses of MTW authority. **This amendment includes in this section information about the applicability of HACSB's approved MTW activities to families newly assisted by HACSB as a result of the voluntary transfer of the UHA programs to HACSB.**
- *Section V: Sources and Uses of Funds* describes the agency's projected revenues and expenditures for FY 2017, local asset management program and use of MTW Block Grant fungibility.
- *Section VI: Administrative* provides required administrative information.


















In September 2016, the UHA and HACSB submitted an application to the U.S. Department of Housing and Urban Development (HUD) for the voluntary transfer of UHA's Housing Choice Voucher (AKA "Section 8") and Public Housing programs to the HACSB effective July 1, 2017. The application was approved by HUD for the Housing Choice Voucher program on June 16, 2017, and for the Public Housing program on June 29, 2017. The voluntary transfer resulted in the transfer of 98 Public Housing units and 624 Housing Choice Vouchers from UHA to HACSB on July 1, 2017. Thereafter, HACSB will assume responsibility for both programs, including providing all services to the families served through those programs. This proposed amendment is necessary to facilitate the merge of the UHA programs and services with those provided by HACSB.

## **What is “Moving to Work”?**

Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) demonstration program for housing authorities to design and test innovative housing and self-sufficiency initiatives targeted to address local needs. The MTW designation allows participating agencies to waive certain statutes and HUD regulations in order to increase housing choice for low-income families, encourage households to pursue self-sufficiency, and improve administrative and operational cost effectiveness.

As a high-performing, innovative and progressive agency, HACSB received its MTW designation in 2008. In April 2016 the MTW agreement was extended for an additional ten years through 2028. HACSB has completed its seventh year of participation during which time we have developed 25 MTW initiatives. HACSB’s MTW designation allows us to test new methods to improve housing services and to better meet local needs.

A summary timeline of our MTW Plans and Reports is contained in the following tables.

MTW Plan	Approved by HUD
FY 2009 MTW Plan	September 25, 2008
 Amendment 1	 June 29, 2009
FY 2010 MTW Plan	September 30, 2009
 Amendment 1	 November 18, 2009
 Amendment 2	 February 22, 2010
 Amendment 3	 September 15, 2010
FY 2011 MTW Plan	October 18, 2010
FY 2012 MTW Plan	October 5, 2011
 Amendment 1	 November 4, 2011
FY 2013 MTW Plan	September 27, 2012
FY 2014 MTW Plan	May 14, 2014
FY 2015 MTW Plan	February 13, 2015
 Amendment 1A	 May 11, 2015
 Amendment 1B	 N/A. Proposed changes were included in resubmitted 2017 MTW Plan.
 Amendment 2	 N/A. Proposed changes were included in resubmitted 2017 MTW Plan.
FY 2016 MTW Plan	November 4, 2015
FY 2017 MTW Plan	February 8, 2017
 Amendment 1	April 3, 2017
 Amendment 2	Pending HUD approval (this amendment)

MTW Report	Accepted by HUD
FY 2009 MTW Report	April 22, 2010
FY 2010 MTW Report	March 21, 2011
FY 2011 MTW Report	March 20, 2012
FY 2012 MTW Report	July 19, 2013
FY 2013 MTW Report	December 31, 2013
FY 2014 MTW Report	December 31, 2014
FY 2015 MTW Annual Report	December 22, 2015

## Overview of Agency's Goals and Objectives

### Long-Term Goals

Prior to our MTW designation in 2008, HACSB completed a 30-year strategic planning process to develop the agency's long-term goals. These goals serve to guide us toward achieving our mission and vision. Our short-term milestones and annual accomplishments mark our progress toward realizing the 30-year strategic goals.

Our strategic 30 years goals are -






HACSB 30-Year Strategic Goals	
<b>Strategic Goal 1:</b>	No eligible family waits longer than 10 days for housing
<b>Strategic Goal 2:</b>	Clients have achieved their own personal level of stability and economic independence
<b>Strategic Goal 3:</b>	For those whom a transition is appropriate, the maximum stay in assisted living is 5 years
<b>Strategic Goal 4:</b>	HACSB leaders and supporters are innovative policy makers and influencers of legislation
<b>Strategic Goal 5:</b>	HACSB has secured the resources needed for accomplishing its mission
<b>Strategic Goal 6:</b>	HACSB is a leading developer and provider of affordable housing in the County of San Bernardino
<b>Strategic Goal 7:</b>	HACSB is adequately staffed with well trained and fully developed employees
<b>Strategic Goal 8:</b>	HACSB communication is open, honest and consistent
<b>Strategic Goal 9:</b>	HACSB employees have a high level of morale
<b>Strategic Goal 10:</b>	HACSB clients, programs and properties are embraced by all communities
<b>Strategic Goal 11:</b>	HACSB clients live in safe and desirable homes and communities where they can develop and prosper

The flexibilities provided through our MTW designation assist in our efforts to achieve our long term goals, and our long-term vision aligns with the statutory objectives of the MTW program. HACSB currently has 25 approved MTW activities and no activities pending HUD approval. Twelve activities address the objective of operational efficiency, nine assist families with their economic independence efforts, and four help expand housing opportunities. As good stewards of taxpayers' dollars, we ensure optimal use of funds to provide the best quality services to our families. We continually seek to implement innovative solutions that streamline processes, increase efficiency, and help families achieve economic independence. Proactive planning has helped us face the consecutive budget reductions while increasing the number of families served and services provided.

## Short-Term Goals





Our long-term goals align with the MTW statutory objectives and our vision of creating a world in which all people have a stable and enriched quality of life. We achieve MTW objectives by aligning our agency's short-term strategic goals with our MTW goals/objectives-

- **Goal 1 - *Operational efficiency through innovation*** – *Maximizing HACSB's economic viability and sustainability through the following strategies:*

-  Ensure excellent and efficient stewardship of resources and programs
-  Maintain a workplace environment that attracts and retains capable employees who feel they are making a difference
-  Have an increasingly diverse number of funding sources to provide the programs and services described in the strategic plan
-  Develop a communication program that effectively disseminates information inside and outside the Agency
-  Provide world class customer service




In addition to implementing non-MTW activities to address this goal, we have implemented twelve MTW activities that address this goal (listed in the following table with a statutory objective of “cost effectiveness”).

- **Goal 2 – *Develop economically independent clients*** – *Facilitating opportunities for families and individuals to become self-sufficient and financially independent to transition from dependency on housing subsidy through the following strategies:*

-  Develop and maintain policies programs, and services that foster accountability, responsibility and economic independence
-  Transform client mindset from entitlement to empowerment
-  Partner with external organizations to support clients in acquiring life skills, education and training
-  Assist families in strengthening personal accountability and in transitioning to Home Ownership/Market rentals

In addition to implementing non-MTW activities to address this goal, we have implemented nine MTW activities that address this goal (listed under the self-sufficiency statutory objective in the following table).

- **Goal 3 – *Ensure freedom of housing choice*** – *Providing quality affordable housing opportunities in mixed-income communities with access to excellent quality of life through the following strategies:*

-  Improve and expand HACSB's real estate assets
-  Partner with external organizations to leverage funding and development opportunities
-  Develop innovative programs to expand housing opportunities for under-served populations such as homeless veterans and homeless families with children



In addition to implementing the above non-MTW activities to address this goal, we have developed or implemented four MTW activities that address this goal (listed under the housing choice statutory objective on the following table).






The table below shows a current list of activities that were approved in our MTW Annual Plans.





ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR	STATUS
Activity 1	Single Fund Budget	Cost Effectiveness	FY 2009	Implemented
Activity 2	Strategic Investment Policies	Cost Effectiveness	FY 2009	Implemented
Activity 3	Alternate Assessment Program	Cost Effectiveness	FY 2009	On Hold
Activity 4	Biennial Recertifications	Cost Effectiveness	FY 2009	Implemented
Activity 5	Local Verification Policies	Cost Effectiveness	FY 2009	Implemented
Activity 6	Elimination of Assets	Cost Effectiveness	FY 2009	Implemented
Activity 7	Controlled Program Moves	Cost Effectiveness	FY 2009	Implemented
Activity 8	Local Policies for Portability	Self-Sufficiency	FY 2009	Implemented
Activity 9	Elimination of Earned Income Disallowance	Self-Sufficiency	FY 2009	Implemented
Activity 10	Minimum Rent	Self-Sufficiency	FY 2009	Implemented
Activity 11	Local Project-Based Voucher Program	Housing Choice	FY 2009	Implemented
Activity 12	Local Payment Standards	Housing Choice	FY 2009	Implemented
Activity 13	Local Inspection Standards	Cost Effectiveness	FY 2010	Implemented
Activity 14	Local Asset Management Program	Cost Effectiveness	FY 2010	Implemented
Activity 15	Pilot Work Requirement	Self-Sufficiency	FY 2010	Implemented
Activity 16	Operating Subsidy for Vista del Sol	Housing Choice	FY 2010	Closed Out
Activity 17	Local Income Inclusion	Self-Sufficiency	FY 2011	Implemented
Activity 18	Property Management Innovation	Cost Effectiveness	FY 2011	Implemented
Activity 19	Local FSS program	Self-Sufficiency	FY 2011	Implemented
Activity 20	Five Year Lease Assistance Program	Self-Sufficiency	FY 2011	Implemented
Activity 21	Utility Allowance Reform	Cost Effectiveness	FY 2012	Closed Out
Activity 22	Streamlined Lease Assistance Program	Cost Effectiveness	FY 2013	Implemented
Activity 23	No Child Left Unsheltered	Self-Sufficiency	FY 2014	Implemented

ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR	STATUS
Activity 24	Transition for Over-Income Families	Self-Sufficiency	FY 2014	Implemented
Activity 25	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing	Expanding Housing Opportunities	FY 2016	Implemented
Activity 26	Local Disaster Short-Term Rental Assistance	Expanding Housing Opportunities	FY 2017	Not Yet Implemented

## Accomplishments

HACSB has made progress toward our long-term strategic goals in the following ways:

- Goal 1 - Operational efficiency through innovation – Maximizing HACSB’s economic viability and sustainability:**
  -  Utilized technology to launch online Wait List portal used for the opening of the HCV Tenant Based Rental Assistance program wait list February 19, 2015 through March 9, 2015. The fully online system allowed applicants to apply any time of day from any device, eliminating wait times at physical offices to apply. A call center was established to assist clients with reasonable accommodation requests and limited English proficiency in applying. HACSB received over 25,000 unique applications throughout the enrollment period.
- Goal 2 – Develop economically independent clients – Facilitating opportunities for families and individuals to become self-sufficient and financially independent to transition from dependency on housing subsidy:**
  -  Expanded onsite employment support for clients with the addition of two Career Readiness Coordinators to work with Five Year Lease Assistance families, one Jobs Plus Coach for Maplewood Homes, a CalWORKS Youth Employment Program referral system in partnership with the County of San Bernardino, contracted services through the County Workforce Development Department for three on-site Workforce Development Specialists working specifically with HACSB families, and holding employment resource and opportunity events for clients to be connected to employers and resources.
  -  Pursued alternative funding to support and expand resident services such as submitting a \$2.4 million Jobs Plus grant application.
  -  Received grant funding to increase internet and broadband to all HACSB sites to help close the digital divide.
- Goal 3 – Ensure freedom of housing choice – Providing quality affordable housing opportunities in mixed-income communities with access to excellent quality of life:**
  -  Continued construction at the Redlands/Lugonia Public Housing site. The modular construction of 85 new units is complete and the property is in the leasing process.

-  Phase I of the Waterman neighborhood revitalization closed on tax credit financing and a Groundbreaking was held on June 15, 2015.
-  A majority of the Public Housing portfolio has been approved for the Rental Assistance Demonstration Program with expected conversion dates by May 1, 2016. The program will convert the public housing subsidies into a long-term, Project-Based Section 8 rental assistance subsidy, which will provide stable and predictable revenues allowing HACSB to apply for Low-Income Housing Tax Credits and other sources of financing to fund public housing renovations.
-  Continued to support expansion of affordable housing through partnerships with developers. HACSB is currently involved with projects in Bloomington, Loma Linda, Chino, and Yucaipa.
-  The HACSB affiliate non-profit, KEYS, has been re-structured to focus on supporting housing of special populations with a current focus on homeless Veterans and their families. KEYS has been heavily involved in a county-wide effort to house approximately 400 homeless Veterans within the calendar year and has been instrumental in housing about 200 of those homeless Veterans.

Serving the needs of our residents and helping them on their path to economic independence is a priority at HACSB. The administrative efficiencies from our activities helped create the Community Development Initiatives (CDI) Department that works closely with our families to further our strategic goal of transforming clients' mindsets from entitlement to empowerment. We have also repositioned assets and implemented innovative activities to create quality housing choices for our families. We are pleased with our progress and continue to strive to achieve our 30-year goals.

We are confident that through our work with our partners and through long-term strategic planning, we will achieve our mission of empowering all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout the County of San Bernardino.

## Section II: General Operating Information

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This section provides an overview of the Housing Authority of the County of San Bernardino's (HACSB) housing portfolio, leasing, and waiting list information.

### Agency Overview

HACSB provides affordable housing assistance to more than 10,000 families throughout the County of San Bernardino through the Public Housing program, the Housing Choice Voucher Programs, and special programs such as Shelter Plus Care, Veterans Administration Supportive Housing (VASH) vouchers, Mainstream, and also through our authority-owned portfolio. We provide families a stepping stone through difficult economic times and, in conjunction with community partners, assist them on their path to economic independence.

In September 2016, the UHA and HACSB submitted an application to the U.S. Department of Housing and Urban Development (HUD) for the voluntary transfer of UHA's Housing Choice Voucher (AKA "Section 8") and Public Housing programs to the HACSB effective July 1, 2017. The application was approved by HUD for the Housing Choice Voucher program on June 16, 2017, and for the Public Housing program on June 29, 2017. The voluntary transfer resulted in the transfer of 98 Public Housing units and 624 Housing Choice Vouchers from UHA to HACSB on July 1, 2017. Thereafter, HACSB will assume responsibility for both programs, including providing all services to the families served through those programs. This proposed amendment is necessary to facilitate the merge of the UHA programs and services with those provided by HACSB.

### A. Housing Stock Information (Units funded with the MTW Block Grant)

The majority of HACSB's funding from HUD comes in the form of a block grant that combines the Public Housing operating fund, Public Housing capital fund, and MTW Housing Choice Voucher funding into one funding source for HACSB. These funds are used to support the units described in the following tables.

### Planned New Public Housing Units to be Added during the Fiscal Year

HACSB anticipates that 98 units of Public Housing will be added to its portfolio effective July 1, 2017, through the voluntary transfer of the Housing Authority of the City of Upland (UHA) Public Housing program to HACSB.

Planned New Public Housing Units to be Added During the Fiscal Year											
AMP Name and Number	Bedroom Size							Total Units	Population Type *	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	0	8	62	24	4	0	0	98	General	0	0
N/A											
Total Public Housing Units to be Added								98			
* Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other											
If Other, please describe: N/A											

### Planned Public Housing Units to be Removed during the Fiscal Year

HACSB has received approval under HUD's Rental Assistance Demonstration (RAD) program to convert our entire Public Housing portfolio. HACSB's entire public housing portfolio has been or will be converted to units assisted by either Project Based Rental Assistance or Project Based Vouchers, both of which are commonly referred to as "Section 8" units. More information about the RAD conversion is included as Exhibit 1 to this Plan.

The following table indicates the planned units to be removed during 2016-2017.

Planned Public Housing Units to be Removed During the Fiscal Year		
PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A N/A	None	N/A
Total Number of Units to be Removed	0	

### New Housing Choice Vouchers to be Project-Based During the Fiscal Year

In FY 2017, HACSB anticipates awarding 276 project-based vouchers for developments owned by HACSB, our affiliate non-profit, Housing Partners I, Inc., and in cooperation with other local developers. The following table contains more information on planned project-based vouchers.

New Housing Choice Vouchers to be Project-Based During the Fiscal Year			
Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project	
Valencia Grove, Redlands	85	PBV as replacement for PH disposition for mixed family and senior units	
Bloomington - Related Phase I	11	Senior and Family Community, New Development	
Horizons, Yucaipa	50	Senior Community, New Development	
Val-9 San Bernardino	75	Family Community, New Development	
Bloomington - Related Phase II	20	Family Community, New Development	
Ivy at College Park, Chino	8	Family Community, New Development	
Veterans' Housing - Various Sites	60	Veterans' Housing, Existing Developments	
Veterans' Housing, Loma Linda	37	Veterans' Housing, New Development	
Fontana Family Development Project - Fontana	8	Family Community, New Development	
<b>Anticipated Total New Vouchers to be Project-Based</b>	<b>354</b>	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	<b>1469</b>
		Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	<b>1469</b>
*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.			

### ***Valencia Grove – Redlands***

Valencia Grove Apartments (formerly Lugonia Avenue Apartments) is the first phase of the redevelopment/replacement of low-income HUD assisted affordable (public) housing built in 1942. The 115 existing units will be replaced with 189 affordable rental housing units and will target and prioritize current resident households with incomes ranging up to 60 percent of AMI. The project will include thirteen (13) two-story buildings with garages on the first floor. The completed project will consist of:

- 4 one-bedroom / one-bath units with 878 square feet
- 11 two-bedroom/one-bath units with 878 square feet
- 16 two-bedroom/one-and-one-half bath units with 1,089 square feet
- 32 three-bedroom/two-bath units with 1,163 square feet
- 21 four-bedroom/two-bath units with 1,358 square feet.

In FY 2014 62 units were demolished and construction began on 85 new units. We anticipate the first 85 units (Phase 1) will be completed and project-based by the end of FY 2016.

### ***Bloomington Related Phase I and II - Bloomington***

A partnership agreement was established with the Related Companies and our affiliate nonprofit HPI, Inc. for the development of a multi-generational affordable housing complex in Bloomington, CA. HACSB has committed to providing 31 Project-Based Vouchers to the development. 11 are committed to Phase I (106 units – 70 senior and 36 family), and 20 are committed to Phase II (86 family units). The partnership received an allocation of 9% tax credits in September 2014, and closed the financing and started construction in March of 2015.

### ***Horizons – Yucaipa***

A partnership agreement was established with Urban Housing Communities (UHC) and our affiliate non-profit HPI, Inc. to serve as a General Partner in a new 77-unit affordable senior community in the city of Yucaipa. HACSB acquired the land on which this project will be built, and has committed to providing 50 Project-Based Vouchers. The partnership applied for tax credits and tax-exempt bonds in March of 2015 for the initial 50-unit phase of the project. The project is expected to receive all funding approvals by May 30, 2015, and begin grading for Phase I by July 1, 2015. Phase I construction is scheduled for 18 months and is anticipated to be completed in January 2017.

### ***Val-9 Apartments – San Bernardino (Phase 1- RAD conversion of Waterman Gardens Public Housing)***

A partnership agreement was established with National Community Renaissance, HACSB, and our affiliate nonprofit HPI, Inc. for the development of a 75 unit multi-family affordable housing complex in San Bernardino, CA., adjacent to our existing Waterman Gardens

Public Housing development. HACSB received HUD approval under the Rental Assistance Demonstration (RAD) Program to convert the existing public housing subsidy stream to Project-Based Vouchers. The existing subsidy will be transferred to newly constructed units at the adjacent site which will serve as a relocation resource for existing residents at Waterman Gardens, thereby reducing the impact to those families by not allowing them to retain connections to their neighborhood social circles, schools, churches, etc. This initial phase of the Waterman Revitalization project will consist of 44 RAD units (4 one-bedroom, 26 two-bedroom, 11 three-bedroom and 3 four-bedroom) and 31 regular PBV units (6 one-bedroom, 14 two-bedroom and 11 three-bedroom). The partnership received an allocation of 9% tax credits in September 2014, with a construction completion date projected at the end of 2016.

#### ***Ivy at College Park - Chino***

In July 2014 Bridge Housing and HACSB negotiated and agreed upon the commitment of 8 Project-Based Vouchers for Phase II of the Ivy at College Park development. This important collaboration provides housing assistance to residents in the higher cost western end of the County. The master-planned community includes market-rate single family homes for sale, market-rate multi-family development, and affordable multi-family housing. Construction of the development is occurring in 2 phases, with phase I of the development completed in 2014 and consisting of 135 affordable family units. Phase II is began construction in the fall of 2015 and will be completed in approximately 18-months.

#### ***Veterans' Housing – Various Sites***

As part of the Housing Authority's commitment to end veteran's homelessness, we have set aside 60 Project-Based Vouchers for homeless veterans. HACSB intends to award these vouchers through a competitive process which is currently underway.

#### ***Veterans' Housing – Loma Linda***

The Loma Linda Vets affordable new construction housing development is being developed by META Housing Corporation in partnership with HACSB, HPI, Inc., Veteran's Administration Loma Linda Healthcare Systems, and Volunteers of America. The project is located within the city of Loma Linda and is less than ¼ mile from the Loma Linda Veterans' Hospital. Volunteers of America will provide specialized service coordination, education, health and wellness services, and skill-building classes tailored to meet the specific and timely needs of veteran tenants and their families. The project will consist of 88 apartments for veterans and their families, 50 of which will be supportive housing. All of the units will be restricted to low-income veterans and their families through the use of 50 VASH Project Based Vouchers along with 37 non-VASH Project Based Vouchers from HACSB. Units will contain a fully equipped kitchen/bath and common-areas include a large and centralized community area with a clubhouse, pool, children's play area, community garden, barbecues, and a community room.



### **Fontana Family Development Project - Fontana**

This site is being developed by the Related Companies of California in partnership with LaBarge Industries, HPI, Inc., and the City of Fontana. Path Ventures will provide on-site resident services for tenants and their families. The development will be constructed on 4.36 acres and include outdoor space, a pool area, tot lots, a computer room, and a community center.

The Fontana family affordable new construction housing development will consist of 69 apartments for low and moderate income families. The project is located at 9420 Sierra Ave. in the City of Fontana. The project is restricted to households with income levels ranging from 30% to 60% of AMI. 100% of the units will be restricted to low and moderate income families through the use of Low-Income Housing Tax Credits, City of Fontana funding, permanent financing and Project Based Vouchers.

The project will compete for 9% Low Income Housing Tax credits in March 2016 with all financing assembled in 2016. The project will begin construction in early 2017 and will take approximately 12 months to complete.

### **Other Anticipated Changes to the Housing Stock for the Fiscal Year**

HACSB does not anticipate any other changes to the Housing Stock during the Fiscal Year.

Other Changes to the Housing Stock Anticipated During the Fiscal Year
None
Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

### **General Description of All Planned Capital Fund Expenditures during the Plan Year**

Years of declining funding for the Public Housing Program have severely under-funded capital grant funds and operating subsidies. As a result, we have been unable to adequately address the physical and management conditions at some of our communities. The demolition or disposition of such properties has allowed us the opportunity to replace existing and inadequate Public Housing subsidies with project-based voucher subsidies for the residents on the sites, along with the ability, under the ownership of our affiliate nonprofit, to leverage the unit's equity to secure private funding and conventional loans for modernization. While we have successfully funded one development in this manner (Redlands-Lugonia AMP 150, sites 01, 8, & 9), HUD has shifted priority from disposition to the Rental Assistance Demonstration (RAD) Program, wherein existing Public Housing subsidies are converted to rental assistance (vouchers). We have aggressively pursued this strategy for future rehabilitation of the remainder of our Affordable (public) Housing portfolio, and we received approval from HUD in December 2014 to convert our entire Public Housing portfolio under the RAD

program. In FY 2014 we continued construction at the Redlands-Lugonia site (AMP 150, sites 01, 8, & 9), wherein 115 existing Public Housing units will ultimately be replaced with 189 mixed-income rental units and 39 single family homes for first-time homebuyers. Phase I, which began in 2014, consists of replacing 62 original units with 85 new units of affordable rental housing funded with 4% Low-Income Housing Tax Credits and Tax-exempt Bonds. Approximately 60 families relocated from the original units had first right to return to the site once construction was completed. Phase 1 construction was completed in April 2016, with families occupying all 85 units with project-based vouchers. Approximately 30 families who remained in the Phase 2 portion of the site were relocated, either to the newly constructed Phase 1 property, or to other off site units during the first quarter of 2016.

HACSB received the initial Commitment to enter into Housing Assistance Payment (CHAP) notices for the RAD Public Housing portfolio application in December of 2014. This conversion was planned to take place in 2 phases. Closing of the initial RAD portfolio transaction occurred at the end of April, 2016. Rehabilitation work at the initial sites was scheduled to be completed by the end of 2016. The initial sites include:

- 97 scattered site units in AMP 120
- 330 units in AMP 130 (Maplewood Homes)
- 75 units in AMP 150 (Brockton site 19-05)
- 50 units in AMP 160 (Monte Vista site 19-06)

HACSB commenced work on the second phase of the RAD portfolio transition immediately after the initial closing (May 2016). The necessary activities, including RAD Physical Needs Assessments, financial planning and any associated architectural/engineering work in order to ensure timely implementation once RAD conversion is completed, was expected to be completed by the end of 2016, with closing to occur in FY 2017. The remaining sites approved for RAD conversion include:

- 12 scattered site units in AMP 150 (E. 9<sup>th</sup> Street)
- 125 units in AMP 160 (Colton sites 19-04 & 19-10)
- 217 units in AMP 170 (Barstow sites 19-07, 19-12, 19-13 and Deseret)

In 2016 we also continued construction activities of the initial phase of the RAD conversion of the 252 unit Waterman Gardens site in San Bernardino (AMP 120 - site 19-02). The RAD application for this phase supported the acquisition of an adjacent parcel of land on which a 75-unit affordable housing development (the Val9 Apartments) was built, wherein residents of the initial phase who wished to remain in the neighborhood could be relocated. Low Income Housing tax credit and FHA insured loan funding associated with the RAD transaction closed in May 2015, and construction completion is scheduled for September, 2016.

***FY 2017:***

The Capital Fund Program 5-Year Plan and Budget is included as part of Appendix C. Capital Fund available for physical improvements at public housing sites has been substantially reduced due to the conversion of subsidy for over ½ of the portfolio to vouchers under the RAD program. HACSB nevertheless continues its capital improvements to units remaining under public housing agency-wide to include interior kitchen and bathroom renovations, Section 504 unit accessibility, exterior xeriscaping, and miscellaneous dwelling improvements as necessary to insure that units which will subsequently transition under the RAD program continue to meet the needs of residents. HACSB will also continue to implement additional energy improvements agency-wide to augment work completed previously under an Energy Performance contract.

We commenced construction of the initial on site phase of the Waterman Gardens revitalization project (the second RAD conversion project) in May, 2016. The new development will eventually include over 400 mixed-income housing units, including senior and homeownership units and extensive commercial/community facilities intended to provide employment and training opportunities supporting HACSB's MTW initiatives. Housing affordability remains the primary focus for the development as well as revitalization of the broader neighborhood, as evidenced by the initial RAD application which supported the development of the 75 unit Val 9 Apartments on an adjacent site. HACSB and its developer partner have planned a mix of ACC/RAD and project-based voucher units with substantial funding secured through Low Income Housing Tax Credits. The existing 252 ACC units will be replaced on a one-for-one basis (transitioned to RAD project-based vouchers) over the course of the multiple-phase redevelopment. The initial on site phase consisting of 62 units successfully competed for 9% Low Income Housing Tax Credits (awarded September, 2015). The credits were coupled with an FHA-insured loan, and the RAD financing was closed in April 2016. Construction is expected to be completed before the end of 2017.

The most significant capital expenditures planned for 2017 using Capital Funds, other than those mentioned above, include ongoing pre-development and development work associated with subsequent construction phases of the Waterman Gardens redevelopment project, as well as the second phase of construction at the Redlands-Lugonia site (AMP 150, sites 01, 8, & 9). The 2016 Capital Fund allocation included the fifth year increment of Replacement Housing Factor which HACSB has been accumulating to support these redevelopment projects. We expect to begin drawing down these funds, which now total in excess of \$3 million, beginning in 2017 to assist in funding these efforts.

HACSB will continue to support resident employment programs under Section 3 to support the variety of Moving-To-Work initiatives described in this plan. Where possible, Capital Funds will be utilized (and leveraged with outside funding) for employment training anchored within the large Public Housing revitalization projects already underway (Redlands-Lugonia and Waterman Gardens). These programs will prioritize training centered around sustainable development and green building practices, property management and

maintenance of the newly constructed rental housing, as well as pre-apprenticeship construction training. These efforts are intended to also extend into the neighborhoods surrounding the existing site to promote community-wide revitalization.

## B. Leasing Information

### Planned Number of Households Served at the End of the Fiscal Year

In FY 2017, HACSB anticipates continued strong rates of leasing for both Public Housing and vouchers. Public Housing units will be converted to project-based voucher units through HACSB's RAD conversion process, and this change is reflected in the number of Public Housing units anticipated to be leased during the fiscal year.

The following table represents projected average utilization for MTW vouchers and occupancy for the Public Housing units. This proposed amendment includes a revision to include the anticipated leasing of the Public Housing units received through the voluntary transfer of those units from the Housing Authority of the City of Upland (UHA) to HACSB.

HACSB does not have any local non-traditional MTW funded programs.

Planned Number of Households Served at the End of the Fiscal Year		
MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/Leased***
Federal MTW Public Housing Units to be Leased	244	2,922
Federal MTW Voucher (HCV) Units to be Utilized	8,435	101,220
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	-	-
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	-	-
<b>Total Households Projected to be Served</b>	<b>8,679</b>	<b>104,142</b>
* Calculated by dividing the planned number of unit months occupied/leased by 12.		
** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.		
***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.		

### Reporting Compliance with Statutory MTW Requirements

HACSB is currently in compliance with the Statutory MTW Requirements as per the executed Moving to Work Agreement.

Reporting Compliance with Statutory MTW Requirements
<p>If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.</p>
<p>None. HACSB is currently in compliance.</p>

### Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

HACSB does not anticipate leasing difficulties for its Public Housing or voucher programs.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions	
Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Public Housing	No leasing issues anticipated.
Housing Choice Voucher	No leasing issues anticipated.

## C. Wait List Information

### **Wait List Information Projected for the Beginning of the Fiscal Year**

HACSB's waiting list strategies vary to match the needs of different communities and housing programs. Applicants may be, and often are, on multiple waiting lists at the same time.

As in prior years, HACSB anticipates that community need for affordable housing will remain high in FY 2017. The following table shows the projected number of households on waiting lists for Public Housing units and vouchers as of the beginning of FY 2017. As part of the voluntary transfer of the Public Housing and Housing Choice Voucher programs from the UHA to HACSB, the applicants on the UHA waiting lists when the transfer takes place will be transferred to HACSB's waiting lists. More information is included below for each of the UHA waiting lists.

#### ***Housing Choice Vouchers***

HACSB maintains a single tenant-based wait list, which was opened for 19 days from February 19 to March 9, 2015. As of October 1, 2016, we anticipate that the tenant-based voucher program wait list will include 15,130 applicants.

Applicants on the waiting list for the UHA Housing Choice Voucher program will be placed onto the HACSB tenant-based voucher waiting list. The UHA applicants will be proportionately interspersed with HACSB applicants to ensure equitable distribution of HACSB and UHA applicants. We anticipate that approximately 5,700 UHA applicants will be added to the HACSB tenant-based voucher program waiting list.

Separate site-specific wait lists are maintained for each project-based voucher property.

#### ***Public Housing***

Site-specific waiting lists are offered by bedroom size for all of HACSB's Public Housing communities. All waiting lists under this program are maintained centrally to maximize efficiencies and housing choice.

HACSB's application for conversion of its entire Public Housing portfolio under the Rental Assistance Demonstration (RAD) program was approved in December 2014. As a result, HACSB will move all applications currently on the waiting list for Public Housing to its existing PBV waiting list. The applications will retain their original date and time of application and will be subject to the preferences that apply to the PBV waiting list. Applicants will be notified of the change and will be offered the opportunity to opt out of placement on the HACSB PBV waiting list.

The formerly UHA waiting list for the Los Olivos Public Housing site will be maintained under HACSB as a separate, site-based waiting list exclusively for that site. 595 applicants are included on that waiting list.

Wait List Information Projected for the Beginning of the Fiscal Year				
Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Public Housing	Other	23,767	Partially Open	Yes, by bedroom size as needed
Housing Choice Voucher Project-Based	Other	12,981	Partially Open	Yes, by bedroom size as needed
Housing Choice Voucher Tenant-Based	Community-Wide	19,760	Closed	No

Rows for additional waiting lists may be added, if needed.

\* Select Housing Program : Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

\*\* Select Wait List Types : Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

\*\*\* For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

Public Housing: families and seniors by site, by bedroom size
Housing Choice Voucher Project-Based: families and seniors, by site/region and bedroom size

If Local, Non-Traditional Housing Program, please describe:

None. The No Child Left Unsheltered Activity (NCLU) admits families from the Public Housing and Housing Choice Voucher waiting lists through a preference for NCLU-eligible families.
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If Other Wait List Type, please describe:

Public Housing: centrally managed, site-specific, by bedroom size
Housing Choice Voucher Project-Based: centrally managed, site/region-specific, by bedroom size

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

None.
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## Section III: Proposed MTW Activities

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This section provides information detailing proposed new uses of MTW authority, including evaluation criteria and specific waivers to be used.

HACSB is not proposing or re-proposing any MTW activities through this Plan amendment.

## Section IV: Approved MTW Activities

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This section provides HUD-required information detailing previously approved uses of MTW authority. In the following pages, we provide an overview of each of our ongoing MTW activities, with an update on any changes anticipated for FY 2017. In accordance with the HUD Form 50900, activities are organized in separate sections based on whether they are active, not yet implemented, or closed out.

The proposed changes within this section describe HACSB's plan for transitioning the customers served by the Housing Authority of the City of Upland (UHA) to HACSB's programs as a result of the voluntary transfer of UHA's Housing Choice Voucher (AKA "Section 8") and Public Housing programs to HACSB. HACSB intends to transition all UHA families to the applicable MTW activities, with the transition for most activities taking place at the family's first annual reexamination occurring six (6) months after the voluntary transfer, or as soon as practicable thereafter, contingent upon approval of this MTW Plan Amendment. The effective date of the voluntary transfer is July 1, 2017, and HACSB plans to begin the transition for UHA families to most MTW activities on January 1, 2018, with all UHA families transitioned by the end of calendar year 2018. The anticipated transition dates for all approved MTW activities is included in the following table, and the details of the transition for each MTW activity is included with the information for that activity within this section. Appendix G to this Plan is the impact analysis for the relevant rent reform activities.

IMPLEMENTATION START	APPLICABILITY	ACTIVITY DESCRIPTION
July 1, 2017	Administrative only. No impact to UHA families.	<ul style="list-style-type: none"><li>• Activity 1: Single Fund Budget</li><li>• Activity 2: Strategic Investment Policies</li><li>• Activity 3: Alternate Assessment Program</li><li>• Activity 14: Local Asset Management Program</li></ul>
July 1, 2017 for new families admitted from the waiting list  January 1, 2018 for current UHA customers	Applies to all customers.	<ul style="list-style-type: none"><li>• Activity 4: Biennial Recertifications</li><li>• Activity 5: Local Verification Policies</li><li>• Activity 6: Elimination of Assets</li><li>• Activity 7: Controlled Program Moves</li><li>• Activity 8: Local Policies for Portability</li></ul>

IMPLEMENTATION START	APPLICABILITY	ACTIVITY DESCRIPTION
July 1, 2017 for new families admitted from the waiting list  January 1, 2018 for current UHA customers	Applies to all customers.	<ul style="list-style-type: none"> <li>• Activity 9: Elimination of Earned Income Disallowance</li> <li>• Activity 10: Minimum Rent</li> <li>• Activity 12: Local Payment Standards</li> <li>• Activity 13: Local Inspection Standards</li> <li>• Activity 17: Local Income Inclusions</li> <li>• Activity 22: Streamlined Lease Assistance Program</li> <li>• Activity 24: Transition for Over-Income Families</li> </ul>
January 1, 2018 for all new and current UHA Public Housing customers	Applies to all Public Housing customers.	Activity 18: Property Management Innovation
July 1, 2017 for families voluntarily joining HACSB's FSS program	Applies to all customers voluntarily joining HACSB's FSS program.	Activity 19: Local FSS program
July 1, 2017 for new families admitted from the waiting list	Applies to all new Housing Choice Voucher program customers selected from the waiting list.	Activity 20: Five Year Lease Assistance Program
N/A	Applies only to customers admitted from HACSB project-based voucher program waiting list.	Activity 11: Local Project-Based Voucher Program
N/A	N/A	Activity 23: No Child Left Unsheltered
N/A	N/A. Closed out or never implemented.	<ul style="list-style-type: none"> <li>• Activity 15: Pilot Work Requirement</li> <li>• Activity 16: Operating Subsidy for Vista del Sol</li> <li>• Activity 21: Utility Allowance Reform</li> </ul>
N/A	N/A. Not yet implemented.	<ul style="list-style-type: none"> <li>• Activity 25: Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing</li> <li>• Activity 26: Local Disaster Short-Term Rental Assistance</li> </ul>

## **A. Implemented Activities**

### **Activity 1: Single Fund Budget**

The flexibility granted under this activity is included in the statutory authorizations granted to MTW agencies. In accordance with HUD guidance, information related to this activity is included in Section V: Administrative.

## Activity 2: Strategic Investment Policies

This activity was approved in our FY 2009 Initial Annual MTW Plan and was implemented in November 2010.

### 1. Activity Description

With the flexibility provided through this activity, HACSB has developed and adopted an investment policy for MTW funds that is consistent with California Government Code Section 53630 and/or HUD-approved investment criteria to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSB will invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely. This activity enables the Housing 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.

### 2. Activity Status

Due to the implementation of the U.S. Department of Housing and Urban Development's cash management provisions described in Notice PIH 2011-67, existing PHA held NRA balances will be transitioned to HUD-held program reserves in FY 2016. As a result, most of the HACSB reserves will be held by HUD and HACSB will have limited funds for investment. Any remaining funds will be invested in liquid investments to ensure that they are readily available if needed. Because HACSB does not hold sufficient reserves to invest, the expected amount leveraged after implementation of the activity is \$0.

### 3. Proposed Modifications

This activity will apply to all funds transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB upon the effective date of the voluntary transfer.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metric:

- CE #4: Increase in Resources Leveraged

### 5. Changes to Authorizations

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plans for this activity.

### 6. Statutory Objective

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

## Activity 4: Biennial Recertifications

This activity was initially approved in our FY 2009 Annual MTW Plan as a pilot program for elderly and disabled households in the Public Housing and Housing Choice Voucher programs with no other adult members and no earned income. A modification to expand the scope of the activity to apply to all families in both programs was approved via our FY 2012 Annual MTW Plan.

### 1. Activity Description

Current regulation requires annual income recertifications for most participants of the Public Housing and Housing Choice Voucher programs. This activity allows HACSB to conduct recertifications of households biennially for all households in both the Public Housing and Housing Choice Voucher programs. The expanded initiative was implemented in 2012 with approximately half the households assigned to a biennial schedule. The remaining households were assigned to the biennial schedule in 2013.

### 2. Activity Status

The first complete cycle of biennial certifications was completed in 2014. HACSB continues to perform income recertifications for all MTW households biennially, with no current plans to modify this activity.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- CE #5: Increase in Tenant Rent Share
- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS# 4: Households Removed from Temporary Assistance for Needy Families (TANF)

- SS #8: Households Transitioned to Self-Sufficiency

Standard metrics CE #5, SS #1, SS #3, SS #4, and SS #8 were added in HACSB's 2015 Annual Plan per HUD's request. The objective of the activity is to achieve agency cost and staff time savings. As a result, HACSB does not anticipate that these metrics will reflect an increase in tenant rent share, household income, positive outcomes in employment status, households removed from TANF, or households transitioned to self-sufficiency as a direct result of this activity.

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plans for this activity.

#### **6. Statutory Objective**

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

## Activity 5: Local Verification Policies

This activity was approved in our FY 2009 Annual MTW Plan and was implemented on October 1, 2009.

### 1. Activity Description

Through this activity HACSB has implemented local verification policies for both the Public Housing and Housing Choice Voucher programs. The verification standard used by HACSB was modified in FY 2011 to establish the following verification hierarchy:

1. Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) is the highest standard of verification.
2. Documents provided by the household and observed to be satisfactory to verify income are the second tier of verification.
3. Third-party written verification is requested as the third tier of verification if additional verification is necessary.
4. Third-party oral verification is permitted as the lowest ranking type of income verification.

### 2. Activity Status

This activity has simplified the process for our families and the housing staff, reducing staff time spent on verifications and related agency costs. As a result of this activity, staff time spent on verifications has decreased significantly from the baseline time reported. The benchmarks for this activity have been partially met each year from 2010 to 2013, and were fully met in FY 2014 and FY 2015. During FY 2015, the total time spent on verifications decreased by 79% compared to the baseline year.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- CE #3: Decrease in Error Rate of Task Execution



**5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

**6. Statutory Objective**

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

## Activity 6: Elimination of Assets

This activity was approved in our FY 2009 Annual MTW Plan and was implemented on October 1, 2009.

### 1. Activity Description

Through this activity HACSB fully excludes assets from the calculation of annual income. Information related to assets is not collected and income from assets is not considered as part of the income/rent calculation formula. This activity is applicable to the Public Housing and Housing Choice Voucher programs.

### 2. Activity Status

This activity has resulted in reduced staff time associated with collection and verification of assets. It also alleviates the reporting burdens on our families, most of whom have modest or few assets.

The benchmarks for this activity were met in FY 2010 and have continued to be met since that time. No staff time is spent calculating asset income in our MTW programs. This activity benefits our families, and no hardship requests have been received related to this activity.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- CE #3: Decrease in Error Rate of Task Execution

### 5. Changes to Authorizations

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

## **6. Statutory Objective**

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

## Activity 7: Controlled Program Moves

This activity was approved in our FY 2009 Annual MTW Plan and implemented on February 1, 2010.

### 1. Activity Description

This activity limits voluntary program moves for Housing Choice Voucher Program participants to once per every two years and only upon verification from their current landlord that they are a tenant in good standing. Exceptions to this policy allow moves related to self-sufficiency, reasonable accommodation, and domestic violence situations.

### 2. Activity Status

This activity has resulted in a significant decrease in agency costs and staff time spent related to processing moves. In FY 2015, both costs and time spent reflected approximately a 38% decrease over the baselines. The staff time spent per move was lower than the baseline value, but due to the large number of port-ins during the year, the benchmarks for staff time and cost savings were not reached.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings

The previously reported standard metrics (SS #1: Increase in Household Income and SS #6: Reducing Per Unit Subsidy Costs for Participating Households) have been removed per HUD's comments during the approval process for HACSB's 2015 Annual MTW Plan.

### 5. Changes to Authorizations

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

## **6. Statutory Objective**

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

## **Activity 8: Local Policies for Portability**

This activity was initially approved in our FY 2009 Annual MTW Plan and was modified through our FY 2010 Plan. The initial implementation of this activity began on October 1, 2009 and the work requirement for portability was implemented on August 1, 2010.

### **1. Activity Description**

Through this activity, HACSB applies the requirements of its ongoing MTW activities to inbound portability participants.

### **2. Activity Status**

This activity has resulted in significant staff time savings. In FY 2015, staff hours spent on inbound portability participants were reduced by 68% from the baseline year. All benchmarks for this activity have been fully or partially met since FY 2010.

### **3. Proposed Modifications**

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plans for this activity.

### **6. Statutory Objectives**

This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.

## Activity 9: Elimination of Earned Income Disallowance

This activity was initially included in HACSB's FY 2009 Initial Annual MTW Plan and became effective on October 1, 2009, for participants in the Housing Choice Voucher and Public Housing programs.

### 1. Activity Description

Through this activity HACSB has eliminated the HUD Mandatory Earned Income Disallowance (EID) from the calculation of total tenant payment in the Housing Choice Voucher and Public Housing Programs.

### 2. Activity Status

The EID has not been applied to any MTW family since October 1, 2009. Zero staff hours were spent in managing EID for MTW families since that time and the benchmark for this activity has been fully met since 2009. We did not receive any hardship requests related to this activity.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

1. CE #1: Agency Cost Savings
2. CE #2: Staff Time Savings
3. CE #3: Decrease in Error Rate of Task Execution
4. CE #5: Increase in Tenant Rent Share

Standard metrics CE #3 and CE #5 were added in HACSB's 2015 Annual Plan per HUD's request. The objective of the activity is to achieve agency cost and staff time savings. Therefore, HACSB does not anticipate that these metrics will reflect a decrease in error rates related to this task or an increase in tenant rent share as a direct result of this activity. Additionally, the baselines for these metrics were established post-implementation, and no further change is anticipated.

## **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

## **6. Statutory Objective**

This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.



## Activity 10: Minimum Rent

This activity was approved in our FY 2009 Annual MTW Plan and implemented on October 1, 2009, for recertifications and on January 1, 2010, for all new families.

### 1. Activity Description

This activity allowed HACSB to increase the minimum rent to \$125 from the current regulatory maximum of \$50 per month for all households in both the Public Housing and Housing Choice Voucher Programs.

### 2. Activity Status

This activity has resulted in increased earned income for households paying the minimum rent of \$125. The average earned income of households paying minimum rent has increased by 44% from \$718 prior to implementation to \$1,031 in FY 2015. Additionally, the benchmark related to tenant rent share was met in FY 2014 and continues to be met. There have been no requests for hardship exemption from the minimum rent.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

The impact analysis for the transition of UHA families to this activity is included as Appendix G to this Plan. It contains information about the applicability of hardship exceptions for families transitioned to this activity.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #5: Increase in Tenant Rent Share
- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

- SS #8: Households Transitioned to Self-Sufficiency

Standard metrics SS #3, SS #4, and SS #8 were added in HACSB's 2015 Annual Plan per HUD's request. The objective of the activity is to achieve agency cost and staff time savings. HACSB does not anticipate that these metrics will reflect an increase in positive outcomes in employment status, households removed from TANF, or households transitioned to self-sufficiency as a direct result of this activity.

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

#### **6. Statutory Objective**

This activity addresses the MTW statutory objectives to reduce costs and achieve greater effectiveness in federal expenditures and to assist families to become self-sufficient.

## Activity 11: Local Project-Based Voucher Program

This activity was approved in our FY 2009 Initial Annual MTW Plan. Our third amendment to the FY 2010 Annual MTW Plan helped clarify the components of our local program and this activity was implemented in September 2010. A modification was proposed via Amendment 1B to our FY 2015 Plan to expand the types of units which may be assisted through HACSB's local project-based voucher program. In 2016 HUD requested that the proposed modification be relocated to the proposed FY 2017 MTW Plan, and the modification was approved with that Plan. The approved activity has been relocated to this section with this proposed amendment.

### 1. Activity Description

HACSB has implemented a local Project-Based Voucher (PBV) program to increase the availability of quality housing units. The expansion of our housing authority and/or our affiliate nonprofit owned housing stock will allow us to continue to reinvest net income into the acquisition of additional affordable housing units. The approved flexibilities included under this activity are:

- Up to 100% percent of units in any development may be project-based;
- Up to 50% of the funding committed to vouchers may be allocated for PBV;
- PBV will be allocated to all of the public housing units approved for disposition other than 27 units to be rehabilitated in conjunction with the County Department of Behavioral Health (308 PBV units);
- Households residing in PBV units will not have automatic priority to receive tenant-based vouchers after one year, but instead will have such a priority after two years;
- A local PBV HAP contract which modifies the terms and conditions of the HAP contract, including the ability to execute PBV HAP contracts for groupings of non-contiguous scattered-site properties and to contract for a total number of units by bedroom size within a development rather than for specific units;
- An over-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher may remain in its unit and HACSB will subsidize the household based on the size of the unit, not the qualifying voucher size;
- HACSB may require an under-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher to move with a voucher for the number of bedrooms for which the household qualifies;
- For a unit other than former Public Housing units, HACSB may designate the unit as a PBV unit and allow an in-place household for which the unit is a wrong-sized unit to remain in occupancy for up to one year, if the owner agrees to accept a PBV contract rent that does not exceed the HACSB subsidy standard for the household for the initial term of the lease.
- Initial contract rent for units owned by HACSB as defined in the PBV regulations may be determined using an HACSB market study that will consider local rental submarkets, in lieu of the requirement to use an independent entity with rents based on an appraisal by a state-certified appraiser.

- HACSB may project-base vouchers for unit types which are not allowable under traditional regulatory PBV. The types of housing which may be assisted through PBV include the following:
  - Shared housing (up to one person per bedroom);
  - Units on the grounds of a penal, reformatory, medical, mental health, or similar public or private institution;
  - Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care;
  - Manufactured homes;
  - Transitional housing;
  - Single-room occupancy;
  - Congregate housing;
  - Other housing types as needed.
- Where appropriate, HACSB will partner with universities, state and local government, and other stakeholders to develop housing and service delivery programs which leverage HACSB and partner resources. Where appropriate and feasible, programs will include both housing and related health care, education, job preparedness, and/or other necessary supportive services for individuals assisted through the programs.
  - To ensure that assisted families receiving on-site supportive services through an HACSB partner continue to reside at the location where the services are provided, HACSB may not provide a tenant-based voucher upon completion of the initial two-year term of assistance. Assisted families will be notified at move-in whether or not they will be eligible to receive a tenant-based voucher.

#### Rent Reasonableness, HAP, and Vacancy Payments (Shared Housing Units)

HACSB will use its Local Payment Standard (LPS) to determine rent reasonableness and maximum HAP. If a shared housing unit is not fully occupied, HACSB will pay the full HAP for the unit for up to sixty days. After sixty days, the HAP will be prorated to reflect the percentage of occupied bedrooms.

## **2. Activity Status**

At the commencement of this activity in FY2009, HACSB had 349 PBV units. As of July 2015, HACSB has increased its PBV units to 1,115 available units.

HACSB is currently in the process of implementing policy changes to incorporate the modifications to this activity approved via our FY 2017 Annual MTW Plan.

### **3. Proposed Modifications**

This activity will apply at admission to any family who is transitioned from a Housing Authority of the City of Upland (UHA) waiting list to an HACSB waiting list as a result of the HUD-approved voluntary transfer, and who is subsequently admitted from the HACSB waiting list to a HACSB project-based voucher program.

### **4. Measurement Revisions**

The metrics have been revised in compliance with the new standard metrics issued by HUD in the revised Form 50900. HACSB will continue to report on this activity using Standard Metrics CE #1, CE #2, HC #4, and a local metric.

### **5. Changes to Authorizations**

None.

### **6. Statutory Objectives**

This activity addresses the MTW statutory objective to increase housing choices for low-income families.

## Activity 12: Local Payment Standards and Alternative Flat Rents

This activity was approved in our FY 2009 Annual MTW Plan and was modified in our FY 2012 Annual MTW Plan. The activity was implemented on July 1, 2011 for all new lease ups and recertifications. A modification was proposed via Amendment 1B to our FY 2015 Plan. In 2016 HUD requested that the proposed modification be relocated to the proposed FY 2017 MTW Plan, and the modification was approved with that Plan. The approved activity has been relocated to this section with this proposed amendment.

### 1. Activity Description

San Bernardino County is the largest county in the contiguous United States by area and larger than the nine smallest states combined. This MTW activity allows HACSB to conduct a market assessment to develop local payment standards for each of its submarket areas in lieu of the HUD-prescribed Fair Market Rents. The local payment standards accurately reflect the diverse rental submarkets that exist across the vast San Bernardino County.

Due to the nature of the local rental market, in our FY 2017 MTW Plan the HACSB expanded the use of local submarket payment standards to replace the Fair Market Rents as the indicator for establishing flat rents in the HACSB public housing portfolio. The annually established local payment standards by submarket and bedroom size will provide the maximum flat rent that can be charged to public housing residents. The actual flat rent may fall below the local payment standard based on a comparison of like units in the same area consistent with standard industry rent comparable practices. If an annual review of submarket local payment standard indicates an increase or decrease of more than 10% from the current rate, the submarket public housing flat rent will be re-assessed. The new flat rents will be applied in accordance with the rent increase process as detailed in our Admissions and Continued Occupancy Policy and related Codes of Federal regulation that govern our public housing program.

### 2. Activity Status

Since implementation, this activity has shown a significant improvement in the number of families able to move to areas of opportunity. We have nearly met or exceeded the benchmarks for our local metric, which measures the number of households residing in the two submarkets with the highest poverty and minority concentration. Overall, the number of households residing in these two submarkets has decreased by 9% since implementation. This change reflects an increase in the number of families that have relocated out of these submarkets into other areas of greater opportunity. HACSB anticipates that this trend will continue, and that the number of families relocating out of these submarkets will hold steady or increase slightly.

HACSB is currently in the process of implementing policy changes to incorporate the modifications to this activity approved via our FY 2017 Annual MTW Plan.

### **3. Proposed Modifications**

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### **4. Measurement Revisions**

HACSB will continue to report on this activity using the Standard Metrics CE #1, CE #2, SS #1, SS #3, SS #8, HC #5, and local metrics.

### **5. Changes to Authorizations**

None.

### **6. Statutory Objective**

The amendment to this activity addresses the MTW statutory objective to give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

### Activity 13: Local Inspection Policies

This activity was approved in our FY 2010 Annual MTW Plan and was implemented on May 1, 2011. A modification to expand biennial inspections to all MTW units was approved via our 2015 Annual MTW Plan and will be implemented in FY 2016 and FY 2017.

#### 1. Activity Description

This activity allowed HACSB to develop and implement local inspection standards for the Housing Choice Voucher (HCV) program that have increased operational efficiencies and ensured better housing options for low-income families. A modification to this activity was approved via our FY 2015 Annual MTW Plan. Biennial inspections will be conducted for all units, and the property rating system currently used to determine the frequency of inspections for each unit will be eliminated. Assisted units that are currently inspected annually will be moved to a biennial inspection schedule, with 50% of those units to be inspected in FY 2016 and the remaining 50% to be inspected in FY 2017. No change was made to HACSB's enhanced local inspection standards.

#### 2. Activity Status

In FY 2013, HACSB completely outsourced our HCV inspections. This change resulted in additional staff time and cost savings. We continue to perform quality checks of our portfolio for accuracy, inspection standards, and customer satisfaction. The percentage of inspections that have met our quality standards and qualified for biennial inspections has been well above the expected outcome. In FY 2015, HACSB met and exceeded our benchmark savings of \$128,159 by \$223,505. Additionally, the total staff time has decreased by over 91%, in spite of the additional time spent per inspection as a result of our local enhanced standards, largely due to the outsourcing of inspections. We anticipate that the cost and time savings will continue in future years.

#### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

#### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings



- CE #2: Staff Time Savings
- CE #3: Decrease in Error Rate of Task Execution

Standard metrics CE #2 and CE #3 were added in HACSB's 2015 Annual Plan per HUD's request. The objective of the activity is to achieve agency cost savings. As a result, HACSB does not anticipate that these metrics will reflect a decrease in error rates related to this task or an increase in staff time savings as a direct result of this activity.

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

#### **6. Statutory Objective**

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

## **Activity 14: Local Asset Management Program**

### **1. Activity Description**

The First Amendment to the Standard MTW agreement executed on May 21, 2009 allowed HACSB to design and implement a local asset management program. As per our FY 2012 MTW Annual Plan and in accordance with the federal Office of Management and Budget (OMB) Circular A-87, we elected to establish a cost allocation methodology to allocate direct and indirect costs and establish an indirect cost rate.

### **2. Activity Status**

Detailed information is provided in Appendix A.

### **3. Proposed Modifications**

HACSB's Local Asset Management Program will apply to all assets transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB upon the effective date of the voluntary transfer.

### **4. Measurement Revisions**

None.

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

### **6. Statutory Objective**

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

## Activity 15: Pilot Work Requirement

This activity was approved in the FY 2010 Annual MTW Plan and the work requirement was implemented on January 1, 2013, for the Maplewood Homes Public Housing community. The work requirement was implemented on August 1, 2010, for all inbound portability participants. HACSB will sunset the work requirement at Maplewood Homes in FY 2016.

### 1. Activity Description

Maplewood Homes Public Housing Community: This component requires all non-elderly and non-disabled household members at Maplewood Homes Public Housing Community to participate for a minimum of 15 hours per week in work-related activities. Work-related activities are defined as participation in any one of the three phases described below. Residents may participate in each of the phases for up to two (2) years, after which they are required to meet the requirements of the next phase:

Phase 1: activities removing barriers to gainful employment

Phase 2: activities leading to gainful employment

Phase 3: employment

The Maplewood Homes community will be converted under the Rental Assistance Demonstration (RAD) program in FY 2016. As a result of the requirements of the RAD program, HACSB is unable to mandate participation in work-related activities, and HACSB will sunset the work requirement at Maplewood Homes in FY 2016.

Inbound portability participants: This component requires all non-elderly and non-disabled adult household members of the incoming portability family to be employed at least 15 hours per week within our County or within a reasonable driving distance prior to the execution of the HAP contract and throughout their participation in our program. Once admitted to HACSB's jurisdiction, families that do not meet this requirement will have their previous employment income imputed until new employment is obtained. This requirement ensures that families make educated decisions prior to their move to San Bernardino and encourages them to continue on their path to economic independence.

### 2. Activity Status

In 2013 HACSB partnered with the County Workforce Development Department (WDD) to employ an onsite Workforce Development Specialist (WDS) at the Maplewood Homes Public Housing community once per week, and the partnership was expanded in FY 2015 to provide WDS services onsite for a minimum of three days per week. The WDS works directly with families in the Pilot Work Requirement program to help them prepare for and obtain employment. As of April 2016, fifteen individuals had successfully found employment with assistance from the WDS. In addition, HACSB employs an onsite full time Resident Services Coordinator to work

directly with families to help them achieve compliance with the requirements of the activity. These services are expected to continue after sunset of the work requirement at Maplewood Homes.

In 2015 and 2016 HACSB contracted with Loma Linda University to perform a needs assessment and longitudinal study of families residing at Maplewood Homes. The focus of the assessment is to update the needs assessment performed in 2010 prior to implementation, with a focus on outcomes to date. Although the work requirement at Maplewood Homes will sunset in FY2016, we expect that the reports will identify areas of success and challenge related the activity and/or accompanying services. Those best practices can then be applied to other activities and families we serve.

### **3. Proposed Modifications**

None.

### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)
- SS #5: Households Assisted by Services that Increase Self-Sufficiency
- SS #6: Reducing Per Unit Subsidy Costs for Participating Households
- SS #7: Increase in Tenant Rent Share
- SS #8: Households Transitioned to Self-Sufficiency

Standard metrics SS #4 and SS #5 were added in HACSB's 2015 Annual Plan per HUD's request.

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

### **6. Statutory Objective**

This activity addresses the statutory objective to provide incentives to families to achieve self-sufficiency.

## Activity 17: Local Income Inclusions

This activity was approved in our FY 2011 Annual MTW Plan and implemented on May 1, 2011. This activity was modified through HACSB's FY 2015 MTW Plan.

### 1. Activity Description

This activity allows HACSB to modify the rent calculation to include or exclude certain income sources that are currently excluded or included, respectively, under regulation. The modifications to the rent calculation are:

- Foster care income is fully included;
- Sanctioned Temporary Assistance to Needy Families (TANF) income, whether due to non-compliance with self-sufficiency requirements, fraud or any other sanction reasons authorized by CALWORKS, except term limits, is fully included;
- Adoption assistance payment income is fully included (effective at each family's first biennial recertification effective on or after October 1, 2015);
- The earned income of full-time students other than the Head of Household, spouse, and co-head of household is fully excluded (effective at each family's first biennial recertification effective on or after October 1, 2015).

### 2. Activity Status

The modifications to this activity have been implemented and are ongoing.

This activity is intended to simplify the income calculation process as well as to provide incentive for families whose welfare income is sanctioned to achieve compliance with welfare requirements. HACSB's partnership with the San Bernardino County Transitional Assistance Department (TAD), which began in 2014, also aims to encourage families to achieve compliance and end their sanction. Through our Memorandum of Understanding, HACSB and TAD are able to share data regarding mutual customers, identify sanctioned families, and conduct joint outreach to those families. Our participants benefit from having a direct contact at the welfare department and HACSB staff to help guide them through the process to cure their sanction. We have seen significant success through our efforts to date. Approximately 50% of the sanctioned mutual customers have cured their sanction, compared to approximately 21% of non-HACSB customers.

### 3. Proposed Modifications

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

#### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metric:

- CE #5: Increase in Tenant Rent Share

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity. The proposed modifications do not require any additional authorization.

#### **6. Statutory Objective**

This activity addresses the MTW statutory objective to reduce costs and increase self-sufficiency.

## Activity 18: Property Management Innovation

This activity was approved in our FY 2011 Annual MTW Plan and implemented on January 1, 2012.

### 1. Activity Description

This activity allowed HACSB to develop a property management innovation program that reflects private sector property management principles. The activity has the objective of implementing policies that are used in the private sector to decrease management costs, improve the quality of our units, and assist our tenants in becoming familiar with private sector property management principles. All residents signed a new lease which incorporated all the changes proposed in the activity. The lease reflected the following changes approved by HUD in our FY 2011 plan:

- a. 3-Day Notice to Pay or Quit (previous policy was 14 days).
- b. NSF fees of \$25.00 for first and \$35 for additional items (previous policy was \$25.00).
- c. Late fees increased from \$20 to \$50.
- d. Security deposits equal to one month's market rent (current security deposit charged is \$500.00)
- e. Implement a holding deposit of \$200.00
- f. Agency will choose lower of flat rent or 30% income rent for residents.
- g. Grievance Process – Previous two step process was replaced with a single on site settlement conference with staff for timely and effective resolutions to issues.

### 2. Activity Status

As reported in our FY 2015 Annual MTW Report, the activity has resulted in cost savings and administrative efficiencies gained from the streamlined grievance process as well as the reduction in arbitration and unit turnaround costs. As a result of HACSB's ongoing conversion of our entire Public Housing portfolio through the Rental Assistance Demonstration (RAD) program, the following components of this activity will be eliminated in FY 2016 and FY 2017:

- a. 3-Day Notice to Pay or Quit
- g. Modified grievance process

### 3. Proposed Modifications

This activity will apply to all Public Housing families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- All existing UHA customers will be transitioned to under this activity on January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted from the HACSB waiting list to a HACSB Public Housing program.

#### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

#### **6. Statutory Objectives**

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



## Activity 19: Local FSS Program

This activity was approved in our FY 2011 Annual MTW Plan and was implemented on July 1, 2012.

### 1. Activity Description

HACSB has developed a pilot local FSS (Family Self-sufficiency) program to help families in their self-sufficiency efforts. Through our local FSS program, program participants are eligible to receive the balance of their escrow savings account at the end of their FSS contract if they voluntarily terminate their assistance from the Housing Choice Voucher or Public Housing program due to self-sufficiency efforts.

### 2. Activity Status

Since implementation, 132 families have enrolled in the local FSS program. Four families have successfully completed the program and six have voluntarily terminated from the program leaving a total of 122 families actively enrolled. 65 families are enrolled in the program under the guidelines of this activity and 57 are enrolled under the traditional FSS program guidelines as a control group to compare and contrast with our local program participants. We intend to follow both sets of families throughout their five-year term to identify which families have the greatest success in completing the FSS Contract of Participation. All of the families who successfully graduated from the program were enrolled in the program under the guidelines of this activity.

### 3. Proposed Modifications

This activity will apply to any family transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer if the family wishes to voluntarily join the HACSB Local FSS program.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- SS #1: Increase in Household Income
- SS #2: Increase in Household Savings
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)
- SS #5: Households Assisted by Services that Increase Self-Sufficiency
- SS #6: Reducing Per Unit Subsidy Costs for Participating Households
- SS #7: Increase in Tenant Rent Share
- SS #8: Households Transitioned to Self-Sufficiency

Standard metrics SS #2, SS #4, SS #5, SS #6, and SS #7 were added in HACSB's 2015 Annual Plan per HUD's request.

#### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our approved Annual MTW Plan for this activity.

#### **6. Statutory Objective**

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.

## **Activity 20: Term-Limited Lease Assistance – (formerly “Five-Year Lease Assistance Program” and “Term Limits”)**

This activity was approved in our FY 2011 Annual MTW Plan and was implemented on January 1, 2012. Our FY 2015 Annual MTW Plan modified the activity to include potential termination from the program for noncompliance with the household’s Supportive Services Agreement. The activity was further modified via our FY 2016 Annual MTW Plan to include an intake hardship exemption for extremely low-income and Triage Step 3 households and to expand the end-of-term hardship exemption.

Annual MTW

### **1. Activity Description**

Through this activity, new non-elderly and non-disabled households admitted to the Housing Choice Voucher program from HACSB’s waiting list are provided with up to five years of housing assistance, with the possibility for extension through a hardship exception that may provide up to two years of additional assistance.

During the term of assistance, HACSB also provides supportive services to the family through its Community Development Initiatives (CDI) department and affiliate non-profit, Knowledge and Education for Your Success (KEYS). Services include:

- Needs assessment at intake to determine whether families have the prerequisite resources needed to be successful in this program:
  - Based upon the results of the assessment, each family is designated as Triage Step 1, 2, or 3:
    - Step 1 families have the greatest chance at success (limited barriers and meet prerequisite criteria)
    - Step 2 families are referred to HACSB’s affiliate non-profit KEYS for coaching and/or external resource referral
    - Step 3 families are also referred to KEYS but require additional support from community referrals.
- Development of an individualized action plan for success
- Access to three on-site Workforce Development Specialists through our contract with the County Workforce Development Department
- Onsite access to a Family Stabilization Specialist and Employment Services Specialist through HACSB’s contract with the San Bernardino County Transitional Assistance (welfare) Department
- Access to other resources designed to provide the family with meaningful support and tools to enhance the family’s chances for success

For families who initially leased under this activity prior to September 21, 2015, and who port to another jurisdiction during the term of assistance, the term limit will continue to apply unless the household is absorbed by the receiving agency. For families who initially

lease under this program on or after September 21, 2015, the administration of the voucher will be in accordance with the receiving PHA's policies in accordance with the Federal Register notice published September 21, 2015.

End of Term Hardship Exemption:

**Eligibility:** A family may be granted an extension of assistance in order to allow the family to complete an educational, job training, or other approved self-sufficiency activity, or as the result of the unforeseen and involuntary loss of income. The family must request the extension of assistance no less than three months prior to the end of the five-year term of assistance. Additionally, the family must have complied with all requirements of the program, including the Supportive Services Agreement, to be eligible for an extension of assistance.

**Term of Extension:** Any approved extension shall not exceed two years.

**Total Term:** The total term of assistance under the program, including intake any hardship exemption and/or end of term hardship exemption, shall not exceed seven years.

Subsidy Calculation:

The subsidy for families admitted to the program is currently set at 50% of the applicable HACSB Local Payment Standard. Through our FY 2017 Annual MTW Plan, HACSB obtained HUD approval to modify the calculation of family rent and subsidy to mirror the calculations established through our MTW Activity 22: Streamlined Lease Assistance for new families admitted to the program. HACSB is working to incorporate the approved modification in our program policies in order to implement the changes.

Applicability:

Through our FY 2017 Annual MTW Plan HACSB obtained HUD approval to expand the applicability of this activity. The activity previously applied only to new non-elderly/non-disabled households admitted from HACSB's housing choice voucher tenant-based waiting list. The approved modification of this activity includes the following categories of families:

- Port-Ins: households entering HACSB's jurisdiction through portability will be subject to the requirements of the term-limited program, regardless of whether the household is absorbed by HACSB or administered only.
- Project-Based Mobility: non-elderly/non-disabled PBV households exercising the right to mobility will be issued a voucher under this term-limited lease assistance activity.
- Non-Legacy RAD Mobility: non-elderly/non-disabled households exercising the right to mobility at Public Housing properties converted under the Rental Assistance Demonstration (RAD) program will be issued a voucher under this term-limited lease assistance activity. This activity will apply only if the family moved in to the RAD property **after** RAD conversion. Legacy families

(families residing in an HACSB Public Housing property at the time the property was converted under RAD) are protected by the provisions of RAD. This activity will **not** apply to RAD legacy families. Legacy families will receive a tenant-based voucher with no term limit.

HACSB is working to incorporate the approved modification in our program policies in order to implement the changes.

#### Unit Size Limitation:

Our approved FY 2017 Annual MTW Plan included a modification to this activity to ensure that households choose a unit that is appropriately sized and affordable for their income situation. Households assisted under the Term-Limited Assistance Program must select a unit whose number of bedrooms is within one bedroom of the voucher size. For example, a family with a two-bedroom voucher may select a one-, two-, or three-bedroom unit. HACSB is working to incorporate the approved modification in our program policies in order to implement the changes.

#### Incentive to Move to Areas of High Opportunity:

Our approved FY 2017 Annual MTW Plan included a modification to this activity to allow HACSB to provide incentive to families in the term-limited lease assistance program to move to areas of high opportunity, as identified by HACSB. HACSB is working to incorporate the approved modification in our program policies in order to implement the changes.

#### Post-Assistance Tracking Incentive:

Through our FY 2017 Annual MTW Plan, HACSB obtained HUD approval to modify this activity to allow us to implement a survey system that will collect information from Term-Limited Lease Assistance families at exit and annually for two years after assistance has concluded. Although participation in the survey will be voluntary, we will provide a monetary incentive for families to complete the survey. Families will receive the incentive payment only upon completion of each survey. HACSB will exercise its MTW single-fund flexibility to implement this change. HACSB is working with Loma Linda University to implement this modification.

## **2. Activity Status**

The activity is now entering its fourth year. Currently, 1,261 families participate in the Five-Year Lease Assistance Program.

The goal of the activity is to enable the families we serve to focus on self-sufficiency efforts while we assist them with their housing needs for a limited term. HACSB has partnered with Loma Linda University to conduct a longitudinal study to monitor the families served through this activity, tracking their goals and accomplishments. Although we do not expect that the ultimate goal of self-sufficiency for the term-limited families will be realized until years four and five, we have seen positive outcomes since implementation, including:

- The average earned income for families in the Five-Year Lease Assistance program has increased by 27.7%;
- Full-time and part-time employment among work-able heads of household have increased by 3% each;
- 165 individuals located employment with assistance from the WDS since April 1, 2013, with wages ranging from \$8.00 to \$25.00 per hour.

As families progress through the five-year program, we expect to learn more about the impacts of the activity. Our Community Development Initiatives team worked with families to assist them with the goals identified on their Individual Training and Services Plan (ITSP), and the families entering their fourth and fifth years of participation are showing promising momentum. We will continue to work with our Loma Linda University partners to evaluate their progress and challenges. We are also very interested in learning what residual impacts the program has on families after they leave the program. In FY 2016 and 2017 HACSB intends to implement changes that will provide incentive for families to continue to work with us after leaving the program so that we can learn more about their housing situation and other impacts after assistance has concluded.

### **3. Proposed Modifications**

This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

The impact analysis for the transition of UHA families to this activity is included as Appendix G to this Plan. It contains information about the applicability of hardship exceptions for families transitioned to this activity.

### **4. Measurement Revision**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)
- SS #5: Households Assisted by Services that Increase Self-Sufficiency
- SS #8: Households Transitioned to Self-Sufficiency

No changes to benchmarks are anticipated as a result of the proposed changes.

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our originally approved Annual MTW Plan for this activity. The proposed modification does not require any additional authorization.

## **6. 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.

## Activity 22: Streamlined Lease Assistance Program

This activity was approved in our FY 2013 Annual MTW Plan and was implemented beginning February 1, 2015.

### 1. Activity Description

Through this activity, HACSB has implemented an alternative subsidy/rent schedule for households participating in the Housing Choice Voucher and Public Housing programs. The activity applies to:

- Public Housing: all current and new households;
- Housing Choice Voucher: all new and existing households not currently participating in or admitted to the Term-Limited Lease Assistance Program.

The rent for families in the Streamlined Lease Assistance program is calculated based on a percentage of gross annual income. A minimum rent and baseline rent also apply. The rent percentages were established by taking into account deductions and allowances permitted under traditional program regulations, and therefore no deductions or allowances are applied to the calculated rent amount calculated. Households participate in either fixed assistance or tiered assistance, based upon family type.

#### **Fixed Assistance Program for Elderly/Disabled Households:**

The family's rent share (TTP) is the greatest of 24% of their gross income, the minimum rent, or baseline rent for the duration of assistance.

#### **Fixed Assistance Program for New Non-Elderly/Non-Disabled Households:**

The family's rent share (TTP) is the greatest of 30% of their gross income, the minimum rent, or baseline rent for the duration of assistance. This program applies only new non-elderly and non-disabled households in the Public Housing and Project-Based Voucher programs.

#### **Tiered Assistance Program for Existing Non-Elderly/Non-Disabled Households:**

The family's rent share (TTP) begins at the greatest of 21% of gross income, the minimum rent, or baseline rent. The income percentage increases by 3% at each subsequent biennial recertification to a maximum of 30%.

A minimum rent of \$125 applies for both Fixed and Tiered assistance. Additionally, a baseline rent for the family is established at each biennial recertification, and future rent amounts may never fall below the baseline rent. If the calculated rent amount exceeds the ceiling rent for Public Housing or the contract rent for Housing Choice Voucher families, the lesser of the calculated TTP or rent amount is applied as the family's rent share.



The goals of this activity are:

- **Help Families Achieve Economic Independence**
  - Easier to understand and budget for rent costs
  - Families retain income increases between recertifications
  - For non-elderly/non-disabled families, tiered rent will help gradually prepare for renting without assistance
- **Administrative Efficiencies**
  - Reduce the number of interim recertifications
  - Simplify the rent calculation process

Unit Size Limitation (Tenant-Based Voucher Programs Only):

Our approved FY 2017 Annual MTW Plan included a modification to this activity to ensure that households choose a unit that is appropriately sized and affordable for their income situation. Households assisted under the Streamlined Lease Assistance Program must select a unit whose number of bedrooms is within one bedroom of the voucher size. For example, a family with a two-bedroom voucher may select a one-, two-, or three-bedroom unit. HACSB is working to incorporate the approved modification in our program policies in order to implement the changes.

## **2. Activity Status**

This activity was implemented on February 1, 2015, following extensive outreach efforts to educate the families we serve, industry partners, and all HACSB staff about the upcoming program changes. The activity required substantial modifications to our software systems, and those modifications were completed in early 2015 in time for the implementation. Specialized training was conducted for those staff directly involved with the recertification process. A new Fact Sheet was developed, information was shared with HACSB's Resident Advisory Board, and HACSB developed an informational video about the activity. The video is aired in the lobby of HACSB's main program office and was emailed directly to partners and other stakeholders. Additionally, HACSB reviewed the activity with representatives from the HUD Los Angeles field office via conference call, and 18 housing authorities attended a separate conference call hosted by HACSB to provide information about the program and how it would affect portability customers.

At the time of this writing, more than 3,500 existing households have been converted to Streamlined Lease Assistance at their biennial recertification and approximately 740 new households have entered the Streamlined Lease Assistance program. 59 implementation hardship exemptions have been approved for households for whom the transition to Streamlined Lease Assistance would have caused a substantial increase in the family's share of rent.

### **3. Proposed Modifications**

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

The impact analysis for the transition of UHA families to this activity is included as Appendix G to this Plan. It contains information about the applicability of hardship exceptions for families transitioned to this activity.

### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- CE #3: Decrease in Error Rate of Task Execution
- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)
- SS #6: Reducing Per Unit Subsidy Costs for Participating Households
- SS #7: Increase in Tenant Rent Share
- SS #8: Households Transitioned to Self-Sufficiency

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our originally approved Annual MTW Plan for this activity. The proposed modification does not require any additional authorization.

### **6. Statutory Objective**

This activity addresses the statutory objective to provide incentives to families to achieve self-sufficiency.

## Activity 23: No Child Left Unsheltered

### 1. Activity Description

This activity was proposed and approved via HACSB's FY 2014 Annual MTW Plan and implemented on April 1, 2015.

The No Child Left Unsheltered program aims to end homelessness of any unsheltered family with children in San Bernardino County, with special attention to the education and well-being of the children and the economic advancement of the parents. No Child Left Unsheltered (NCLU) will help address extremely critical needs of unsheltered families in the county by offering Housing Choice Voucher rental subsidies to families who are identified as eligible unsheltered homeless families with children. The program will also provide families with supportive services and resources such as emergency relief, school connections with community support, and job training for parents.

Through this activity, HACSB has set aside 40 Housing Choice Vouchers to be made available to eligible families. . The rental subsidy is calculated using the Streamlined Lease Assistance program methodology. HACSB has partnered with a variety of local community service providers, including the school system, to identify families, particularly those with school-age children, who are unsheltered. Each identified family will be encouraged to apply for assistance, and if eligible, will receive assistance after being selected from the waiting list using a preference specifically for this program.

### 2. Activity Status

This activity was implemented on April 1, 2015.

In March 2015, the HACSB Housing Commission and Board of Governors approved the award of the 40 project-based voucher units reserved for this activity to units within the HACSB-owned and HACSB-affiliated non-profit housing stock. HACSB is authorized to award these contracts through a non-competitive process under its Local Project-Based Voucher MTW Activity (activity 11), approved by HUD through HACSB's 2009 Annual MTW Plan. Families housed through this activity typically have significant challenges in locating housing through the traditional tenant-based voucher program. This award gives HACSB, as the property owner, the ability to house the families much more quickly and with more flexibility than in the traditional tenant-based voucher program, thus reducing the wait for housing from upwards of 60 days to only a few days within this non-traditional program.

HACSB selected the locations of the 40 project-based voucher units using data from the most recent homeless point-in-time survey. The units will be distributed throughout the county as follows:

Property Owner	Number of Units	Communities
HACSB	26	Kingsley Patio Homes, Montclair Stone Creek Apartments, Loma Linda Sunset Gardens, Yucaipa Hampton Court Apartments, Redlands Andalusia, Victorville Mesa Gardens, Hesperia
HPI Property Acquisitions LLC	10	Kendall Drive Apartments, San Bernardino Kendall Park Apartments, San Bernardino
Summit Place LLC	4	Summit Place, Ontario

This activity served six families in FY 2015, and an estimated \$38,483 in funds were leveraged through the San Bernardino County Department of Behavioral Health for two part-time employees to serve NCLU customers.

### 3. Proposed Modifications

None.

### 4. Measurement Revisions

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metrics:

- CE #4: Increase in Resources Leveraged
- SS #8: Households Transitioned to Self-Sufficiency
- HC #3: Decrease in Wait List Time
- HC #7: Households Assisted by Services that Increase Housing Choice
- Local Metric: Households Housed through This Activity

### 5. Changes to Authorizations

There has been no change in the Attachment C authorizations that were waived under our originally approved Annual MTW Plan for this activity. The proposed modification does not require any additional authorization.

### 6. Statutory Objective

This activity addresses the statutory objective to provide incentives to families to achieve self-sufficiency.

## **Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher Families**

This activity was submitted and approved via our FY2014 Annual MTW Plan. It was implemented on April 1, 2015, and modified via our FY 2015 MTW Plan to exclude current participants of our Family Self-Sufficiency program.

### **1. Activity Description**

In an effort to create more housing opportunities for families on our Public Housing and Housing Choice Voucher waiting lists, and in recognition of certain families attaining self-sufficiency, HACSB has implemented this activity to transition families who have an annual income which exceeds 80% of area median income (“over-income”) off of housing assistance. This activity applies to the Public Housing program, Tenant-Based Housing Choice Voucher program, and Project-Based Voucher program.

Through this activity, over-income families will be given a six-month transition period. After the six-month transition period, families will transition to receiving no housing assistance from HACSB. Public Housing and Project-Based Voucher families will be required to move and HCV families will have the option of remaining with their current landlord with no assistance or locating alternate housing.

Elderly/disabled families and participants of the Family Self-Sufficiency and Homeownership programs are exempt from this activity. The transition period begins for existing families identified as over-income on April 1, 2015, and at interim or recertification for families that become over-income after April 1, 2015.

If, during the six-month transition period, an over-income family’s income falls below 80% of the AMI, then the family will no longer be considered over-income and will not transition off of the program.

Families in the six-month transition period may also qualify for a hardship exemption from this activity for no-fault loss of income and/or death of a family member with income if the change in income results in the family’s income falling below 80% of AMI. If a hardship exemption is approved for such situations, the family will be removed from the six-month transition period and will not transition off the program.

### **2. Activity Status**

This activity was implemented effective April 1, 2015. At implementation, 89 currently-assisted households were identified as “over-income” and given notice of the six-month transition period. Ultimately, 49 of those families were removed from the transition either due to a hardship or because they were determined to be no longer over-income. This activity is ongoing and we will report further outcomes via our FY 2016 Annual MTW Report.

### **3. Proposed Modifications**

This activity will apply to all families transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB through the HUD-approved voluntary transfer.

- Existing UHA customers will be transitioned to under this activity at their first recertification occurring on or after January 1, 2018, or six months after the effective date of the voluntary transfer, whichever is later.
- This activity will apply at admission to any family who is transitioned from a UHA waiting list to an HACSB waiting list as a result of the voluntary transfer and is subsequently admitted to a HACSB program.

### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metric:

- SS #8: Households Transitioned to Self-Sufficiency

### **5. Changes to Authorizations**

There has been no change in the Attachment C authorizations that were waived under our originally approved Annual MTW Plan for this activity.

### **6. Statutory Objective**

This activity addresses the statutory objective to provide incentives to families to achieve self-sufficiency.

## Activity 25: Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing

### 1. Description of the MTW Activity

This activity allows HACSB to apply an amended definition of elderly for the project-based vouchers at the Horizons at Yucaipa Affordable Senior Housing development in order to meet both the City of Yucaipa's requirements for affordable senior housing as well as the age requirement for the special needs population to be served by units financed under the Mental Health Stabilization Act (MHSA). For purposes of this property, there are two definitions of an elderly (senior) individual.

The Horizons at Yucaipa Affordable Senior Housing development is a two-phase, 77-unit new construction development in the City of Yucaipa. Phase I of the development is 50 units on approximately 4.2 acres of vacant land, and includes 49 Project-Based Vouchers and one manager's unit. Phase II will include 27 units and will also be developed for seniors at least 55 years of age. The Phase II building will incorporate into the Phase I building so amenities can be shared and costs reduced. The development will be 100% affordable housing financed through a combination of the following funding sources:

- 4% Low Income Housing Tax Credits
- Tax Exempt Bond funding
- County HOME
- County Mental Health Services Act funding (MHSA)
- Fee deferrals from the City of Yucaipa
- Permanent debt

Phase I contains 50 units. 10 of the 50 units in Phase I are reserved as MHSA units and carry an age restriction of 60 years old. The property will operate as affordable housing for seniors. For the 10 MHSA units, an elderly (senior) individual shall be defined as one who is 60 years of age or older in order to meet the MHSA requirements. For the remaining PBV units, an elderly (senior) individual shall be defined as one who is 55 years of age or older in order to meet the City of Yucaipa's senior housing requirements.

### 2. Activity Status

In 2015 HPI broke ground on the Horizons at Yucaipa development, and construction of Phase I was completed in February 2017. The phase achieved full lease-up and full occupancy in March 2017. HPI is currently looking at financing options to begin construction of phase II, 27 additional senior units, in the summer of 2018.

### 3. Proposed Modifications

None.

#### **4. Measurement Revisions**

None. In accordance with HUD Form 50900, HACSB will report on this activity using the following metric:

- HC #4: Displacement Prevention
- HC #5: Increase in Resident Mobility
- Local Metric: Additional Units of Housing Made Available (same as Standard Metric HC #1)
- Local Metric: Seniors 55 to 60 Years of Age Housed through This Activity

#### **5. Changes to Authorizations**

None.

#### **6. Statutory Objective**

This activity addresses the MTW statutory objective to increase housing choices for low-income families.



## B. Not Yet Implemented Activities

### Activity 26: Local Disaster Short-Term Rental Assistance Program

In August 2016 the massive Blue Cut Fire burned more than 36,000 acres in the Cajon pass area of San Bernardino County. The fire caused the complete shutdown of the Interstate 15 freeway and railroad lines, mandatory evacuations of an estimated 82,000 persons in at least six cities, and destroyed 105 homes and 216 minor structures<sup>1</sup>. In the immediate aftermath, approximately seventy families displaced by the fire were in need of temporary assistance to stabilize their housing situation.

The Blue Cut Fire illustrated the need for HACSB to have in place a mechanism to provide temporary housing assistance to families in the event of certain local disasters. This proposed activity is designed to meet that need.

#### 1. Description of the MTW Activity

Through this activity HACSB will implement a short-term rental assistance program to provide temporary housing choice voucher assistance to families displaced as the result of a local disaster. Except as noted below, HACSB's policies for the Housing Choice Voucher Program shall apply to the Local Disaster Short-Term Rental Assistance Program.

**Determination of Local Disaster:** Assistance in this program will be limited to families displaced as the direct result of a local disaster. A local disaster is an event that occurs within the County of San Bernardino and may include a natural disaster such as an earthquake, fire, flood, or storm, an act of terrorism, or other event as determined by HACSB. The qualification of a local disaster would be declared by HACSB through a resolution of its governing board.

**Wait List:** HACSB will maintain a separate wait list for this activity. The wait list will be opened only when a local disaster is declared through a resolution of HACSB's governing board and only to individuals displaced as a direct result of the local disaster.

This program is not a set-aside. No vouchers will be reserved for this activity. Rather, the funding source will be the MTW Block Grant. Assistance provided through this activity may be offset by a decrease in the number of families served through the Housing Choice Voucher Program. However, because this activity will provide short-term assistance to families, any potential offset would be minimal and take place through normal attrition within the program. As an example, if ten families receive one year of assistance through this activity, the offset to the Housing Choice Voucher Program would not be ten families. Because the average length of stay for current non-elderly and non-disabled families in the Housing Choice Voucher Program is nearly 10 ½ years,

<sup>1</sup> "CalFire Incident Information – Blue Cut Fire," fire.ca.gov, August 23, 2016.  
[http://www.fire.ca.gov/current\\_incidents/incidentdetails/Index/1391](http://www.fire.ca.gov/current_incidents/incidentdetails/Index/1391)

serving ten families through one year of short-term assistance is roughly equivalent to serving one family through our Housing Choice Voucher Program.

**Eligibility:** Families assisted through this activity will be subject to eligibility screening. At a minimum, each family must qualify as low-income (having gross annual income at or below the HUD-published Area Median Income adjusted for family size) and pass HACSB’s criminal history background screening.

**Term of Assistance:** The term of assistance shall be determined by HACSB based upon the nature of the disaster at the time the local disaster is declared. In general, HACSB anticipates the term of assistance shall be six (6) to twelve (12) months. If appropriate, HACSB may provide a hardship extension. In any case, the total term of assistance shall not exceed twenty-four (24) months.

**Subsidy Calculation and Reexamination:** The rental subsidy and tenant rent portions shall be determined using the formulas established through HACSB’s MTW Activity 22: Streamlined Lease Assistance Program. Please refer to the detailed description of the Streamlined Lease Assistance Program in Section IV of this plan for additional information. No reexamination of income will be conducted during the term of assistance, regardless of the length of the term. The table below summarizes the subsidy calculation formula.

Household Type	Tenant Rent Portion	HACSB Subsidy
Elderly and/or Disabled Households	The greater of: <ul style="list-style-type: none"><li>• 24% of gross income</li><li>• HACSB’s minimum rent (currently \$125)</li><li>• The baseline rent</li></ul>	Contract rent less tenant rent portion
Non-Elderly and Non-Disabled Households	The greater of: <ul style="list-style-type: none"><li>• 30% of gross income</li><li>• HACSB’s minimum rent (currently \$125)</li><li>• The baseline rent</li></ul>	Contract rent less tenant rent portion

**Leveraging of Resources:** In order to maximize the benefit to assisted families, whenever possible HACSB will engage community partners to provide additional funding, housing stabilization services, and related supportive services to the families assisted through this activity.

**HAP Contract and Lease:** The terms of the lease and HAP Contract shall be the same as the term of the Local Disaster Short-Term Rental Assistance.

**Portability:** Families assisted through this activity may not exercise portability to another jurisdiction unless the receiving PHA will absorb the family.

**Subject to Availability:** Assistance provided through this activity shall be subject to the availability of funding as determined by HACSB.

## **2. Implementation Update**

Please refer to the timeline for implementation below.

## **3. Timeline for Implementation**

HACSB received approval of this activity via its 2017 Annual MTW Plan, Amendment 1, in April 2017. We are now working to incorporate policy revisions to facilitate implementation of the activity. We anticipate that this activity will be operational by Fall 2017. However, HACSB will only house families through this activity in the event of a locally declared disaster.

## **4. Changes or Modifications**

None.

## **C. Activities on Hold**

### **Activity 3: Alternate Assessment Programs**

This activity was approved in our FY 2009 Annual MTW Plan and was placed on hold in FY 2011.

#### **1. Activity Description**

This activity was approved through HACSB's FY09 Annual MTW Plan and has not been implemented. The activity was placed on hold via HACSB's FY10 Annual MTW Plan.

The activity allows HACSB to opt out of the HUD SEMAP and PHAS scoring systems and establish its own program assessment systems designed to measure the quality and timeliness of work performed under the MTW Agreement.

HACSB formally opted out of the PHAS and SEMAP on December 8, 2010, and will continue to retain its high performer status until a new MTW-wide successor system is adopted, at which time HACSB can be fully scored under that system.

#### **2. Reason(s) for On-Hold Status**

At HUD's 2009 Annual MTW Conference we learned that there was an effort to establish an MTW-wide successor to the Section Eight Management Assessment Program (SEMAP) and Public Housing Assessment Program (PHAS) systems currently in place. Rather than develop its own assessment system, HACSB determined that it would instead place this activity on hold until the MTW-wide assessment system is implemented. The MTW-wide assessment system is still in development, and this activity remains on hold pending approval and implementation of that system.

#### **3. Plan for Reactivation**

HACSB continues to participate in a working group consisting of team members from various MTW agencies nationwide in an effort to develop a replacement assessment. The working group has been actively working on this project and is close to making a recommendation.

#### **4. Reimplementation Timeline**

The exact date for implementation of the MTW-wide assessment system is not yet known. The system will need to be approved by HUD prior to implementation, and a target date has not yet been set.

#### **5. Non-Significant Changes or Modifications**

This activity will apply to the Housing Choice Voucher and Public Housing units transitioned from the Housing Authority of the City of Upland (UHA) to the HACSB upon the effective date of the voluntary transfer.

## **D. Closed Out Activities**

### **Activity 16: Operating Subsidy for Vista del Sol**

#### **1. Approval and Implementation Years**

This activity was approved through the second amendment to our FY 2010 Annual MTW Plan and implemented on April 23, 2010.

#### **2. Reason(s) For Close-Out**

On September 15, 2010, HACSB executed a Project-based Voucher contract, and no longer needs the operating subsidy.

#### **3. Year the Activity was Closed Out**

This activity was closed out via HACSB's FY12 Annual MTW Plan.

### **Activity 21: Utility Allowance Reform**

#### **1. Approval and Implementation Years**

This activity was approved in our FY 2012 Annual MTW Plan; it was never implemented.

#### **2. Reason(s) For Close-Out**

This activity allowed HACSB to develop a flat utility allowance schedule for the Housing Choice Voucher Program based on the consumption methodology versus the traditional engineering methodology. However, subsequent development of other programs—namely, our Five Year Lease Assistance Program and the Streamlined Lease Assistance Programs – eliminate the need for a utility allowance. These programs are designed to incorporate the cost of utilities into the subsidy amount without the need to apply a utility allowance separately. As a result, the utility allowance schedule is no longer necessary.

HACSB will continue to monitor the success of the Streamlined Lease Assistance and Five Year Lease Assistance programs but at this time, the Agency has postponed utility allowance reform indefinitely.

#### **3. Year the Activity was Closed Out**

This activity was never implemented.

# Section V: Sources and Uses of MTW Funds

## A. MTW Plan: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.		
Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 1,462,103
70600	HUD PHA Operating Grants	80,446,183
70610	Capital Grants	6,400,579
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	5,952,276
71100+72000	Interest Income	-
71600	Gain or Loss on Sale of Capital Assets	-
71200+71300+71310+71400+71500	Other Income	347,482
70000	Total Revenue	\$ 94,608,624

**Estimated Uses of MTW Funding for the Fiscal Year**

**PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.**

<b>Uses</b>		
<b>FDS Line Item</b>	<b>FDS Line Item Name</b>	<b>Dollar Amount</b>
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 12,925,156
91300+91310+92000	Management Fee Expense	2,768,406
91810	Allocated Overhead	-
92500 (92100+92200+92300+92400)	Total Tenant Services	1,183,793
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	705,294
93500+93700	Labor	586,803
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	926,536
95000 (95100+95200+95300+95500)	Total Protective Services	-
96100 (96110+96120+96130+96140)	Total Insurance Premiums	247,244
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	42,458
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	108,591
97100+97200	Total Extraordinary Maintenance	2,186,955
97300+97350	Housing Assistance Payments + HAP Portability-In	72,833,141
97400	Depreciation Expense	-
97500+97600+97700+97800	All Other Expenses	-
<b>90000</b>	<b>Total Expenses</b>	<b>\$ 94,514,377</b>

### *Description of Activities that will Use Only MTW Single Fund Flexibility*

In December 2014 HACSB was approved for conversion of its entire Public Housing portfolio under the Rental Assistance Demonstration (RAD) program. As a result, as units are converted the existing Public Housing funding will be converted to voucher funding. The converted funding is subject to the single-fund flexibility authorized under the second amended MTW Agreement between HACSB and HUD, which allows HACSB to combine Public Housing Operating Funds, Public Housing Capital Funds, and voucher program funds, for the purposes specified in the MTW Agreement.

Single-fund flexibility is crucial to HACSB's affordable housing development efforts. By leveraging multiple internal sources (Capital Fund, RHF, Voucher funding), HACSB is able to maximize funding from private sources and therefore is able to develop a greater number of housing units. For example, within the Waterman Gardens public housing revitalization project, single-fund flexibility is utilized to increase RAD contract rents to match local market rent levels, thereby allowing us to generate more private debt and equity necessary for new construction.

#### **Describe the Activities that Will Use Only MTW Single Fund Flexibility**

- 1) HACSB's Local FSS Activity is funded using single-fund flexibility with savings achieved through other MTW activities.
- 2) HACSB's Career Development Initiatives (CDI) department and its services, which are not a separate MTW activity, are also funded using single-fund flexibility.
- 3) In FY 2016-2017 HACSB intends to implement a post-assistance information gathering system for the Term-Limited Lease Assistance Program (Activity 20), including a financial incentive for participation, which will use single-fund flexibility to fund the incentive.



## B. MTW Plan: Local Asset Management Plan

B. MTW Plan: Local Asset Management Plan	
Is the PHA allocating costs within statute?	<input type="checkbox"/> or <input checked="" type="checkbox"/> No
Is the PHA implementing a local asset management plan (LAMP)?	<input checked="" type="checkbox"/> Yes or <input type="checkbox"/>
<p>If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.</p>	
Has the PHA provided a LAMP in the appendix?	<input checked="" type="checkbox"/> Yes or <input type="checkbox"/>
<div>Please see Appendix E.</div>	

## Section VI: Administrative

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- A. **Resolution of the Board of Commissioners** –The resolutions of the Housing Commission and Board of Governors adopting this Annual MTW Plan along with the Certificate of Compliance prescribed by HUD in Exhibit B of the MTW agreement are attached in Appendix A to this Plan.
- B. **Planned Ongoing Evaluation of the Demonstration** – As part of the submission of this plan, HACSB does not have any planned or ongoing Agency directed evaluations of the MTW demonstration.

# Exhibit 1: RAD Conversion Plan

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The Housing Authority of the County of San Bernardino (HACSB) amended its Moving to Work Annual Plan for 2015 because it was a successful applicant in the Rental Assistance Demonstration (RAD) program with respect to its entire Public Housing portfolio and because this will result in the full conversion of HACSB's Public Housing portfolio to units assisted<sup>1</sup> by either Project Based Rental Assistance or Project Based Vouchers, both of which are commonly referred to as "Section 8" units.

## **Conversion to Project Based Rental Assistance or Project Based Vouchers**

Any public housing units converting to assistance under RAD long-term Project Based Rental Assistance or Project Based Voucher contracts shall no longer be subject to the program rules applicable to public housing. The formerly public housing units which become Section 8 units will be subject to the rules of the applicable Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules are intended to apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the Section 8 context.

HACSB currently anticipates converting all public housing units in its portfolio to Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Vouchers, HACSB will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2012-32, REV-1 to be applicable to the Project Based Voucher units. These resident rights, participation, waiting list and grievance procedures are appended to this amendment at Attachment 1. With respect to the Portfolio RAD conversion, the units will be operated consistent with operating policies of HACSB and the all the sites' residents' associations subject to applicable regulatory requirements. All units converted to Project Based Vouchers under the RAD program will be operated consistent with HACSB's Project Based Voucher program rules referenced in this annual plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD Project Based Voucher program referenced above.

During the course of the conversion implementation, the agency will make a final determination regarding whether to convert to Project Based Rental Assistance or Project Based Vouchers. These determinations will be made on a site-by-site basis. A summary of variances between RAD Units and typical Project Based Rental Assistance units and Project Based Voucher units is appended to this amendment at Attachment 2.

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<sup>1</sup> This RAD Conversion Plan does not apply to families residing at the Los Olivos Public Housing site who were formerly served by the Upland Housing Authority and whose assistance was transferred to HACSB through a HUD-approved Voluntary Transfer effective July 1, 2017.

## **Compliance with Fair Housing and Civil Rights Requirements**

HACSB is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

## **Implications of RAD Conversion on the Capital Fund Budget**

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing HACSB with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that HACSB may also borrow funds to address their capital needs. HACSB currently has debt under an Energy Performance Contract and will be working with Bank of America to address outstanding debt issues, which may result in additional reductions of capital or operating funds.

In the event that the RAD applications currently pending and not yet approved are awarded to HACSB, HACSB anticipates the conversion of its entire inventory of public housing units under RAD over the course of the next few years, in which event the Capital Fund Program will be reduced to zero.

Regardless of any funding changes that may occur as a result of conversion under RAD, HACSB certifies that it will maintain its continued service level.

Please find specific information related to the Public Housing Development(s) selected for RAD appended to this amendment at Attachment 3.

## **Resident Rights, Participation, Waiting List and Grievance Procedures**

Additional detail regarding resident rights, participation, waiting list and grievance procedures in connection with the post-conversion Project Based Voucher units is appended to this amendment at Attachment 1.

## **Site Selection and Neighborhood Standards Review**

TBD (Not Applicable at this time)

## **Relocation Plans**

The relocation plans have not yet been finalized for any of the RAD conversion transactions. All current public housing residents will have the right to return to a RAD assisted unit after RAD conversion in the event that relocation is required.

## Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), HACSB is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the normal course of business:

- Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and rehabilitation plan for each approved RAD conversion;
- Changes to the financing structure for each approved RAD conversion;
- The decision to convert to either Project Based Rental Assistance or Project Based Vouchers, such that properties currently identified to convert to Project Based Vouchers may convert to Project Based Rental Assistance and properties currently identified to convert to Project Based Rental Assistance may convert to Project Based Vouchers;
- The date the significant amendment is submitted to the PHA Plan website;
- Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;
- Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and
- Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists.

**Attachment 1**  
**Resident Rights, Participation, Waiting List and Grievance Procedures**  
**Applicable to Properties Converting to Project Based Vouchers**

**Excerpts of PIH Notice 2012-32: Sections 1.6.C and 1.6.D**

**C. PBV Resident Rights and Participation**

- 1. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- 2. Right to Return.** Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.
- 3. Renewal of Lease.** Under current regulations at 24 CFR § 983.257(b)(3), upon lease expiration, a PHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR §983.257(b)(3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.
- 4. Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in

period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section “standard TTP” refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the “most recently paid TTP” refers to the TTP recorded on line 9j of the family’s most recent HUD Form 50058

**Three Year Phase-in:**

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP
- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 40% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 60% of difference between most recently paid TTP and the standard TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 80% of difference between most recently paid TTP and the standard TTP
- Year 5 AR and all subsequent recertifications – Full standard TTP

*Please Note:* In either the three year phase-in or the five-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

- 5. Public Housing Family Self Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS program, subject to the following:

- a. If a PHA has an HCV FSS program, a PHA must convert the PH FSS program participants at the covered project to their HCV FSS program. Please see future FSS Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.
- b. If a PHA does not have an HCV FSS program, the PHA must establish an HCV FSS program and convert the PH FSS program participants at the covered project into their HCV FSS program. PHAs are not required to offer enrollment in FSS to residents in converting projects and other HCV participants, other than to residents in converting projects that were enrolled in the PH FSS program. Please see future FSS Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.

All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984 and in accordance with the participants' contracts of participation. However, residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants.

- 6. **Resident Participation and Funding.** In accordance with Attachment 1B, residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
- 7. **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.
  - a. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:



- i. A reasonable period of time, but not to exceed 30 days:
    - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
    - In the event of any drug-related or violent criminal activity or any felony conviction;
  - ii. 14 days in the case of nonpayment of rent; and
  - iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- b. Grievance Process.** HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will waive 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR §982.555(a)(1)(i)-(vi),<sup>2</sup> an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
  - For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.
- ii. An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.
- iii. The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR §

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<sup>2</sup> § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate has been repealed.

982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).

- iv. The PHA (as owner) provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

- 8. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

- 9. **Capital Fund Education and Training Community Facilities (CFCF) Program.**

CFCF provides capital funding to PHAs for the construction, rehabilitation, or purchase of facilities to provide early childhood education, adult education, and job training programs for public housing residents based on an identified need. Where a community facility has been developed under CFCF in connection to or serving the residents of an existing public housing project converting its assistance under RAD, residents will continue to qualify as "PHA residents" for the purposes of CFCF program compliance. To the greatest extent possible the community facility should continue to be available to public housing residents

#### **D. PBV: Other Miscellaneous Provisions**

- 1. **Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

2. **Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.<sup>3</sup>
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** Under existing PBV program rules, projects that qualify as "existing housing" under 24 CFR § 983.52(a) are not subject to Davis-Bacon (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) or Section 3 (24 CFR Part 135). However, the Davis-Bacon Act and Section 3 shall apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation, regardless of whether the project qualifies as "existing housing." Developmental requirements under 24 CFR §983.154 and fair housing provisions under 24 CFR § 983.152(c)(vi) continue to apply.<sup>4</sup>
4. **Establishment of Waiting List.** In establishing the waiting list for the converted project, the PHA shall utilize the project-specific waiting list that existed at the time of conversion, unless the assistance is being transferred to another neighborhood. If a project-specific waiting list does exist, but the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list. In addition, the waiting list must be established and maintained in accordance with PBV program requirements.

If a project-specific waiting list for the project does not exist, the PHA shall establish a waiting list in accordance 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. For the purpose of establishing the initial waiting list, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, PHA resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the PHA's policies for waiting list management, including the obligation to affirmatively further fair housing.

A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through

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<sup>3</sup> For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

<sup>4</sup> Applicable to projects with nine or more units.

various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).<sup>5</sup>

To implement this provision, HUD is waiving 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

5. **Mandatory Insurance Coverage.** The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.
6. **Agreement Waiver.** For public housing conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived.
7. **Future Refinancing.** Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)
8. **Administrative Fees for Public Housing Conversions.** For the initial Calendar Year in which a project's assistance has been converted, RAD PBV projects will be funded with public housing money. Since the public housing funding will not have been transferred to the TBRA account and since this funding is not section 8 assistance the annual contributions contract (ACC) between the PHA and HUD will cover the project units, but be for zero dollars. For this transition period, the ACC will primarily serve as the basis for covering the units and requiring PHA compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that PHAs will be receiving full public housing funding for the PBV units during this transition period, PHAs will not receive

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<sup>5</sup> For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

ongoing section 8 administrative fee funding during this time.

Generally, PHAs receive ongoing administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units.

After this transition period, the ACC will be amended to include section 8 funding that corresponds to the units covered by the ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

## Attachment 2

### List of RAD Program Elements Affecting Resident Rights and Participation Waiting List and Grievance Procedures for PBV and PBRA (Variances Between RAD Units and Typical PBV or PBRA Units)

Project Based Voucher Requirements (Section 1.6.C of PIH Notice 2012-32)	Project Based Rental Assistance Requirements (Section 1.7.D of PIH Notice 2012-32)
<ol style="list-style-type: none"> <li>1. No re-screening of tenants upon conversion;</li> <li>2. Resident right to return if relocated as a result of conversion;</li> <li>3. Phase-in of tenant rent increase: If the rent increase is the greater of 10% or \$25, the increase will be phased in over 3 years or up to five years, as determined by the PHA;</li> <li>4. Continued eligibility for PH-FSS and ROSS-SC programs;</li> <li>5. Resident Participation and Funding. Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding. See Attachment 1B of PIH Notice 2012-032.</li> <li>6. Termination notification: PHA must provide written notification of termination of lease within a reasonable time: <ol style="list-style-type: none"> <li>i. not to exceed 30 days if health or safety of other tenants, PHA employees or persons residing in the vicinity are threatened or in the event of drug-related or violent criminal activity or any felony conviction;</li> <li>ii. 14 days for non-payment of rent;</li> <li>iii. 30 days in any other case unless State or local law provide for a shorter time period.</li> </ol> </li> <li>7. Grievance process - See PIH Notice 2012-32 Section 1.6.C.7</li> <li>8. Establishment of Waiting List - See PIH Notice 2012-32 Section 1.6D</li> <li>9. Earned Income Disregard – Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR §5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. (Please see PIH Notice 2012-32, Section 1.6.C.8.)</li> <li>10. Resident Participation and Funding - See PIH Notice 2012-32 Attachment 1B.2</li> <li>11. Renewal of Lease - PHA's are required to renew the lease at expiration unless good cause exists for non-renewal.</li> </ol>	<ol style="list-style-type: none"> <li>1. No re-screening of tenants upon conversion;</li> <li>2. Resident right to return if relocated as a result of conversion;</li> <li>3. Phase-in of tenant rent increase: If the rent increase is the greater of 10% or \$25, the increase will be phased in over 3 years or up to five years, as determined by the PHA;</li> <li>4. Continued eligibility for PH-FSS and ROSS-SC programs;</li> <li>5. Resident Participation and Funding. Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding. See Attachment 1B of PIH Notice 2012-032.</li> <li>6. Termination notification: PHA must provide written notification of termination of lease within a reasonable time: <ol style="list-style-type: none"> <li>i. not to exceed 30 days if health or safety of other tenants, PHA employees or persons residing in the vicinity are threatened or in the event of drug-related or violent criminal activity or any felony conviction;</li> <li>ii. 14 days for non-payment of rent;</li> <li>iii. in all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2012-32, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply;</li> </ol> </li> <li>7. Grievance process - See PIH Notice 2012-32 Section 1.7.B.6</li> <li>8. Establishment of Waiting List - See PIH Notice 2012-32 Section 1.7.C</li> <li>9. Earned Income Disregard – Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR §960.255. If a tenant requests that the EID cease, or upon the expiration of the EID for such tenants, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision, as described in Section 1.7.B.3; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. (Please see PIH Notice 2012-32, Section 1.7.B.7.)</li> <li>N/A</li> <li>N/A</li> </ol>

### Attachment 3

#### Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

Development Name	Waterman Gardens – Scattered Sites
PIC Development ID #	CA019000120
Conversion Type	PBV (Tentative)
Total Current Units	97
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	27 One-Bedroom Units 32 Two-Bedroom Units 28 Three-Bedroom Units 10 Four-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB’s public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP awarded

### Attachment 3 (continued)

#### Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

Development Name	Maplewood Homes (Wilson Street)
PIC Development ID #	CA019000130
Conversion Type	PBV (Tentative)
Total Current Units	330
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	34 One-Bedroom Units 126 Two-Bedroom Units 116 Three-Bedroom Units 48 Four-Bedroom Units 6 Five-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP awarded



**Attachment 3 (continued)**  
**Specific Information Related to the**  
**Public Housing Developments Selected for RAD**

Currently Approved RAD Application:

Development Name	Scattered Sites (Brockton)
PIC Development ID #	CA019000150
Conversion Type	PBV (Tentative)
Total Current Units	75
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	10 One-Bedroom Units 26 Two-Bedroom Units 26 Three-Bedroom Units 10 Four-Bedroom Units 3 Five-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP awarded

### Attachment 3 (continued)

#### Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

Development Name	Scattered Sites (East 9 <sup>th</sup> Street)
PIC Development ID #	CA019000150
Conversion Type	PBV (Tentative)
Total Current Units	12
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	12 Two-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP pending, approved under portfolio application approval

### Attachment 3 (continued) Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

Development Name	Scattered Sites (Chino)
PIC Development ID #	CA019000160
Conversion Type	PBV (Tentative)
Total Current Units	50
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	8 One-Bedroom Units 18 Two-Bedroom Units 16 Three-Bedroom Units 6 Four-Bedroom Units 2 Five-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP awarded

### Attachment 3 (continued)

#### Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

Development Name	Scattered Sites (Pine Street - Colton)
PIC Development ID #	CA019000160
Conversion Type	PBV (Tentative)
Total Current Units	125
Pre-RAD Unit Type	Family/Senior
Post-RAD Unit Type	Family/Senior
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	4 Zero-Bedroom Units 42 One-Bedroom Units 32 Two-Bedroom Units 34 Three-Bedroom Units 10 Four-Bedroom Units 3 Five-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP pending, approved under portfolio application approval

### Attachment 3 (continued)

#### Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

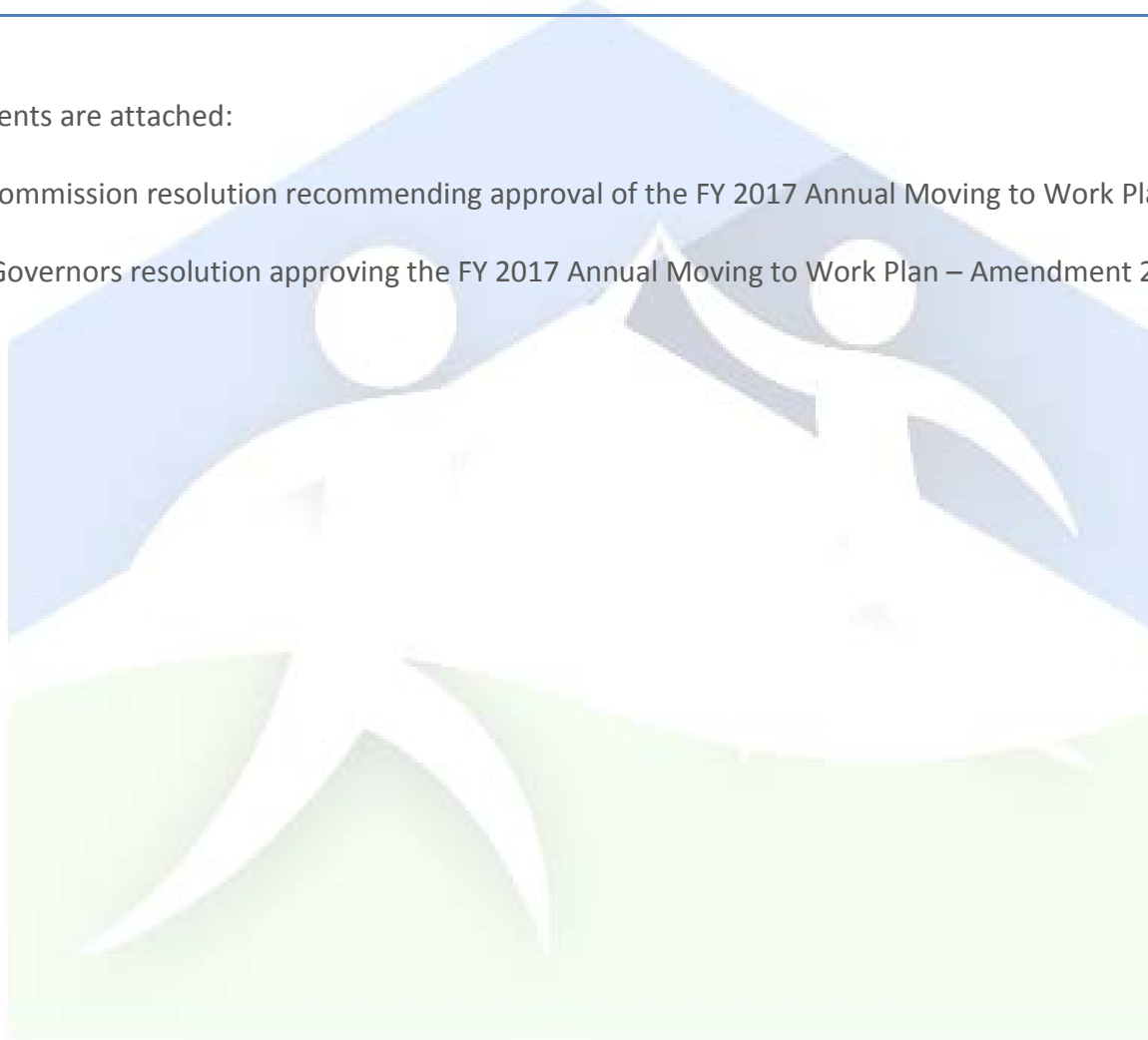
Development Name	Bighorn Complex (Barstow)
PIC Development ID #	CA019000170
Conversion Type	PBV (Tentative)
Total Current Units	217
Pre-RAD Unit Type	Family/Senior
Post-RAD Unit Type	Family/Senior
Capital Fund Grant to Project	TBD - \$0 at this time
Pre-Conversion Bedroom Type	59 One-Bedroom Units 58 Two-Bedroom Units 61 Three-Bedroom Units 26 Four-Bedroom Units 13 Five-Bedroom Units
Post-Conversion Bedroom Type	HACSB anticipates the same distribution post-conversion
Transfer of Assistance	None anticipated.
De Minimis Reduction	None currently projected
Unit Reconfiguration	None currently projected
Transfer of Waiting List	Upon conversion to RAD, applicants on HACSB's public housing waiting list will be moved onto a HACSB site based PBV waiting list. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV waiting list.
Other Information	CHAP pending, approved under portfolio application approval

# Appendix A: Board Resolution

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The following documents are attached:

1. Housing Commission resolution recommending approval of the FY 2017 Annual Moving to Work Plan – Amendment 2
2. Board of Governors resolution approving the FY 2017 Annual Moving to Work Plan – Amendment 2



**RESOLUTION NO. 34**

**A RESOLUTION OF THE HOUSING COMMISSION OF THE HOUSING AUTHORITY OF THE  
COUNTY OF SAN BERNARDINO RECOMMENDING APPROVAL TO THE BOARD OF  
GOVERNORS FOR THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S  
FISCAL YEAR 2016-17 ANNUAL MOVING TO WORK PLAN, AMENDMENT NO. 2**

**WHEREAS**, the HACSB entered into a Moving to Work (MTW) contract with HUD effective March 14, 2008, which governs the regulations of the administration of the Housing Choice Voucher and Public Housing programs; and

**WHEREAS**, as an MTW agency the HACSB is required to and has prepared an Annual MTW Plan which describes its operations and activities as an MTW agency; and

**WHEREAS**, the HACSB desires to implement the new Tax Credit Affordable Housing Support MTW activity to provide rental assistance to low-income families residing in tax credit and other affordable housing developments and to help support the development of such units; and

**WHEREAS**, the HACSB desires to apply its MTW activities to families whose assistance is transferred from the Upland Housing Authority (UHA) to the HACSB as a result of the voluntary transfer of the UHA programs to the HACSB; and

**WHEREAS**, the HACSB has developed Amendment No. 2 to its Fiscal Year 2016-17 Annual MTW Plan to include the new activity and modifications to existing activities to incorporate the UHA families;

**NOW, THEREFORE, THE HOUSING COMMISSION OF THE HOUSING AUTHORITY OF  
THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:**

Section 1. The Housing Commission finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The Housing Commission hereby recommends that the Board of Governors approve the proposed Fiscal Year 2016-17 HACSB Annual MTW Plan, Amendment No. 2.

Section 3. This Resolution shall take effect immediately upon its adoption.


**PASSED AND ADOPTED** by the Housing Commission of the Housing Authority of the County of San Bernardino, State of California, by the following vote:

**AYES:** Commissioner Johnson, Miller, Cooper, Saucedo and Yule

**NOES:**

**ABSENT:** Commissioner Munoz

STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN BERNARDINO    )     ss.

By   
Date May 9, 2017

## Appendix B: Public Process

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The following steps have been or will be taken by HACSB to ensure a thorough public process in the development and adoption of the FY 2017 Annual MTW Plan, Amendment 2:

March 17, 2017	Plan posted on HACSB website; Public comment period opened.
March 20, 2017	Plan available at all HACSB offices throughout the county.
March 23, 2017, through March 30, 2017	Public notices published in local newspapers - San Bernardino County Sun, Black Voice, El Chicano, Inland Valley Daily Bulletin, Precinct Reporter, Daily Press, and The Press Enterprise, announcing the public hearing. Text of Public Hearing notice included in Appendix B.
April 14, 2017	Plan presented to Resident Advisory Board (RAB). Comments included in Appendix B.
April 11, 2017, and April 12, 2017	Public Hearings held. Minutes included in Appendix B.
April 17, 2017	Public comment period closed.
May 9, 2017	Plan presented to HACSB Housing Commission for recommendation for approval by HACSB Board of Governors. Resolution included in Appendix A.
June 13, 2017	Plan presented for approval by HACSB Board of Governors. Resolution included in Appendix A.



## NOTICE OF PUBLIC HEARING

On March 14, 2008, the U.S. Department of Housing and Urban Development (HUD) executed a ten-year Moving to Work (MTW) Agreement with the Housing Authority of the County of San Bernardino (HACSB) and in April 2016 that agreement was extended through 2028. As an MTW agency, HACSB is provided with more flexibility and authorization to develop policies that are outside the limitations of certain HUD regulations in order to more successfully achieve its mission and program goals, and to enhance its ability to serve the needs of low-income families in San Bernardino County.

In continuing to develop its MTW program and address community and client needs, HACSB has prepared Amendment 2 to its Fiscal Year (FY) 2016-17 Annual MTW Plan. The Plan will be made available to the public for review for 30 days starting Friday, March 17, 2017, at the following location:

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

The Plan is available on HACSB's website at [www.hacsb.com](http://www.hacsb.com) under the "MTW Plans, Reports, and Factsheets" section and at any HACSB satellite office.

Notice is hereby given that HACSB will conduct a public hearing regarding the proposed Plan on Tuesday, April 11, 2017 at 10:00 a.m. and Wednesday, April 12, 2017, at 2:00 p.m. at 715 E. Brier Drive, San Bernardino, CA 92408. If a citizen wishes to challenge the nature of the above action(s) in court he/she may be limited to raising only those issues he/she or someone else raised at the public hearing described in this notice, or in written correspondence delivered Monday through Friday to the HACSB office located at 715 E. Brier Drive, San Bernardino, CA 92408 prior to the hearing.

In accordance with the Rehabilitation Act of 1973, HACSB will make reasonable efforts to accommodate persons with disabilities. Please call (909) 890-0644 at least three days in advance if you require special accommodations.

*HACSB offers language assistance free of charge. For assistance with this document, please contact our office at (909) 890-0644.*

*HACSB ofrece asistencia idiomática gratis. Para ayuda con este documento, por favor llámenos al (909) 890-0644.*

Equal Housing Opportunity.

## HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

### PUBLIC HEARINGS

APRIL 11, 2017, AND APRIL 12, 2017

The Housing Authority of the County of San Bernardino (HACSB), California held a public hearing for the Fiscal Year 2016-2017 Annual Moving to Work (MTW) Plan, Amendment 2, at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on Tuesday, April 11, 2017, at 10:00 a.m. and Wednesday April 12, 2017, at 2:00 p.m.

#### **Housing Authority Attendees:**

Nicole Beydler, Senior Management Analyst

Renee Kangas, Management Analyst

#### **Other Attendees:**

None.

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

The purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the Housing Authority of the County of San Bernardino's Fiscal Year 2016-2017 Annual Moving to Work Plan, Amendment 2, before submission to the Housing Authority's Housing Commission, Board of Governors, and HUD for approval.

The proposed amended Plan was made available for public viewing for 30 days beginning March 17, 2017. The plan was advertised in the local newspapers, on the HACSB website, and copies were available at all HACSB offices located throughout the county.

## **II. Call for Public Comments**

On Tuesday April 11, 2017 the public hearing convened at 10:00 a.m., with Nicole Beydler, Senior Management Analyst, and Renee Kangas, Management Analyst, presiding. Copies of the Plan were made available for review. No members of the public attended and no public comments were received.

The public hearing ended at 10: 30 a.m.

On Wednesday April 12, 2017 the public hearing convened at 2:00 p.m., with Nicole Beydler, Senior Management Analyst, and Renee Kangas, Management Analyst, presiding. Copies of the Plan were made available for review. No members of the public attended and no public comments were received.

The public hearing ended at 2:20 p.m.



**HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
RESIDENT ADVISORY COUNCIL BOARD MEETING**

**APRIL 14, 2016**

The Resident Advisory Council Board was presented with a summary of the proposed FY 2016-2017 Annual Moving to Work Plan, Amendment 2, including the proposed new MTW Activity 27: Tax Credit Affordable Housing Support, and proposed modifications to approved MTW activities for the transition of Housing Authority of the City of Upland (UHA) families to HACSB MTW programs at their regular meeting on Friday, April 14, 2017. A list of attendees and their comments follows.

**List of Attendees:**

**Resident Advisory Board Members:**

1. Roxanne Chiappone
2. Cassie Ford
3. Brigita Miller

**Guests**

1. Khiari Singleton
2. Marchaira Greely
3. Valerie Bennett

**HACSB Staff:**

1. Marcia Waggoner
2. Darlene McIntosh
3. Luanne Rodriguez
4. Janice Simmons-Rogers
5. Deena Peeplez
6. Chazzney Russell
7. Leia Sterling
8. Renee Kangas
9. Nicole Beydler

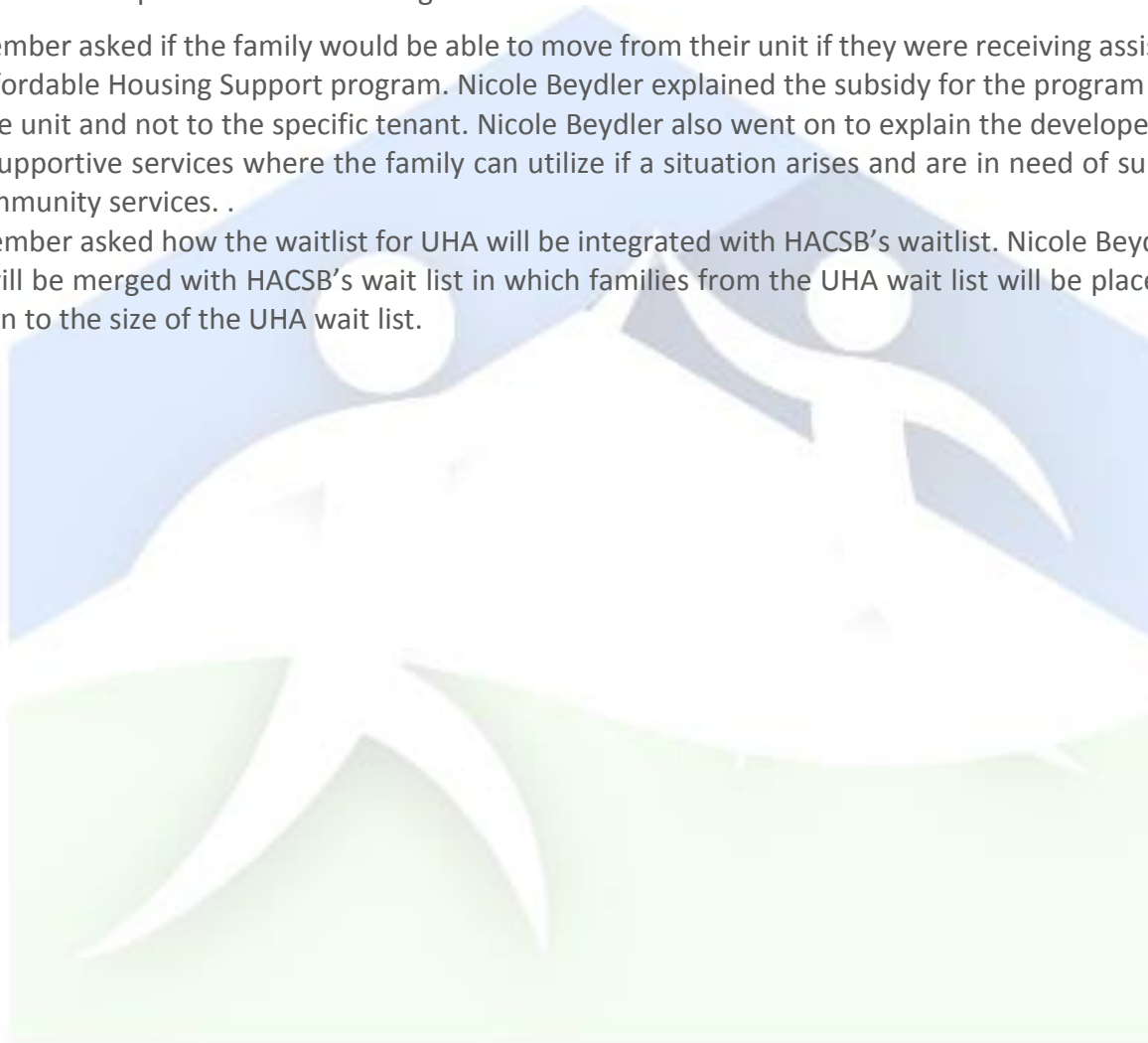
**Summary of Proposed 2017 Annual MTW Plan, Amendment 2**

A presentation explaining the Moving to Work program, annual plan process, and details of the proposed change to the FY 2017 MTW Plan to include proposed modifications to approved MTW activities was made by Nicole Beydler, Senior Management Analyst, and Renee Kangas, Management Analyst, at the meeting. Nicole Beydler and Renee Kangas also explained how feedback from the Resident Advisory Board and the public would be incorporated into the final amended plan submitted to HUD for approval.

**Comments**

The Resident Advisory Board expressed their approval of the proposed new MTW activity. Questions and comments were made by the RAB and HACSB staff present at the meeting:

- A RAB member asked if the family would be able to move from their unit if they were receiving assistance through the Tax Credit Affordable Housing Support program. Nicole Beydler explained the subsidy for the program is project-based and is tied to the unit and not to the specific tenant. Nicole Beydler also went on to explain the developer would be required to provide supportive services where the family can utilize if a situation arises and are in need of support or connecting to other community services. .
- A RAB member asked how the waitlist for UHA will be integrated with HACSB's waitlist. Nicole Beydler explained the UHA waitlist will be merged with HACSB's wait list in which families from the UHA wait list will be placed on the HACSB list in proportion to the size of the UHA wait list.



**Housing Authority of the County of San Bernardino  
Capital Fund Program- Five Year Plan & Budget (2016-2020)**

<b>AMP 202</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Waterman Gardens	San Bernardino	252	762,000	2016	Redevelopment Activity (phase 1)
Waterman Gardens	San Bernardino	252	500,000	2017	Redevelopment Activity
Waterman Gardens	San Bernardino	252	500,000	2018	Redevelopment Activity
Waterman Gardens	San Bernardino	252	500,000	2019	Redevelopment Activity
Waterman Gardens	San Bernardino	252	500,000	2020	Redevelopment Activity

\* note: balance of units in AMP 202 have completed RAD conversion as of 4/2016

**Total- AMP 202** 2,762,000

<b>AMP 203</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>

\* note: balance of units in AMP 203 have completed RAD conversion as of 4/2016

**Total- AMP 203** -

<b>AMP 205</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-32 - E. 9th St.	Redlands	12	60,000	2016	Misc. dwelling Improvements
Redlands - Lugonia Site	Redlands	115	200,000	2016	Redevelopment Activities (demolition)
Redlands - Lugonia Site	Redlands	115	500,000	2017	Redevelopment Activities
Redlands - Lugonia Site	Redlands	115	500,000	2018	Redevelopment Activities
Redlands - Lugonia Site	Redlands	115	500,000	2019	Redevelopment Activities
Redlands - Lugonia Site	Redlands	115	500,000	2020	Redevelopment Activities

\* note: balance of units in AMP 205 have completed RAD conversion as of 4/2016

**Total- AMP 205** 2,260,000

**Housing Authority of the County of San Bernardino  
Capital Fund Program- Five Year Plan & Budget (2016-2020)**

<b>AMP 206</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-10 - Colton	Colton	40	15,000	2016	Site Improvements
Cal 19-04 - Colton	Colton	85	85,000	2016	Site Improvements

\* note: balance of units in AMP 206 have completed RAD conversion as of 4/2016

**Total- AMP 206** 100,000

<b>AMP 207</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-07, 12 - Barstow	Barstow	114	128,339	2016	Misc. Dwelling Improvements
Cal 19-13, 34 - Barstow	Barstow	104	149,705	2017	Misc. Dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	100,634	2017	Misc. Dwelling Improvements
Cal 19-13, 34 - Barstow	Barstow	104	107,505	2018	Misc. Dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	142,834	2018	Misc. Dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	125,834	2019	Site Improvements
Cal 19-13, 34 - Barstow	Barstow	104	124,505	2019	Site Improvements
Cal 19-07, 12 - Barstow	Barstow	114	112,839	2020	Misc. Dwelling Improvements
Cal 19-13, 34 - Barstow	Barstow	104	137,500	2020	Misc. Dwelling Improvements

**Total- AMP 207** 1,129,695

<b>AMP 208</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-32, 19-42	High Desert	6	-		Section 32 homes being sold

**Total- AMP 208** -

**Housing Authority of the County of San Bernardino  
Capital Fund Program- Five Year Plan & Budget (2016-2020)**

<b>AGENCY WIDE</b>					
<b>Development Account</b>			<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Operations			0	2016-2020	Operations
Development Activities			584,100	2016-2020	Replacement Housing Factor
Management Improvements			370,000	2016-2020	Self Sufficiency Programs
Administration			306,049	2016-2020	10% limit
Fees & Costs			400,000	2016-2020	A&E/Consultants, Inspection Costs
Audit			0	2016-2020	Audit Program
Non-Dwelling Equipment			0	2016-2020	Misc equipment
Relocation Costs			150,000	2016-2020	Misc Relocation Costs
Debt Service Pledge			0	2016-2020	CFFP repaid w/ 501-11
Subtotal Annual Agency Wide Activities			1,810,149		
<b>Total - Agency Wide</b>	<b>X5 years</b>		<b>9,050,745</b>		
<b>Grand Total- All AMP's</b>			<b>15,302,440</b>		
Annual Allocation (including RHF)			3,060,488		



Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>					
<b>PHA Name:</b> HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO		<b>Grant Type and Number</b> Capital Fund Program Grant No: CA 16PO19501-16 Replacement Housing Factor Grant No: CA16R0195016 Date of CFFP:			<b>FFY of Grant: 2016</b> <b>FFY of Grant Approval: 2016</b>
<b>Type of Grant</b> <input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no:                      )</b> <input type="checkbox"/> <b>Performance and Evaluation Report for Period Ending:</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	0			
3	1408 Management Improvements	370,000			
4	1410 Administration (may not exceed 10% of line 21)	306,049			
5	1411 Audit	0			
6	1415 Liquidated Damages				
7	1430 Fees and Costs	400,000			
8	1440 Site Acquisition				
9	1450 Site Improvement	100,000			
10	1460 Dwelling Structures	188,339			
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures	0			
13	1475 Non-dwelling Equipment	0			
14	1485 Demolition	200,000			
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs	150,000			
17	1499 Development Activities <sup>4</sup>	1,346,100			

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 4/30/2011**

<b>Part I: Summary</b>					
<b>PHA Name:</b> <b>HOUSING</b> <b>AUTHORITY OF</b> <b>THE COUNTY OF</b> <b>SAN</b> <b>BERNARDINO</b>	<b>Grant Type and Number</b> Capital Fund Program Grant No: CA 16PO19501-16 Replacement Housing Factor Grant No: CA16R01950116  Date of CFFP:	<b>FFY of Grant: 2016</b> <b>FFY of Grant Approval: 2016</b>			
<b>Type of Grant</b> <input checked="" type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no:           )</b> <input type="checkbox"/> <b>Performance and Evaluation Report for Period Ending:</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,060,488			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

<b>Part II: Supporting Pages</b>								
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO			Grant Type and Number Capital Fund Program Grant No: CA 16PO19501-16 CFFP (Yes/ No): No Replacement Housing Factor Grant No: CA16R01950116			Federal FFY of Grant: 2016		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
<b>AMP 202</b>								
Cal 19-2	Development Activities	1499		762,000				
	Relocation Costs	1495.1		100,000				
<b>AMP 205</b>								
Cal 19-1,8,9	Development Activities (RHF)	1499		584,100				
	Relocation Costs	1495.1		50,000				
	A&E Construction Documents	1430		250,000				
	Demolition	1485		200,000				
Cal 19-32 E. 9 <sup>th</sup> St.	Misc. Dwelling Improvements	1460		60,000				
<b>AMP 206</b>								
Cal 19-10	Misc. Site Improvements	1450		15,000				
Cal 19-04	Misc. Site Improvements	1450		85,000				
<b>AMP 207</b>								
Cal 19-07,12	Misc. Dwelling Improvements	1460		128,339				
Cal 19-07,12	A&E Construction Documents	1430		150,000				

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

[illegible]

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO				Federal FFY of Grant: 2016	
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
AMP 202	04/12/2018		04/12/2019		
AMP 205	04/12/2018		04/12/2019		
AMP 206	04/12/2018		04/12/2019		
AMP 207	04/12/2018		04/12/2019		

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

# Appendix E: Local Asset Management Program

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The First Amendment to the Standard MTW agreement executed on May 21, 2009 allowed HACSB to design and implement a local asset management program. The program should include a description of how it is implementing property based management, budgeting, accounting and financial management and any deviations from HUD's asset management requirements. In our FY 2010 MTW Annual Plan, we first described our asset management program and amended it through our FY 2010 MTW Plan – Amendment 3 approved on September 15, 2010. Prior to our designation as an MTW agency, HACSB developed a comprehensive 30 year strategic plan in 2008 that serves as a guiding map in achieving our mission, vision and goals. Some of the goals of our plan include helping our participants achieve self-sufficiency, providing timely housing assistance to needy families, increasing housing options and strengthening our agency, our residents and our community. As good stewards of taxpayer's dollars, we pride ourselves in achieving administrative efficiency while providing the best quality service to the families that we serve. Upon closer examination, we feel that the indirect cost rate methodology will best serve our mission, versus our current fee-for-service methodology. In accordance with the federal Office of Management and Budget (OMB) Circular A-87, we elect to establish a cost allocation methodology to allocate direct and indirect costs and establish an indirect cost rate. The cost allocation plan along with the indirect cost rate is described in detail below and we agree to justify the indirect cost rate established.

HACSB did a detailed examination of our current agency structure including our Central Office Cost Center (COCC) structure and confirmed how intertwined our Central Office was to the agency as a whole. The work done by various departments has resulted in agency wide solutions and it is our combined efforts that will help us achieve our goals. This strengthens the need for an indirect cost rate methodology that allows the flexibility to combine resources and achieve inter-department solutions that are represented as a simple unified solution for the families that we serve and our agency. We wish to keep the funding and administrative processes indistinguishable in the eyes of our customers and hope that our collective efforts at various levels provide the best services, the best support, and the best housing choices for our families. This has led to a centralized effort in many services like information technology, community affairs, administrative services, waiting list and development. Details on some of our departments are provided below.

**Information Services (I.S.)** – Our centralized I.S. department is responsible for the network and server administration, database and software administration, telecommunications and software and report developments for the entire agency. This is done with a dedicated team of four individuals that support 154 agency computers in 10 locations throughout our county. They respond to an average of 50 help desk tickets a week that result in around 20 site visits per week. In addition, in February 2010, we were awarded the competitive BTOP grant to provide high speed technology access to underserved communities. Post grant ending, HACSB has continued to fund these centers, which currently consist of four (4) computer centers that are served by three (3) computer technicians and host 24 personal computers and 16 Apple Mac's. Our IS team provides the necessary technical support and manages the computer centers. Our agency partnered with the Career Institute to provide free career, education and job counseling services at these centers.

**Community Affairs** – Our centralized community affairs department assists in making and strengthening partnerships throughout the County to leverage services and programs to assist our residents in achieving self-sufficiency. These partners include schools, non-profit community organizations, health and human service providers, financial institutions, elected officials, and so forth. Through these efforts, our housing sites are able to sustain services such as child care, financial literacy courses, health services, parenting courses, to name a few examples.

In an effort to outreach to services of greatest need among our residents, in 2010, we partnered with Loma Linda University (LLU) to conduct a detailed needs assessment for one of our Public Housing communities- Maplewood Homes Community (formerly known as Medical Center, 296 units) to determine the appropriate partners that could serve our residents based on resident input and professional analysis. As a result, LLU staff and students will assist with follow up by providing on-site case work management and varying topic workshops in response to the assessment findings.

As monies from the federal government continue to deplete for resident services, HACSB was proactive in 2011 by establishing an affiliate nonprofit K.E.Y.S. (Knowledge Education for Your Success) to support resident and community initiatives and client self-sufficiency activities. The mission of KEYS is to empower low income families in San Bernardino County, to unlock their potential for success. Our efforts are not restricted to resident self-sufficiency, and KEYS is an example of the additional work that we have accomplished to improve the quality of life for our residents.

Specifically, in an effort to improve the quality of life for residents, HACSB acknowledged the serious health issues caused by second hand smoke and partnered with the County Department of Public Health to search for viable solutions. Though our vast efforts of



educating our residents on the harmful effects of smoking, and surveying them for their feedback, we have transitioned several of our affordable housing sites to 100% smoke free developments. This was an effort achieved through the strength of our partnership and the educational health resources provided to our residents.

**Administrative Services** – The Administrative Services department assists other offices by providing oversight on matters pertaining to the agency’s compliance with state and federal requirements. As an example, this department works to ensure compliance with annual filings of Statement of Economic Interests, the Brown Act, Public Records Requests, Fair Housing and Americans with Disabilities Act (ADA). An agency-wide Needs Assessment is currently being conducted to ensure compliance with current ADA requirements, which will include input from outside agencies and a plan to address any deficiencies. This department also handles our legal issues and is our liaison between the agency and the legal team.

**Development** – Our centralized Office of Real Estate Development team is responsible for all Real Estate acquisition, rehabilitation, redevelopment and new construction projects. Our dedicated project managers often eliminate the costs associated with outside development and/or construction management consultants. The staff is continuously available to all AMPS as a technical, as well as planning and implementation resource for non-routine maintenance and emergency rehabilitation projects. The Department manages the completion of all Physical Needs Assessments and due diligence reports for the entire portfolio of HACSB residential developments. This department also oversees all of the Capital Fund improvement and rehabilitation projects within the public housing portfolio and administers all grant funding and debt financing that can be associated. Lately, the development team has been actively involved in implementing energy efficiency projects and in 2010 was awarded a \$1.84 million grant at our Maplewood Homes Community (leverage funds for the CFRC grant). This project is currently under construction. Finally, Development administers a very successful homeownership program that has helped 135 families overcome their barriers and achieve the American dream of owning a home. It is a program utilizing a variety of methods to achieve goals for our clients, including Section 32 (converted public housing), Section 8 Homeownership, and a Community Land Trust.

**Procurement** - Our centralized procurement department is responsible for agency wide contracts enable higher cost savings and fiscal prudence. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized procurement staff to define scopes of work, and ensuring the work is done properly.

### **Local Asset Management Implementation**

Leadership - Our local asset management program will be led by a leadership team consisting of representatives from the following departments: housing programs, development, finance, administrative services, human resources, information technology, procurement and community affairs and policy. They will meet on a biweekly basis to review the combined efforts and ensure the agency is striving to achieve its long-term objectives. This team is also responsible for our Strategic Plan and charts the path annually while ensuring significant milestones are met.

**Project-based Management** - We expect that all of our programs, regardless of funding source, to be accountable for project-based management, budgeting, and financial reporting. We apply the same expectation of aligning responsibility and accountability to those services that are managed centrally.

HACSB has been operating under project-based budgeting and accounting practices since 2006. We have developed systems and reports to facilitate the onsite management and analysis of budgets, expenses, rent collection and receivables, and purchasing. In accordance with HUD Asset Management guidance, HACSB decentralized its maintenance program in 2008 and each AMP was assigned maintenance personnel, depending on the size and maintenance requirements of the properties in the AMP. HACSB has a decentralized purchasing model for the acquisition of goods. Sites staff use a simple purchasing system that enables them to be able to purchase goods directly from their pool of vendors while still enabling management staff to track spending habits. While the acquisition of goods is decentralized, the agency has adopted a hybrid approach to the acquisition of its services. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized procurement staff to define scopes of work, and ensuring the work is done properly.

**Cost Allocation Approach** - Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, HACSB has identified all of its direct costs and segregated all its costs into pools, as either a direct or an indirect cost pool.

**Direct Costs** - OMB Circular A-87 defines direct costs as follows: Direct costs are those that can be identified specifically with a particular final cost objective. HACSB's direct costs include, but are not limited to:

- Contract costs readily identifiable with delivering housing assistance to low-income families.
- Housing Assistance Payments, including utility allowances, for vouchers
- Utilities
- Insurance
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees
- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating HACSB-owned properties
- Fleet management fees
- Maintenance services for unit or property repairs or maintenance
- Maintenance services include, but are not limited to, landscaping, pest control, decorating and unit turnover
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning HACSB-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as HACSB receives grants

**Indirect Costs** - OMB Circular A-87 defines indirect costs as those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. HACSB's indirect costs include, but are not limited to:

- Executive
- Communications
- Certain legal expenses
- Development
- Finance
- Purchasing
- Human Resources
- Housing Finance and Asset Management
- Administration staff and related expenses of the Housing Operations and Rental Assistance Departments that cannot be identified to a specific cost objective.

**Indirect Services Fees** - HACSB has established Indirect Services Fees based on anticipated indirect costs for the fiscal year. Any indirect costs incurred by HACSB in support of its projects and programs will be incurred by the Central Office Cost Center (COCC) and charged out to the programs in the form of a fee. The four fees are:

- Asset Management Fees
- Management Fees
- Bookkeeping Fees
- Indirect Services Fees

**Asset Management Fees** – This fee was described in Plan Year 2010 and was modified through our third amendment to the FY 2010 MTW Annual Plan. The Asset Management Fee uses our fungibility to transfer funds among AMPS and allows us to charge an asset management fee, regardless of whether a project has excess cash. The COCC will continue to charge the Asset Management to the AMPS at the HUD's determined rate of \$10 per ACC unit

**Management Fees** – The COCC will continue to charge the Management Fee at the HUD's determined rate of \$70.64 per units leased to the AMPS and 20% of Administrative Fees for Housing Choice Voucher program.

**Bookkeeping Fees** - The COCC will continue to charge the Bookkeeping Fee at the HUD's determined rate of \$7.50 per unit leased to the AMPS and the Housing Choice Voucher program.

**Indirect Service Fees** – Before calculating the per unit indirect service fees, HACSB indirect costs are offset by designated revenue. Offsetting revenue includes 10 percent of the MTW Capital Fund Grant award, Asset Management Fees, Management Fees, Bookkeeping Fees, and other revenues. A per unit cost is calculated using the remaining net indirect costs divided by the number of units and the number of leased vouchers. For the 2015 budget, the per-unit per month (PUM) cost is \$0.

Per the requirements of OMB Circular A-87, the indirect services fees are determined in a reasonable and consistent manner based on total units and/or leased vouchers. The fees are calculated as a per-housing-unit or per-leased-voucher per month charged to each program. HACSB will annually review all of its indirect service fees charges in relation to actual indirect costs and will incorporate appropriate adjustments in indirect service fees for the subsequent year, based on this analysis.

Differences between HUD Asset Management and HACSB LAMP - Under the First Amendment, HACSB is allowed to define costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR 990. HACSB is required to describe in this MTW Annual Plan differences between our Local Asset Management Program and HUD's asset management program. Below are the three key differences:

- HACSB determined to implement an indirect service fee that is much more comprehensive than HUD's asset management system. HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Low Income Public Housing (LIPH) property level. HACSB's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. HACSB's LAMP addresses the entire HACSB operation.
- HUD's rules are restrictive regarding cash flow between projects, programs, and business activities. HACSB intends to use its MTW resources and regulatory flexibility to move its MTW funds and project cash flow among projects without limitation and to ensure that our operations best serve our mission, our LAMP cost objectives, and ultimately the low-income people we serve.
- HACSB charges an Asset Management Fee to all AMPS regardless of excess cash by each AMP by the use of our fungibility.






**FDS Reporting** – HACSB will continue to report on the HUD's established deadlines following the same format as previous years using the Asset Management with COCC/ elimination.

# Appendix F: Non-MTW Related Information

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## Special Purpose Programs –

In addition to the MTW Voucher Program, HACSB administers other voucher programs and special programs, such as Mainstream, HOPWA, VASH and Shelter Plus Care.

-  **Mainstream** – This program is designed to provide rental assistance to persons with disabilities to enable them to lease affordable private housing of their choice. At the end of FY 2015, we were providing assistance to 98 families through this program.
-  **Housing Opportunities for Persons with AIDS (HOPWA)** - HACSB has partnered with Foothill Aids Project to offer rental assistance and supportive services to persons diagnosed with HIV/AIDS. The Foothill AIDS Project assesses the applicant's duration of participation in their case management program and facilitates location of suitable housing to meet their clients' needs. At the end of FY 2015, we were providing assistance to 37 families through this program.
-  **Veteran's Affairs Supportive Housing (VASH)** - HACSB and Veterans Administration Medical Center have partnered to provide rental vouchers and supportive services to eligible homeless veterans with severe psychiatric or substance abuse disorders. The program goals include promoting maximal Veteran recovery and independence to sustain permanent housing in the community for the Veteran and the Veteran's family. At the end of FY 2015, we were providing assistance to 232 families through this program.
-  **Master Leasing Program** – This program is funded by State of California Mental Health Services Act funds and serves mentally ill or developmentally disabled families with emergency shelter housing. Case management and comprehensive support services are provided for residents participating in this program. At the end of FY 2015, we were providing assistance to 20 families through this program.
-  **Shelter Plus Care Programs (S + C)** - The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. HACSB currently administers the following Shelter Plus Care vouchers:
  - **Stepping Stones (S + C)** - This program provides rental assistance for hard to serve homeless individuals and families with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). Under this

program, HACSB provides the housing services based on eligible referrals from DBH, which matches the housing funds by providing supportive services. At the end of FY 2015, we were providing assistance to 36 families through this program.

- ***New Horizons (S + C)*** – This program provides rental assistance for hard to serve persons with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). This is an ongoing program, and all turnover vouchers focus on providing housing to chronically homeless households. Under this program, HACSB provides the housing services based on eligible referrals from DBH, which matches the housing funds by providing supportive services. At the end of FY 2015, we were providing assistance to 147 families through this program. With the approval of the Department of Housing and Urban Development, on September 1st 2015, this grant absorbed the S + C Good Samaritans grant.
- ***Good Samaritan (S + C)*** – This is an ongoing program and is offered through the Department of Behavioral Health for chronically homeless individuals that are currently receiving services from the department. With the approval of the Department of Housing and Urban Development, on September 1<sup>st</sup> 2015, this grant was combined with the S + C New Horizons grant. At the end of FY 2015, we were providing assistance to 35 families through this program.
- ***Laurelbrook Estates (S + C)*** – This program assists individuals or families experiencing disabling conditions and homelessness and is a Project Based S+C voucher subsidy tied to designated scattered sites throughout the County of San Bernardino. The supportive services are offered through the Department of Behavioral Health. At the end of FY 2015, we were providing assistance to 24 families through this program.
- ***Project Gateway (S + C)*** – HACSB formed a partnership with Ontario Housing Authority, Mercy House Living Centers Inc. and Department of Behavioral Health (DBH) to provide permanent housing in conjunction with long term supportive services including mental health care, employment, self-sufficiency etc. to our homeless community. At the end of FY 2015, we were providing assistance to 13 families through this program.
- ***Cornerstone (S + C)*** - This program implemented in 2012, and provides rental assistance for hard to serve homeless individuals and families with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). HACSB provides the housing services based on eligible referrals from DBH, which matches housing funds by providing supportive services. At end of FY 2015, we were providing assistance to 64 families through this program.
- ***Whispering Pines (S + C)*** - This program implemented in 2012, and provides rental assistance for hard to serve homeless individuals and families with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). HACSB provides the housing services based on eligible referrals from DBH, which matches housing funds by providing supportive services. At the end of FY 2015, we were providing assistance to 35 families through this program.



- ***Lantern Woods (S + C)*** - This program implemented in 2012 and is a Project Based S+C voucher subsidy tied to designated sites in the County of San Bernardino. The supportive services are offered through the Department of Behavioral Health for homeless individuals and families. At the end of FY 2015, we were providing assistance to 10 families through this program.

## **HACSB College Scholarship Program**

For 24 years, the Housing Authority has been proud to assist eligible participants in achieving their higher educational goals through scholarships. To date, HACSB has awarded 285 students with \$208,750 in scholarships. Current participants/residents in Housing Choice Voucher programs, Public Housing programs, or other HACSB affordable housing communities are eligible to apply. Students need to be accepted by or currently attending a four-year college/university, community college, or technical/vocational school. Students attending a four-year college or university receive a \$1,500 scholarship while community and technical/vocational students receive a \$750 scholarship. The Housing Authority uses non-public funds to promote educational success among their participants.

In 2015 thirteen students were awarded scholarships to assist them with their college expenses. The recipients are attending one of the following colleges/universities: Cal Baptist University, California State University Pomona, California State University San Bernardino, Loma Linda University, San Bernardino Valley College, University of California Los Angeles, and Walden University. Their areas of study include majors such as: Biology, Business Administration, Business Economics, Criminal Justice, Early Childhood Education, English, Masters in Social Work, Masters in Health Psychology, and Nursing.

Also for the first time HACSB received a \$1,500 donation for the scholarship fund from Mr. Bob Doshi and his family, longtime landlords of our voucher program. Mr. Doshi believes in helping our families succeed: “We care about the families we serve through the Housing Authority and education is a key component to success.” He hopes his contribution will also inspire other landlords of the program to donate to this important cause.

## **Knowledge & Education for Your Success (KEYS)**

KEYS is a 501(c)(3) nonprofit corporation created in 2009 by HACSB to consolidate HACSB’s array of supportive services, centralize strategic community partnership development, and to provide additional support and services for economically disadvantaged families and children. The development of KEYS created a unique opportunity to utilize non-traditional, non-PHA funding sources to bring additional resources not only to the clients that HACSB serves, but to be able to spread resources to those in need, not directly served by HACSB, subsequently assisting HACSB



in achieving our mission of *empowering all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.*

The mission of KEYS is to empower low-income individuals and families in San Bernardino County and to unlock their potential for success. Our vision is for individuals and families to have the skills and resources necessary to thrive.

Over the past fiscal year, KEYS has focused on some of the county's families in greatest need. In January 2015, in partnership with HACSB and the San Bernardino County Transitional Assistance Department (TAD), KEYS launched the Housing Support Program (HSP), a Rapid Rehousing program based on national best practices to rapidly transition eligible homeless families with children back into permanent housing. KEYS has utilized its experience with the SSVF program and housing navigation to rapidly identify and secure permanent housing for families. As part of the ongoing support of the families (up to 6 months) and to ensure stabilization KEYS utilizes its Family Strengthening casework model to ensure resources and tools are in place for the family to maintain their housing over time and increase economic independence.

KEYS continues to focus on a "collective impact" strategy which aligns with a county wide approach called the Launch Initiative. KEYS has committed to utilize its unique casework model in partnership with the Launch initiative and the Loma Linda University School of Social Work to implement a pilot program in the coming year. The Launch Initiative, is a shared vision to align key leaders in education, safety, housing, faith, nonprofit, and business sectors to: 1) stabilize housing, 2) develop supportive services, 3) provide career development opportunities, and 4) develop long term career placement options for families so they move from poverty to prosperity.

Together KEYS, HACSB, and our many community partners are working diligently to change the trajectory for families living in poverty and provide a safe and unique environment to help them thrive and become self-sufficient.

## **Other Affordable Rental Housing**

HACSB owns 1,199 Non-HUD residential units along with 4 commercial units (Frankish Building). Many of those units are affordable as a result of public funds, such as HOME and Redevelopment Housing Set-Aside funds. For more information please refer to the Authority Owned Housing Stock under the Housing Stock Information in Section II: General Housing Authority Operating Information of this report.

**Affiliate Non-Profit** – Housing Partners I, Inc. (HPI, Inc.) was created in 1991 to develop, own, and manage affordable housing as an affiliate non-profit of HACSB. HPI, Inc.'s designation as a Community Housing Development Organization (CHDO) allows it to apply for and receive HOME funds from the County of San Bernardino, Department of Community Development and Housing and other cities for the acquisition, development and rehabilitation of housing units. With over 20 years of housing development experience behind it, HPI, Inc. provides HACSB the means with which to leverage a variety of public as well as private funding sources to continue to increase the supply of affordable housing throughout the county of San Bernardino.

In 2015 HPI broke ground on the Horizons at Yucaipa development, a new construction affordable senior project that will be completed in the fall of 2016. HPI also acquired a 25-unit development in the City of Loma Linda for homeless and affordable Veteran Housing, providing much need supportive services to Veterans living on site. Overall in 2015 HPI is constructing or partnering in over 300 new affordable housing units within San Bernardino County.

HPI Property Acquisitions LLC is an HPI, Inc. controlled entity that owns 241 units throughout the County of San Bernardino. HPI Inc. and its affiliates own a total of 654 units, detailed in the list below.

Affiliate Non-Profit			
Property Name	City	Units	Entity
Acacia Property	Fontana	28	HPI Property Acquisition LLC
Desert Village	Victorville	46	HPI Property Acquisition LLC
Chehalis Property	Apple Valley	30	HPI Property Acquisition LLC
Kendall Drive Apts.	San Bernardino	37	HPI Property Acquisition LLC
Kendall Park Apts.	San Bernardino	52	HPI Property Acquisition LLC
Robert O. Townsend	Montclair	48	HPI Property Acquisition LLC
Phoenix Apartments	San Bernardino	7	HPI Wall Avenue LLC
Vista del Sol	Redlands	71	HPI, Inc. Portfolio
Scattered Sites – Region 1	Loma Linda, Redlands, Yucaipa, Bloomington, Colton, Fontana, Rancho Cucamonga	97	HPI, Inc. Portfolio
Scattered Sites – Region 2	Ontario, Montclair, Chino	107	HPI, Inc. Portfolio
Scattered Sites – Region 3	Adelanto, Apple Valley, Hesperia, Victorville, Joshua Tree, 29 Palms, Yucca Valley	131	HPI, Inc. Portfolio
<b>TOTAL UNITS</b>		<b>654</b>	

# Appendix G: Impact Analysis – Transition of Housing Authority of the City of Upland Families to HACSB MTW Programs

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This analysis provides information about the anticipated impact to current customers of the Housing Authority of the City of Upland (UHA) resulting from the voluntary transfer of the UHA Housing Choice Voucher and Public Housing programs to HACSB. This analysis specifically addresses the approved HACSB MTW rent reform activities that may have an adverse impact on the housing costs for some families. The likelihood for adverse impact was assessed based on the previous implementation of these activities for HACSB customers.

HACSB is not proposing new hardship exception criteria or procedures for this transition. The existing approved hardship exception criteria and procedures for an HACSB MTW activity will apply to customers transitioned to that activity as a result of the voluntary transfer.

## MTW Activity 10 - Minimum Rent

The UHA policies currently specify a minimum rent of \$50. Some tenants pay less than the minimum rent because the amount is reduced by the applicable utility allowance.

HACSB's minimum rent policy will apply to all families. The HACSB minimum rent is currently set at \$125. As a result of HACSB's MTW Activity 22: Streamlined Lease Assistance Program, which eliminates the separate utility allowance by incorporating it into the calculation of tenant portion, no family will pay less than the minimum rent of \$125.

The following data illustrates the anticipated impact of this transition for existing customers of the UHA. Rent burden is determined by calculating the percentage of the family's gross income that must be paid toward rent.

	Public Housing	Voucher
<b>Number of Families Affected</b>	13 (13%)	100 (17%)
<b>Current Tenant Rent</b>		
Average	\$35	\$56
Median	\$12	\$62
<b>Rent Increase</b>		
Average	\$90	\$70
Median	\$113	\$63
Maximum	\$125	\$125
<b>Rent Burden Change</b>		
Average	40%	32% <sup>1</sup>
Median	33%	10% <sup>1</sup>

<sup>1</sup> Calculations exclude 8 families with \$0 income for whom rent burden cannot be calculated.

### HACSB Hardship Policy

A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family. In order to qualify for a temporary waiver, the family's income must have decreased due to a no fault loss of income or the death of a household member with income.

### **MTW Activity 20 – Term-Limited Lease Assistance Program**

The transition to this activity will not apply to existing Upland Housing Authority customers. This activity will continue to apply only to non-elderly and non-disabled families selected from HACSB's Housing Choice Voucher program waiting list. Additionally, the subsidy calculation for families joining HACSB's Term-Limited Lease Assistance Program from the waiting list will be the same as the calculation used under HACSB's approved Activity 22: Streamlined Lease Assistance Program. Please refer to the following impact analysis information for Activity 22 for relevant information.

## MTW Activity 22 – Streamlined Lease Assistance Program

As a non-MTW agency, the UHA is required to calculate family income and rent in accordance with current regulations. UHA families will be transitioned to this activity, which simplifies and streamlines the income and rent calculation process. Due to the diversity among family types, income levels, and selection of housing units, the transition to this activity is expected to reduce the rent burden for some families while increasing the rent burden for others. Rent burden is determined by calculating the percentage of the family's gross income that must be paid toward rent. Overall, the activity is expected to result in more level housing costs across families.

	<u>Public Housing</u>	<u>Voucher</u>
Elderly/Disabled Families	44	290
Career-Able Families	52	294
<b>Families With Rent Increase</b>	<b>34</b>	<b>246<sup>1</sup></b>
Average Increase	\$50	\$51
Median Increase	\$26	\$35
Average Rent Burden Increase <sup>2</sup>	17%	14%
Median Rent Burden Increase <sup>2</sup>	3%	4%
<b>Families With Rent Decrease</b>	<b>62</b>	<b>335<sup>1</sup></b>
Average Decrease	-\$89	\$118
Median Decrease	-\$56	\$97
Average Rent Burden Decrease <sup>2</sup>	-4%	-11%
Median Rent Burden Decrease <sup>2</sup>	-3%	-6%
<b>All Families</b>	<b>96</b>	<b>584</b>
Average Rent Burden Change <sup>2</sup>	3%	-1%
Median Rent Burden Change <sup>2</sup>	-2%	-1%

<sup>1</sup> Excludes three families with no change in rent portion

<sup>2</sup> Excludes 14 families with \$0 income for whom rent burden cannot be calculated

**HACSB Hardship Policy**

Households likely to experience a disproportionate impact as the result of the transition are eligible for a hardship exemption. This temporary hardship will allow the family to maintain their previous total family rent share for up to six (6) months. HACSB will send a sixty (60) day notice that the family will be subject to the new streamlined calculation at the end of six (6) months. If approved, the HACSB Program Integrity Unit will determine the amount and effective timeline for the hardship request. For those families that are currently renting a unit that is larger than their approved subsidy standard, HACSB will offer the family either the opportunity to move or the opportunity to obtain a temporary hardship exemption.

## MTW Activity 24: Transition for Over-Income Families

As a non-MTW agency, the UHA is required to terminate the Housing Assistance Payment (HAP) contract for families participating in the Housing Choice Voucher program if the HAP is \$0 for a period of 180 days. Existing regulations do not require a similar policy for families residing in Public Housing.

The application of this activity will result in the transition of families whose income exceeds 80% of area median income (“over-income”) off of housing assistance. This activity applies to the Public Housing program, Tenant-Based Housing Choice Voucher program, and Project-Based Voucher program. Rent burden is determined by calculating the percentage of the family’s gross income that must be paid toward rent.

	Public Housing	Voucher
Number of Families Affected	3	8
Average Current Tenant Rent	\$1,028	\$1,237
Average Gross Rent	\$1,028 (UHA flat rent) <sup>1</sup>	\$1,382
Average Current Rent Burden	22% <sup>1</sup>	26%
Average New Rent Burden	22% (UHA flat rent) <sup>1</sup>	28%

<sup>1</sup>The three public housing families are currently paying the UHA flat rent. The flat rent is set at a rate that reflects the rental cost for comparable units in the private rental market. The estimated rent burden for these families post-assistance is calculated with the assumption that the family will lease a unit of comparable size and cost in the private rental market.

### HACSB Hardship Policy

If a family in the six (6) month transition period reports a loss of income that results in the family’s income falling below the 80% area median income for the family size, the family may qualify for a hardship exemption. To be eligible for a hardship exemption, the family’s income must have decreased due to a no fault loss of income or the death of a household member with income. If an exemption is granted, the family will be removed from the six (6) month transition period. If the family’s income increases to exceed 80% of the area median income for the family size after a hardship exemption is granted, the family will be given another six (6) month transition period. The transition period will not be reduced or prorated based upon the duration of any previous transition



period(s). This hardship exemption shall apply to any family in the six (6) month transition period, regardless of assistance type (ie: Five-Year Lease Assistance, Streamlined Fixed or Tiered Lease Assistance, Transitional Assistance for MTW Families, etc.)

## Appendix H: Fact Sheets

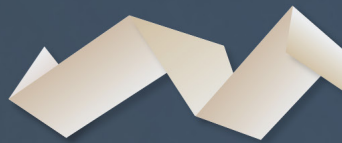
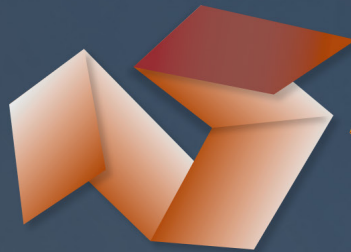
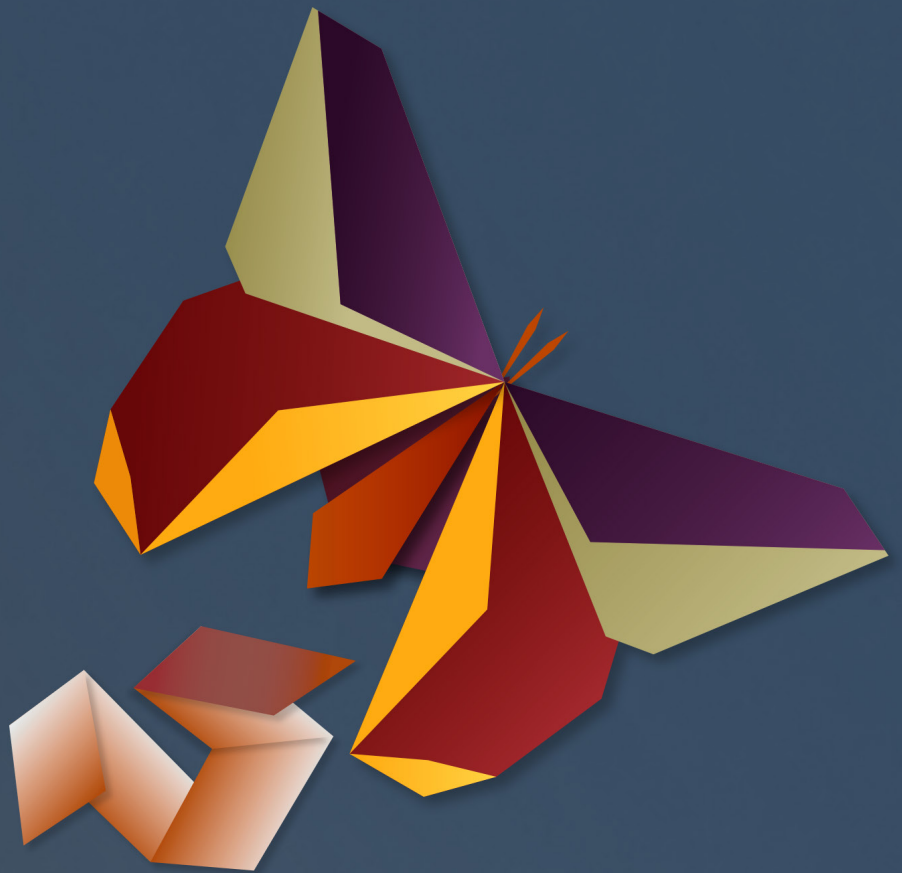
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At HACSB, communication and education of team, participants, residents, landlords and community is critical to the success of our innovative programs. We have attached some of our sample Fact Sheets which are handy reference guides about our MTW programs and services. These fact sheets are posted online at **[www.hacsb.com](http://www.hacsb.com)** and are also available at our offices.



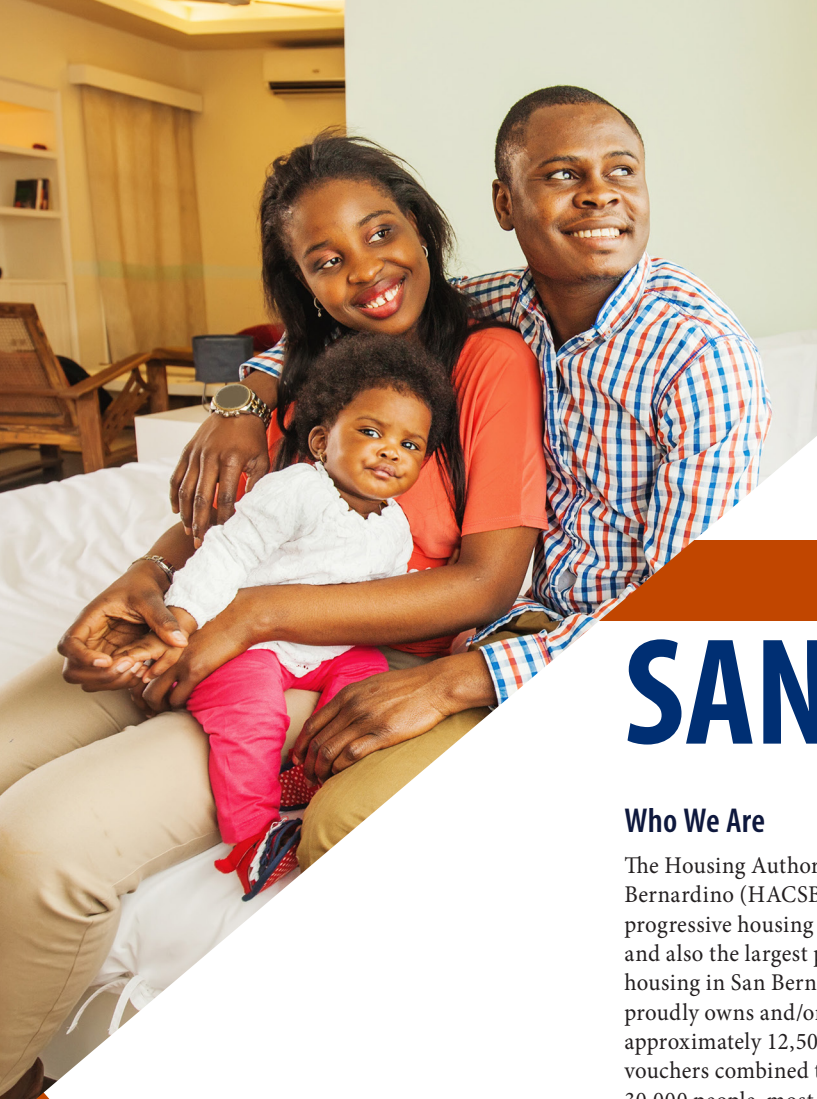


HOUSING AUTHORITY  
COUNTY  
OF SAN BERNARDINO



## HACSB Programs & Services Overview

# FACT SHEET



# HOUSING AUTHORITY

## OF THE COUNTY OF SAN BERNARDINO

### Who We Are

The Housing Authority of the County of San Bernardino (HACSB) is one of the most progressive housing authorities in the Country and also the largest provider of affordable housing in San Bernardino County. HACSB proudly owns and/or manages programs with approximately 12,500 housing units and vouchers combined to serve approximately 30,000 people, most of whom are seniors, individuals with disabilities, veterans, and children.

Housing that is affordable is necessary for families of all income ranges, and HACSB is committed to providing both traditional affordable housing assistance as well as mixed-income housing that complements existing communities. Below are the three programs HACSB manages and /or administers:

### Public Housing Program

These housing units are HACSB owned and managed throughout various affordable housing communities in San Bernardino County. Program residents live at these designated housing sites and the housing assistance is tied to the unit.

### Voucher Rental Assistance Programs

These housing units are privately owned by landlords in the community. Program participants rent from private landlords and HACSB pays the rental subsidy to the owner on the participants' behalf.

### Authority-Owned Units

These HACSB owned housing units were either acquired or developed through various partnerships.

### Moving to Work

As a non-traditional housing authority, the agency's success is a result of the business approach to strategic planning and delivery of services. As a high-performing and innovative agency, in 2008, HACSB received the Moving to Work (MTW) designation by Congress and the U.S. Department of Housing and Urban Development (HUD). This designation provides HACSB with the flexibility to waive some HUD program requirements and develop local policies that are best suited for the various communities in San Bernardino County.

As a result, HACSB has transformed its agency by executing innovative initiatives based on the three key MTW objectives: saving taxpayer dollars through efficient work; helping families achieve economic independence; and ensuring a family's freedom of housing choice.

The table below highlights the changes HACSB has implemented as a result of being an MTW agency; efforts that transitional Housing Authority may not necessarily be able to

Years of Service  
**75**  
Housing Authority

accomplish. Currently there are 39 designated MTW agencies out of 3,200 housing authorities nationwide.

These activities have resulted in positive outcomes related to the three MTW objectives for HACSB and the families we serve. In FY 2016, the following outcomes were achieved as a result of changes made with MTW flexibility:

- Total cost savings from all MTW activities:

#### Administrative Efficiencies

Single Fund Budget	Local Asset Management Program
Strategic Investment Policies	Operating Subsidy for Vista del Sol
Alternate Assessment Program	Property Management Innovation
Biennial Recertifications	Utility Allowance Reform
Local Verification Policies	Streamlined Lease Assistance Program
Elimination of Assets	
Controlled Program Moves	
Local Inspection Standards	

#### Economic Independence

Local Policies for Portability	Term Limited Lease Assistance Program
Elimination of Earned Income Disallowance	No Child Left Unsheltered
Minimum Rent	Transition for Over-Income Families
Local Income Inclusion	Pilot "Work" Requirement
Local FSS program	

#### Expanding Housing Choice

Local Project-Based Voucher Program	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing
Local Payment Standards	

the number of families receiving TANF decreased by **2.3%** in the two years since implementation.

- **42%** of families who were paying the HACSB minimum rent of \$125 have increased their income and are now supporting an average rent of \$319.
- The number of families leasing in areas of poverty and/or minority concentration has decreased by **7%** as a result of the Local Payment Standards activity.

*\* As compared to the baseline year for each activity.*

### More than Just Housing

HACSB also works to provide families with the resources and skills necessary to transition off of government-assisted programs and into economic independence. As a reflection of its mission and service philosophy, HACSB coupled supportive services with various MTW initiatives such as term limits, rent reform such as minimum rent increases, and others. Initiatives such as these insure greater personal accountability for the families while providing meaningful services to help them achieve economic self-sufficiency.

### Resources and Support

HACSB's **Career Development Initiatives Team** helps families with career mentoring; resume building; overcoming barriers to employment; financial literacy/capability skills, such as budgeting and credit/asset building; and other employment development services.

The partnership with the **San Bernardino County Workforce Development Department** (WDD) provides on-site Workforce Development Specialists (WDS) who work exclusively with HACSB customers, particularly term-limited families. Since 2013, the WDD and HACSB staff have performed approximately 500 job placements with wages ranging from \$9 to \$23.50 per hour. HACSB

and WDD also established the Youth Employment Program for 16- to 24-year-olds to take advantage of up to six months of subsidized employment experience.

Mutual customers have access to the county's **Transitional Assistance Department** (TAD) Programs and Supportive Services and are specifically targeted for the CalWORKS Youth Employment Program and the CalWORKS Subsidized Employment Program for adults. Services are also better aligned where HACSB provides housing support and coaching while TAD offers job training, placement opportunities, and supportive services, such as transportation assistance, paid child care, and assistance with work-related and education costs.

Over the past 25-years through HACSB's **Annual Scholarship Program**, HACSB has awarded 285 students attending colleges, universities, and technical/vocational schools with \$208,750 in scholarships.

HACSB program participants can take advantage of HACSB's **Homeownership Assistance Program**, which since its inception in 2000 has helped 219 families achieve homeownership. Since 2009, this program has ranked among the top in the nation in creating new homeowners each year.

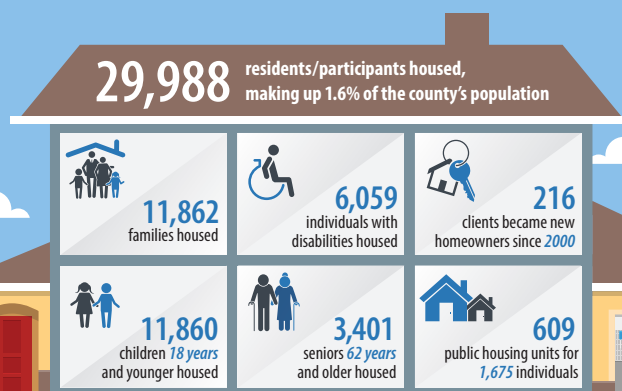
Staff make direct referrals to **over 50 partner agencies** to provide program participants with vocational training, ESL classes, financial literacy education, parenting classes, mental health services, support groups, and small business development classes.

**\$831,570\***

- Staff time savings from all MTW activities: **29,296** staff hours\*
- Average earned income for families participating in the Streamlined Lease Assistance Program increased by 10%, and

## HOUSING AUTHORITY of the County of San Bernardino by the numbers:

- 1,905**  
Authority-owned units throughout  
41 developments in 16 cities
- 15**  
public housing developments in 9 cities
- 50+**  
community and government partners



- 285**  
scholarship recipients since 1991
- 10,603**  
vouchers for 27,103 individuals
- 52,330**  
applicants on various waiting lists

**\$115.6 million**  
infused into the county's economy  
during fiscal year 2015-16

**\$76.7 million**  
paid to nearly 4,000 landlords  
for housing assistance

**\$8.6 million**  
paid to 700 vendors for various  
programs and services

**\$3.8 million**  
spent on rehabilitation, construction  
and acquisition of housing units

**121**  
employees across 16 offices



MARCH  
**2017**

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HOUSING AUTHORITY  
COUNTY  
OF SAN BERNARDINO



## Term-Limited Lease Assistance Program

# FACT SHEET

# TERM-LIMITED LEASE ASSISTANCE

## PROGRAM

In April 2017 families participating in the Term-Limited Lease Assistance Program will begin to reach their end of term, and the housing assistance and supportive services they receive will conclude. HACSB is closely monitoring these families and taking steps to prepare them for the transition.

## OUTCOMES FROM YEAR FOUR

### Income and Employment

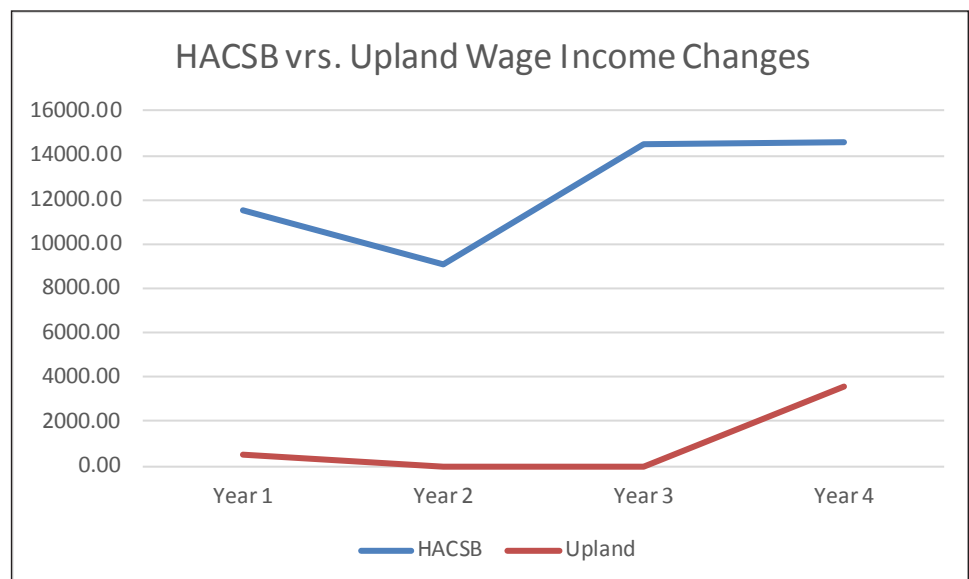
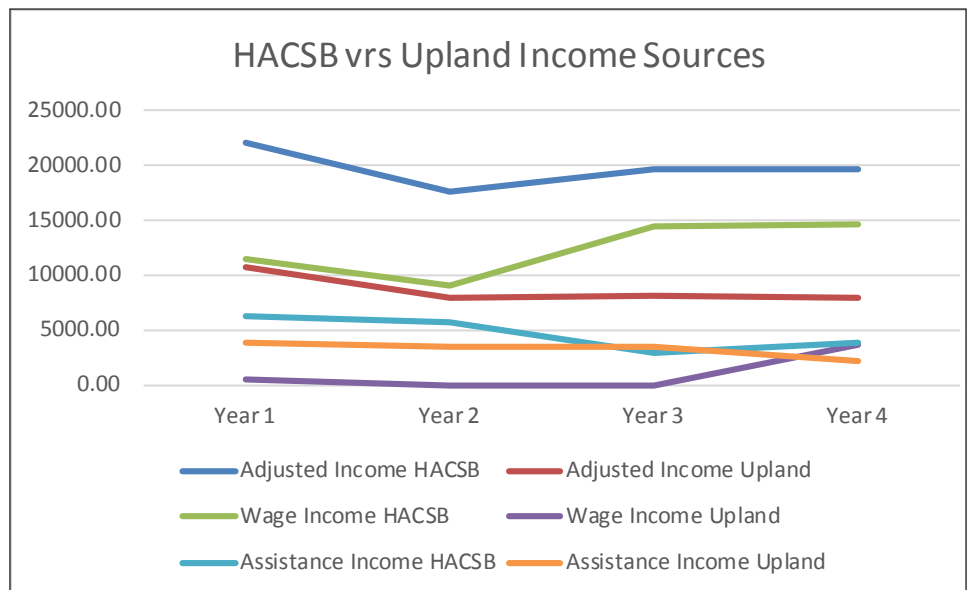
- **Average Household Income: \$23,108**
- **Average Household Earned Income: \$15,469**  
(\$22,598 for families with earned income)
- **Families with Earned Income: 68.5%**
- **Changes from year 1 to year 4:**
  - **21.5%** Increase in income from wages
  - **37%** Decrease in income from welfare
  - **18.9%** Increase in full-time employment
  - **13.4%** Decrease in unemployed

### Education

- Decrease in families without high school diploma (year 1 to year 4): **35.5%**
- Increase in undergrad degrees: **5.1%**

### Early Exits

- Total exits between years 1-4: **38.9%**
- On Average 11-20% of families exit by the second year, 27-36% of families exit by year 3
- In comparison to current families, early exiting families have (excluding families exited for policy violations):
  - Higher Total and Wage income
  - More likely to have full time employment (with health benefits)





# FIVE-YEAR LEASE ASSISTANCE PROGRAM

Established in 2012, the Five-Year Lease Assistance Program is designed to help families achieve economic independence while they receive five years of housing assistance through the Housing Choice Voucher program. The program integrates case management and supportive services during the term of assistance to help participating families advance personally and professionally in order to be better equipped to achieve economic self-sufficiency. Innovative programs like this are vital to addressing the growing need for affordable housing in our communities and made possible given our special Congressional designation under the Moving to Work demonstration program.

## FIFTH YEAR ACTIVITY

During their final year of assistance, communications with the family and landlord take place more frequently, ensuring that the family is aware of the approaching conclusion of assistance and has the opportunity to communicate any new challenges to their CDI caseworker. As the graduation date approaches, the family is also provided with the opportunity to request a hardship exemption for a temporary extension of assistance.

HACSB is also giving special attention to families that may be unprepared for leasing without assistance. Beginning at 18 months prior to the conclusion of assistance, these families receive additional intensive case management and support, including required monthly check-ins with their caseworker, a reassessment of the family's goal plan to address remaining challenges, and further support through HACSB partnerships such as with San Bernardino County Transitional Assistance Department and Workforce Development Department to help the family achieve stable employment.

### Families in the Fifth Year

61.1% of families remained in the program for a fifth year

- 16.7% of these families have incomes that are > 50% AMI and **Ready to Exit**
- 51.1% of these families have incomes between 30-50% AMI, full time employment and are **Close to Exiting**
- 32.2% are under employed and **Not Yet Ready to Exit**
  - The majority have education levels that can lead to sustainable employment (HS degree or higher).
  - 45% (or 70 families) do not have a HS degree or higher, are still receiving significant welfare support and have not improved their income over the four years.

### Comparison to Upland Voucher Program

Given the positive improvements in income from the HACSB program, and paralleled local area economic improvement, it was necessary to determine whether the HACSB economic improvement were unique to the five year program, or a function of area economic improvement. Hence a comparison to the Upland Voucher program. This program does not have a term limit or the additional supports seen in the HACSB five year program.

- 153 Upland families were compared to the 1650 HACSB families within the same timeframe (2012–2016)
- Year 4 median annual Wage Income for HACSB families was \$14,615 in comparison to Upland's \$3,600
- HACSB showed a 26.7% increase in wage income from year 1 to 4 in comparison to Upland's 19.7% increase.
- HACSB increased the number of families with Earned Income by 9.0% in comparison to Upland's increase of 6.0%.

### Hardship Exceptions

HACSB recognizes that families nearing the commencement of assistance may face unforeseen challenges that delay their preparedness for self-sufficiency. To provide a safety net for families working along their goal

path to achieve self-sufficiency, HACSB has developed two hardship exceptions to the term limit. Families may apply for an extension in one of the following categories:

#### UNFORESEEN LOSS OF INCOME:

This exception will apply to families experiencing an unforeseen loss of income, such as loss of employment, within the last three months of participation. This one-time exception will provide six additional months of assistance.

#### COMPLETION OF ACTIVITY RELATED TO SELF-SUFFICIENCY:

This exception will apply to families who need additional time to complete a self-sufficiency goal identified in their ITSP. The family must be actively working toward meeting the goal at the time the exception is requested, and the goal must be achievable within the term of the extension. For example, a family may be granted an exception to complete the final year of a four-year degree program. This one-time exception will provide up to two years of additional assistance.

### FUTURE MONITORING

HACSB is implementing a voluntary survey system that will allow us to continue monitoring the family for up to two years after the conclusion of assistance. The annual survey will collect information about the family's education/training and employment status, household income, housing status, and other factors. Participating families will receive a monetary incentive for completing each survey. The information will allow HACSB to assess the impacts of the Term-Limited Lease Assistance Program on families post-assistance, and to make modifications to the program as needed.





JANUARY  
**2017**

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# Appendix I: Summary of MTW Activities

ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR(S)	STATUS
Activity 1	Single Fund Budget	Administrative Efficiency	FY 2009	Implemented
Activity 2	Strategic Investment Policies	Administrative Efficiency	FY 2009	Implemented
Activity 3	Alternate Assessment Program	Administrative Efficiency	FY 2009	On Hold
Activity 4	Biennial Recertifications	Administrative Efficiency	FY 2009, FY 2012	Implemented
Activity 5	Local Verification Policies	Administrative Efficiency	FY 2009	Implemented
Activity 6	Elimination of Assets	Administrative Efficiency	FY 2009	Implemented
Activity 7	Controlled Program Moves	Administrative Efficiency	FY 2009	Implemented
Activity 8	Local Policies for Portability	Economic Independence	FY 2009, FY 2010	Implemented
Activity 9	Elimination of Earned Income Disallowance	Economic Independence	FY 2009	Implemented
Activity 10	Minimum Rent	Economic Independence	FY 2009	Implemented
Activity 11	Local Project-Based Voucher Program	Expanding Housing Opportunities	FY 2009, FY 2011	Implemented
Activity 12	Local Payment Standards	Expanding Housing Opportunities	FY 2009, FY 2012	Implemented
Activity 13	Local Inspection Standards	Administrative Efficiency	FY 2010	Implemented
Activity 14	Local Asset Management Program	Administrative Efficiency	FY 2010	Implemented
Activity 15	Pilot Work Requirement	Economic Independence	FY 2010	Implemented
Activity 16	Operating Subsidy for Vista del Sol	Expanding Housing Opportunities	FY 2010	Closed Out
Activity 17	Local Income Inclusion	Economic Independence	FY 2011	Implemented
Activity 18	Property Management Innovation	Administrative Efficiency	FY 2011	Implemented
Activity 19	Local FSS program	Economic Independence	FY 2011	Implemented
Activity 20	Term-Limited Lease Assistance Program	Economic Independence	FY 2011, FY 2015, FY 2017	Implemented
Activity 21	Utility Allowance Reform	Administrative Efficiency	FY 2012	Closed Out - Never Implemented
Activity 22	Streamlined Lease Assistance Program	Administrative Efficiency	FY 2013	Implemented
Activity 23	No Child Left Unsheltered	Economic Independence	FY 2014	Implemented
Activity 24	Transition for Over-Income Families	Economic Independence	FY 2014	Implemented
Activity 25	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing	Expanding Housing Opportunities	FY 2016	Implemented
Activity 26	Short-Term Rental Assistance	Expanding Housing Opportunities	FY 2017 Amendment 1	Not Yet Implemented