

Moving to Work

Annual Plan - Amendment #1

Fiscal Year 2009-2010

Stepping stones to an enriched quality of life...



...changing programs to accomplish the local vision.

Submitted: November 5, 2009

Board of Commissioners

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

Executive Director

Susan Benner

Senior Management Team

Gustav Joslin
Deputy Executive Director, Office of Real Estate Development

Marcia Waggoner
Deputy Executive Director, Office of Housing Programs

Maria Razo
Deputy Executive Director, Office of Business Administration

Alison Crawford
Director, Administrative Services

Ana Gamiz
Director, Policy & Community Affairs

Carlene Friesen
Director, Human Resources

Should you have any questions or need additional information, please contact:

Housing Authority of the County of San Bernardino
Attn: MTW Coordinator
715 East Brier Drive
San Bernardino, CA 92408
(909) 890-0644 • mgrazo@hacsb.com

TABLE OF CONTENTS

Section	Title	Page
I.	Introduction	1
II.	General Operating Information	1
III.	Non-MTW Information	9
IV.	Long Term MTW Plan	13
V.	Proposed MTW Activities	13
VI.	Ongoing MTW Activities	13
VII.	Sources and Uses of Funds	13
VIII.	Administrative	14
APPENDICES		
A	Board Resolution Adopting Plan	15
B	Public Process (including Public Hearing Minutes)	21

I. INTRODUCTION

Background - In March 2008, the United States Department of Housing and Urban Development (HUD) signed a 10 year Moving to Work (MTW) Demonstration Agreement with the Housing Authority of the County of San Bernardino (HACSB). Subsequently, an Initial MTW Plan was submitted and approved by HUD for the period covering October 1, 2008 through September 30, 2009. In the Initial Plan, HACSB established its long term vision and goals. The Agency submitted a comprehensive Amendment to this Initial Plan and has been working diligently to plan and implement innovative MTW initiatives to solve local problems and increase affordable housing options for residents of the County of San Bernardino.

HACSB recently submitted its Fiscal Year 2009-2010 MTW Annual Plan on July 14, 2009, which was approved by HUD on September 30, 2009. This Plan expanded on the Initial Plan's MTW activities and the Agency is currently preparing for the planning and implementation of these additional initiatives. On July 14, 2009, HUD released the HOPE VI Notice of Funding Availability (NOFA) which requires that the Housing Authority must demonstrate in their application that they have incorporated the revitalization plan described in the application, into the most recent PHA plan or MTW Annual Plan (whether approved by HUD or pending approval). Subsequent to its submission of the FY 2010 MTW Plan, HACSB completed its proposed HOPE VI Revitalization Plan. The proposed HOPE VI Revitalization Plan will be included in HACSB's HOPE VI application due to be submitted to HUD on November 17, 2009 via grants.gov. If a grant is awarded a competitive procurement process will be followed. Unfortunately, this project will only commence if the HOPE VI application is awarded and funded.

Through this amendment for the current fiscal year (October 1, 2009 through September 30, 2010), the HACSB is amending its FY 2010 MTW Plan to incorporate the proposed HOPE VI Revitalization Plan for the Lugonia Avenue public housing site in Redlands, California. There are no other changes to the MTW Annual Plan.

II. GENERAL OPERATING INFORMATION

Initial Plan - The FY 2010 MTW Annual Plan included general operating information about the types and number of units administered by HACSB. The Agency is amending this portion of the FY 2010 MTW Plan to incorporate the proposed plans for the revitalization of Lugonia Avenue public housing site in Redlands, California. The FY 2010 Plan submitted on July 14, 2009 included information on the proposed demolition of the Lugonia Avenue public housing site but details of the proposed revitalization were not included. The FY 2010 Plan stated the following in the Housing Stock Information section:

HOUSING STOCK INFORMATION

HUD Unit Summary – *The chart below summarizes the Public Housing units at the beginning of the year, the changes in units anticipated during the year and the total*

units projected at the end of the current plan year. This chart also summarizes the authorized number of MTW Housing Choice Vouchers and authorized Project Based Vouchers at the beginning of the year; Project Based Vouchers to be added during the year; authorized Non-MTW vouchers; and, the total Housing Choice Vouchers authorized at the end of the current plan year.

HACSB HOUSING STOCK SUMMARY – HUD PROGRAMS			
Public Housing	Number of Units	Housing Choice Vouchers	Number of Vouchers
Total Public Housing Units Under ACC	1,676	MTW Tenant Based Vouchers Beginning of Year	7,328
Units Permanently Off-Line	9	Project Based Vouchers Beginning of Year	349
Total Public Housing Units Available for Occupancy	1,667	MTW Vouchers to be Project Based During the Year	71
Units to be Removed from the ACC During the Year	702	TOTAL MTW VOUCHERS	7,748
Units to be Added During the Year	0	Non MTW Vouchers	170
TOTAL ALL UNITS END OF YEAR	965	TOTAL ALL VOUCHERS	7,918

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

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

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

The number of units to be demolished remains the same as described in the above narrative included in the FY 2010 Annual Plan. However, since its submittal of the FY 2010 MTW Annual Plan, HACSB has finalized plans with its partner, McCormack Baron Salazar, for the revitalization of the Lugonia Avenue public housing site, including the number of new units. The Agency intends on redeveloping the site using HOPE VI funding among other sources. HACSB intends on submitting the following to HUD by the November 17, 2009 HOPE VI Application deadline:

HOPE VI Application Narrative

In response to the U.S. Department of Housing & Urban Development's Fiscal Year 2009 Notice of Funding Availability (NOFA) for the HOPE VI Revitalization Grant Program, the Housing Authority of the County of San Bernardino (HACSB) and McCormack Baron Salazar (MBS) will be submitting an application for a HOPE VI Revitalization Grant in the amount of \$22 million that will be used for the revitalization and redevelopment of the Lugonia Avenue public housing site in Redlands, California. The Lugonia Avenue public housing redevelopment that is the subject of this specific application and request for funding is PIC number CA16P019-001, 008 and 009, which is part of AMP CA019000150.

The Lugonia Avenue Master Plan (Master Plan) which was developed and adopted in 2008 by HACSB and its stakeholders, includes the relocation of all current residents and demolition of all existing buildings and infrastructure improvements. Public housing residents will have the opportunity to integrate into a new mixed-income community that will offer a variety of modern rental unit types as well as new single family homes. The Master Plan calls for the creation of 189 new affordable rental units and 39 new affordable homeownership opportunities for first-time homebuyers and public housing residents. The implementation of the Master Plan will result in a new and vibrant mixed-income development in an already stable neighborhood located on the northern edge of downtown Redlands.

The Lugonia Avenue redevelopment consists of the construction of 189 new rental units affordable to public housing residents and families earning between 30% and 60% of the Area Median Income. The plan re-imagines the Lugonia Avenue site with a blend of two-story townhouses and garden flats as well as an ample amount of open space and resident amenities. Of the 189 new rental units, 60% (115 units) will replace one hundred fifteen (115) existing public housing on the site (one-for-one replacement). The new intergenerational design and unit mix responds to the documented need for 1-, 2-, 3- and 4-bedroom units for families with children, individuals and seniors. The estimated total development cost of all phases of the development is approximately \$70,000,000. HACSB is requesting \$22 million in HOPE VI Revitalization Grant funds to execute the overall development. In addition to its contribution of the land and

agreement to allocate \$3.2 million of its' Public Housing Capital Funds to the development, the applicant has secured permanent financing commitments in the amount of approximately \$40,000,000 which represents the leveraging of \$1.8182 for each \$1.00 of HOPE VI funds requested. In anticipation of the redevelopment, HACSB, in collaboration with its' affiliate nonprofit, Housing Partners 1, Inc, has committed units at Vista Del Sol, a new 71 unit senior housing development within close proximity to the Lugonia site, to serve as a relocation resource specifically for qualified senior tenants currently residing at Lugonia. This new \$13 million development is slated to be available for occupancy in the early Spring of 2010, at which time, senior tenants can be relocated with minimal disruption to their current living situation. In addition to the requirement to meet the conditions for financing stipulated by the HOPE VI NOFA, the financing commitments secured from the conventional lender and equity investor, which are used to calculate the leveraging ratio, are explicitly conditioned upon the award of HOPE VI funds in the amount requested as well as the award of Low Income Housing Tax Credits in 2010.

The HOPE VI Revitalization Grant will not supplant revenues or expenditures from other Federal, State, or local funding sources. The costs associated with demolition, relocation and infrastructure improvements are included in the total development costs referenced above.

A. Project Background and Severe Distress

The Lugonia Avenue public housing site spans approximately 19 gross acres and consists of a total 115 dwelling units. The project site was originally planned and developed in three separate phases. The first phase was developed in 1943 with 50 multi-family units (PIC number CA16P019-001). The second (PIC number CA16P019-008) and third (PIC number CA16P019-008) phases were developed in 1961, with 45 and 20 units respectively. The Lugonia Avenue public housing redevelopment that is the subject of this specific application and request for funding is PIC number CA16P019-001, 008 and 009 which is part of AMP CA019000150.

The subject property is located at the northeast corner of Lugonia Avenue (State Highway Route 38) and Orange Street. The site was planned and developed utilizing a single story duplex design and consists of 113 residential units, management building and a converted duplex that is used to operate a Head Start program. The existing site plan for the complex is disjointed. In particular, the design for the Lugonia Avenue public housing site has become antiquated due to the transition of the North Redlands neighborhood from a farming community to a stable, well-functioning residential neighborhood. Front loading units onto Lugonia Avenue, which is a State Highway, pose potential vehicular and pedestrian safety hazards. Cul-de-sacs and mail box locations on Orange Street (a critical vehicular artery) pose potential safety hazards, contribute to the congestion of a well traveled street and limit opportunities for future development. An off-setting intersection at Orange Street and Delaware Avenue adds to the circulation limitations of the site and surrounding neighborhood.

The blighted Lugonia Avenue public housing development, as thoroughly documented by the report prepared by Castle & Grey, Inc., is isolated from the surrounding

community and severely distressed. Current building systems are antiquated and inadequate as they predate modern UBC building code standards; foundations, walls and structural engineering of the dwelling units do not meet existing seismic standards; units are very small, and lack standard amenities consistent with new multi-family developments. The most serious concern is the blown insulation added to the attics of units in the 1980's. The insulation poses a fire hazard and presents a serious code violation. Additionally, Lugonia Avenue residents reported problems ranging from peeling paint, vandalism, personal and property safety concerns, poor lighting, lack of central air and heat, outdated electrical systems and inadequate storage through out the project. Asphalt and concrete street and pavements are severely damaged and the site Infrastructure and utility systems are inadequate, outdated and should be replaced.

In the Housing Authority of the County of San Bernardino's Moving-To-Work Plan Fiscal Year 2010 Plan, Lugonia Avenue is cited as one of only two public housing projects scheduled for demolition due to the financial and physical non-viability of maintaining these units as public housing.

Given the project's size and location, the successful redevelopment of Lugonia Avenue is critical to the revitalization of the North Redlands neighborhood. The Housing Authority of the County of San Bernardino seeks demolition approval for the entire Lugonia Avenue site in order to implement the adopted Master Plan.

B. Description of Surrounding Community & Impact

The surrounding community is predominantly single-family residential, but has a mix of additional uses including commercial, neighborhood serving retail, agricultural and civic. The North Redlands neighborhood has very good access to public transit. The San Bernardino-based Omnitrans bus system provides extensive bus service for the area. Routes 8 and 15, with stops at Lugonia Avenue at Orange Street, provide public transit access to retail centers, colleges and universities, Loma Linda Hospital, and the San Bernardino International Airport. The project site is located in a stable residential neighborhood and is in close proximity to a public park, full-scale grocer, pharmacy, senior center, Boys and Girls Club, and two public schools. Moreover, the site provides good road connectivity, as it is close to a major freeway and two state highway routes.

Although located in a stable residential community, the North Redlands is a historically higher-poverty and disinvested 2 squared mile area immediately north of downtown Redlands. The poverty rate for the census tract 80.02, which serves a large segment of the North Redlands neighborhood was 27.6% in 2000, while the poverty rate for the entire City of Redlands was approximately 7.7%. Moreover, the median family income for the census tract 80.02 was \$28,310 in 2000, while the median family income for the entire City of Redlands was \$48,155. Furthermore, the North Redlands neighborhood has some of the oldest housing stock in the City of Redlands. According to Census 2000, 37% of the housing stock in the neighborhood was constructed before 1950 and 32% before 1970. The area has a higher concentration of dilapidated and non-conforming housing with a higher concentration of vacant parcels when compared to other parts of the city.

In 2008, the City's Redevelopment Agency adopted the North Redlands Revitalization Project Area to galvanize city departments, resources and commitments to achieve comprehensive revitalization in the North Redlands neighborhood, including improvements to public transportation, support of retail development, job creation for residents, pedestrian or bikeways, park and recreation, housing renovation/development and other activities that enhance the quality of life for residents. The Lugonia Avenue revitalization, as proposed by the HACSB, will serve as central part of the City's commitment to revitalize North Redlands, and continues the wave of reinvestment northward that will result in a positive transformative impact for the community. The HOPE VI Revitalization Plan for Lugonia Avenue represents a very critical next stage of the City of Redlands Redevelopment Agency's Plan to revitalize North Redlands.

C. Description of Proposed Redevelopment Activity

Public Housing Transformation Plan: *Rehabilitation of Severely Distressed Public Housing Site*

The Lugonia Avenue Plan includes the demolition of the existing distressed public housing, and its replacement with a new green community with housing, open space and much need infrastructure. HACSB and MBS propose to transform the Lugonia Avenue public housing site into a mixed-income intergenerational development with housing choices that range from 1- to 4-bedroom rental units and single-family for-sale units. The design concept re-imagines the development with new residential building types including single family homes, townhouses and stacked townhouses over flats in the style of the City of Redlands neighborhood tradition.

Our team is committed to ensuring that the proposed new development will meet the highest standards of health and safety, and will incorporate a sustainable green development approach to design. We aim to create a dynamic residential community that will eliminate institutional elements by constructing well designed units with spacious but efficient floor plans using warm, welcoming materials, and drawing on national best practices in design.

The guiding principles of the design are:

- Develop a livable, balanced mix of residential housing types— rental and for sale
- One-to-one public housing unit replacement
- Diversity of income - very low, low, and moderate
- Variety of unit size and scale
- Build in the style of the Redlands neighborhood tradition
- High quality of living throughout (no disparity, grouping, or phasing by income)
- Durability of materials and design
- Low operating and maintenance costs
- Provide key resident amenities
- Accessible active and passive recreation space
- Create a community oriented design

- Improve traffic management, accessibility, and integration with adjoining neighborhoods
- Incorporate a Sustainable Green Development Plan and architectural design

The new units will be designed for households of varying sizes (one-to-four bedrooms are provided) with amenities that Lugonia Avenue currently lacks, including central air conditioning, in-unit washers/dryers, dishwashers, multiple baths in large units, Energy Star appliances, walkability, accessible units, private and defensible space, and much more. These amenities not only meet the needs of current Lugonia Avenue families, but are critical in attracting new households with who were previously deterred by the distressed conditions of the existing property.

Community Facilities

A community recreation Village Green area will be built as part of Phase A to provide for safe outdoor activities for Lugonia Avenue residents, including a swimming pool and multiple playground facilities. A management and community building totaling approximately 7,000 square feet will be located adjacent to the Village Green. This facility will house on-site property management staff, maintenance, and community and social service programs and provide meeting, program and recreational space for neighborhood children and their families, including a computer lab and fitness center.

The applicant has procured Urban Strategies, Inc. to serve as a consultant to work with neighborhood based service providers to undertake the development of a Community and Social Services Plan (CSS) aimed at improving the quality of residential life and assisting families in moving toward self-sufficiency. The CSS program will offer appropriate services to address barriers to self-improvement for adults, children and seniors.

Urban Strategies, Inc. is a non-profit organization that has worked on community development and human services programs in cities throughout the United States, typically in conjunction with the major physical redevelopment of communities. Urban Strategies was incorporated in 1978 to bring social and supportive services to low- and mixed-income housing developments, and to assist communities to form self-governance structures to oversee the management of programs and services.

The guiding goals of the CSS Plan are:

- Develop a comprehensive, community driven planning of an integrated human services network
- Focus upon building the capacity of community leaders and planning for sustainability
- Transfer expertise and organizational skills and to increase each client's capacity for self-determination and self-sufficiency

- Develop a Community Task Force (CTF) made up of residents, key institutions and employers, community groups, and the public sector, to develop a partnership of service providers

Financing Overview

Phase A

Phase A of the Lugonia Avenue redevelopment consists of the construction of 117 new rental units affordable to public housing residents and families earning between 30% and 60% of the Area Median Income. The plan for Phase A re-imagines the Lugonia Avenue site with a blend of two-story townhouses and garden flats as well as an ample amount of open space and resident amenities. Of the 117 new rental units, 37% (43 units) will replace fifty (50) existing public housing on this portion of the site. The new intergenerational design and unit mix responds to the documented need for 1-, 2-, 3- and 4-bedrooms units for families with children, individuals and seniors. The estimated total development cost of Phase A is \$35,221,119. The costs associated with demolition, relocation and infrastructure improvements included in the total development costs referenced above, represent the fair share allocation of costs specifically attributable to the revitalization of Phase A only.

Phase A. Financing Overview

Phase A of the redevelopment plan will be financed with combination of Federal Low Income Housing Tax Credits, HOPE VI Revitalization Grant funding, conventional financing and HACSB resources. In addition to \$9,923,119 in HOPE VI funding, the permanent sources of funds for the Phase A project budget include: a conventional first mortgage in the amount of \$3,975,000 to be provided by California Community Reinvestment Corporation (CCRC), \$18,123,000 in investor equity from the sale of Federal Low Income Housing Tax Credits (LIHTC) to be provided by Hudson Housing Capital and \$3,200,000 in HACSB Moving-to-Work Capital Funds. In addition to its financial contribution, HACSB will provide the land at no cost and will enter into a long-term ground lease at \$1.00 per year with the new development entity. JPMorgan Chase Bank has also committed to provide a construction loan in the amount of \$11,554,893 which will include bridge financing in the amount of \$7,579,893 during the construction period.

Phase B

Phase B of the Lugonia Avenue redevelopment consists of the construction of 72 new rental units affordable to public housing residents and families earning between 30% and 60% of the Area Median Income. The plan for Phase B re-imagines the Lugonia Avenue site into a sustainable green community with a blend of two-story townhouses and garden flats as well as an ample amount of open space and resident amenities. Of the 72 new rental units, 41% (30 units) will replace sixty-five (65) existing public housing on this portion of the site.

The new intergenerational design and unit mix responds to the documented need for 1-, 2-, 3- and 4-bedrooms units for families with children, individuals and seniors. The estimated total development cost of Phase B is \$24,994,291. HACSB estimates \$7,033,491 in HOPE VI Revitalization Grant funds to execute Phase B of the Master

Plan. In addition to its contribution of the land, the applicant has secured permanent financing commitments in the amount of \$17,960,800. The costs associated with demolition, relocation and infrastructure improvements included in the total development costs referenced above, represent the fair share allocation of costs specifically attributable to the revitalization of Phase B only.

Phase B. Financing Overview

Phase B of the redevelopment plan will be financed with combination of Federal Low Income Housing Tax Credits, HOPE VI Revitalization Grant funding, Investment Tax Credits, conventional financing and HACSB resources. In addition to \$7,033,491 in HOPE VI, the permanent sources of funds for the Phase B budget include: a conventional first mortgage in the amount of \$1,660,000 to be provided by California Community Reinvestment Corporation (CCRC) and \$16,140,000 in investor equity from the sale of Federal Low Income Housing Tax Credits (LIHTC) to be provided by Hudson Housing Capital as well as \$160,800 in Solar Tax Credit Investment Equity from U.S. Bank. In addition, HACSB will provide the land at no cost and will enter into a long-term ground lease at \$1.00 per year with the new development entity. JPMorgan Chase Bank has also committed to provide a construction loan in the amount of \$10,575,312 which will include bridge financing in the amount of \$9,095,312 during the construction period.

The applicant has secured permanent financing and equity commitments in the amount of \$17,960,800. Note: financing commitments secured from the conventional lenders and equity investor for Phase B, are explicitly conditioned upon the award of HOPE VI funds as well as the award of Low Income Housing Tax Credits in 2010.

Extraordinary Costs - On-Site and Off-Site Costs

The redevelopment of the Lugonia Avenue site will require HACSB and MBS to incur construction costs that would otherwise not be incurred in developing the immediate on-site related building, pavement and utility infrastructure improvements. These extraordinary site costs will include:

1. The demolition and removal of the entire underground existing sewer, water, overhead primary electrical and gas main utility infrastructure that traverse the site
2. The demolition and removal of the full street network of public streets
3. The new construction of utility infrastructure for sewer, water, primary overhead electrical, street lighting and gas main networks throughout the site
4. The excavation and re-compaction of a minimum of five (5) feet of the existing soil throughout the entire site
5. The new construction of proposed on-site private streets
6. The widening of off-site public streets (Lugonia and Orange Streets)
7. The installation of photovoltaic solar panel technology to provide at least 10% of the development's estimated electricity demand.

Preliminary cost estimates obtained to complete the proposed multi-phased redevelopment of the Lugonia Avenue site indicate that the costs associated with all on-site and off-site improvements, including demolition, environmental remediation,

grading, new infrastructure and utility systems, fencing, landscaping and site equipment, will total approximately \$10,000,000. The costs associated with the necessary on-site and off-site improvements related to Phase A of the redevelopment plan are estimated to be approximately \$6.1 million or 60% of the total. The costs associated with the necessary on-site and off-site improvements related to Phase B of the redevelopment plan are estimated to be approximately \$2.9 million or 30% of the total. The costs associated with the necessary on-site and off-site improvements related to Phase C (single-family) of the redevelopment plan are estimated to be approximately \$1 million or 10% of the total.

Single Family

The Lugonia Avenue Master Development Plan also includes 39 for-sale detached homes. The balance of HOPE VI Revitalization Grant funding will be leveraged with private capital to create this phase. Focused on creating a vibrant and charming neighborhood, the single-family homes will target low- and moderate-income households earning between 80% - 150% of the area medium income. Additional consultation and market analysis is required to assess market conditions and determine specific income targeting goals.

Sustainable Design

As part of the overall strategy to create a healthy, sustainable, energy-efficient and cost saving residential development, Phase A and subsequent phases of the multi-phased redevelopment of the Lugonia Avenue site will comply with mandatory Enterprise Green Communities Criteria for new construction. The development will also comply with Optional Enterprise Green Communities Criteria in order to achieve additional reductions in energy use, incorporate passive solar heating and cooling systems and promote an enhanced healthy living environment.

D. Development Team

Sponsor

HACSB was organized in 1941 under the U.S. Housing Act of 1937 and the State of California Housing Authorities Law of 1938, for the purpose of developing low-rent public housing for low-income families in San Bernardino County. The Housing Authority was authorized to function by resolution of the Board of Supervisors on June 23, 1941, officially launching the agency. The Housing Authority serves over 32,000 low-income individuals, families and seniors in San Bernardino County and currently owns and operates seven large public housing projects with a portfolio that includes 1,673 public housing units. In 2008, the Appropriations Act added the Housing Authority of the County of San Bernardino as a Moving to Work (MTW) agency.

According to HUD's Public Housing Assessment System (PHAS) HACSB is a high performer with a score of 97. HACSB is also in compliance with the Capital Fund expenditure requirements.

Developer Partner

McCormack Baron Salazar (MBS) is a nationally acclaimed for-profit residential development company specializing in the revitalization of urban neighborhoods. The firm is often called upon by cities and local agencies to provide housing opportunities in difficult to develop areas and underserved or at risk populations. MBS has extensive experience in redevelopment, adaptive reuse and rehabilitation of historic structures as well as in managing major repair and rehabilitation programs.

For over 30 years, the firm has developed an intimate knowledge of designing, financing, building and managing mixed-income affordable housing developments. MBS has completed or has under construction approximately 15,000 units of mixed-income housing units and over 1.1 million square feet of commercial uses across the country, including 23 HOPE VI sites across the country. In the past five years alone, the company has completed 40 developments creating over 4,218 housing units with a combined total development cost of \$824,623,755.

Master Planner and Project Architect

William Hezmalhalch Architects (WHA) will be the Master Planner and Project Architect, responsible for all aspects of the design, starting with the conceptual level and including both housing and public infrastructure improvements. WHA focuses on addressing projects with an integrated design approach to develop creative, responsive, value-added and achievable place-making solutions. The firm undertakes each project with a fresh approach, not preconceived beliefs or solutions. As problem-solvers, WHA delivers expertise in multiple disciplines and project types to analyze, program, conceptualize, resolve and validate cohesive planning and architectural alternatives with the objective of fulfilling the needs of clients, as well as community stakeholders and residents. WHA is a California Corporation with offices in Santa Ana.

Property Management

In addition to developing mixed-income housing McCormack Baron Salazar through its affiliate, McCormack Baron Ragan Management Services, Inc. (MBR) offers full service property management with 30 years of experience managing residential real estate that includes market-rate, project-based Section 8, public housing and Section 42/Low Income Housing Tax Credit properties or a combination of one or more at a single property. MBR currently manages approximately 15,000 apartment units in 16 states. MBR manages McCormack Baron Salazar-developed properties and also provides fee management services for other selected developers and housing authorities. As a result of MBR's extensive and ongoing preventive maintenance and capital improvement schedules, the units in the company's portfolio are kept in "as new" condition.

Schedule

The project is ready to proceed, and upon securing the requested HOPE VI Grant and an allocation of Federal Low Income Housing Tax Credits, can meet the timeframes required by the NOFA. HACSB can meet all statutory time limits pursuant to the NOFA, including submitting the development proposal within 12 months of the Grant

Agreement, closing the first phase (financing secured) within 15 months of Grant agreement execution, and expending 100% of the grant funds by September 30, 2014. The site for the Lugonia Avenue project will need to relocate existing residents and cleared prior to construction. The Housing Authority is ready to move forward on the final planning, design, and construction of the revitalization project immediately upon grant award.

Below is a schedule with key milestones to plan, design and construct the Lugonia Avenue development illustrating that HACSB can meet the time limits of the grant as stipulated by the NOFA.

November 1, 2009	Complete Community Planning and Survey Work
January 3, 2010	Complete Geotechnical Investigation Begin Site Preparation Design
March 1, 2010	Grant Agreement Executed
June 1, 2010	Submit Development Proposal to HUD Begin Site Preparation Work Begin Relocation
July 8, 2010	Submit LIHTC 9% Tax Credit Application
September 9, 2010	Award LIHTC 9% Tax Credit Equity Complete Architectural and Engineering Plans Specifications for Building
December 15, 2010	100% Obligation of Funds Complete Relocation Financial Closing with HUD and Tax Credits Complete Site Preparation Work Start Construction of Buildings
January 3, 2012	Public Infrastructure 100% complete
September 1, 2013	Construction Completion - Building 100% complete All Equipment, Furnishings and Fixtures Installed
October 1, 2013	Begin Community Center Programming
February 1, 2014	100% of Grant Funds Expended

III. LONG-TERM MTW PLAN

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

IV. PROPOSED MTW ACTIVITIES

There are no proposed MTW activities in this amendment.

V. ONGOING MTW ACTIVITIES

There are no proposed changes in this amendment to the activities originally submitted and approved through the FY 2010 MTW Plan and the Initial Plan.

VI. SOURCES AND USES OF FUNDS

There are no proposed changes to the Sources and Uses of Funds.

- A. **Resolution of the Board of Commissioners** – Attached in the appendices is the Resolution of the Board of Commissioners adopting this Amendment to the FY 2009-2010 Annual MTW Plan along with the Certificate of Compliance prescribed by HUD in Exhibit B of the MTW Agreement.

- B. **Planned Ongoing Agency Evaluations of the Demonstration** – As of the submission of this plan, HACSB does not have any planned or ongoing Agency-directed evaluations of the MTW Demonstration.

APPENDIX A: BOARD RESOLUTION ADOPTING 2010 PLAN AMENDMENT #1

Attached on following page.

RESOLUTION NO. 2252

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

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

WHEREAS, the Housing Authority of the County of San Bernardino now desires to amend the FY 2009-2010 Annual MTW Plan to incorporate the HOPE VI Revitalization Plan for the Lugonia Avenue public housing site in Redlands, California;

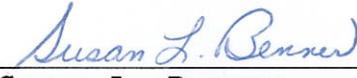
NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the County of San Bernardino does hereby adopt this Amendment to the FY 2009-2010 Annual Moving-to-Work Plan.

Adopted: October 14, 2009

C E R T I F I C A T E

I, Susan L. Benner, Executive Director of the Housing Authority of the County of San Bernardino hereby certify that the attached Resolution No. 2252 was adopted by the Board of Commissioners by vote of the members present as the same appears in the Official Minutes of said Authority at the regular meeting of October 14, 2009.

November 2, 2009
Date



Susan L. Benner
Secretary

SEAL

**Annual Moving to Work Plan
Certifications of Compliance**

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning FY 09-10, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 8.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).

17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the
County of San Bernardino

CA019

PHA Name

PHA Number/HA Code

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

Mario Saucedo

Chairman

Name of Authorized Official

Title





Signature

Date

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Housing Authority of the County of San Bernardino

Program/Activity Receiving Federal Grant Funding

Moving to Work

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

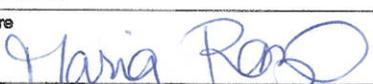
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

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

Name of Authorized Official Maria Razo	Title Deputy Executive Director, Office of Business Administration
Signature 	Date November 2, 2009

X

APPENDIX B: PUBLIC PROCESS

The following steps were taken by HACSB to ensure a thorough public process in the development and adoption of the FY 2009-2010 MTW Annual Plan- Amendment #1:

Tuesday, September 25: Public notice published in the San Bernardino Sun announcing the public hearing on Wednesday, October 14th; text and Affidavit of Publication included as part of Appendix B

Plan posted on HACSB's website and made available at all HACSB offices

Wednesday, October 14: Public hearing held; minutes included as part of Appendix B

Approval by Board of Commissioners- Resolution included in Appendix A

4030 N GEORGIA BLVD, SAN BERNARDINO, CA 92407
Telephone (909) 889-9666 / Fax (909) 885-1253

MARIA RAZO
HOUSING AUTHORITY/SAN BERNARDIN
715 E BRIER DR
SAN BERNARDINO, CA - 92408-2841

SBS#: 1690360

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN BERNARDINO) ss

Notice Type: HRGSB - NOTICE OF HEARING-SB

Ad Description: NOTICE OF PUBLIC HEARING - MTW PLAN FY 09-10
AMEND #1

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

09/15/2009

Executed on: 09/15/2009
At Los Angeles, California

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

Maria Razo



Signature

NOTICE OF PUBLIC HEARING

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

In continuing to develop its MTW program and address community and client needs, HACSB has prepared Amendment #1 to its Fiscal Year (FY) 2009-2010 Annual MTW Plan. The FY 2009-2010 Annual MTW Plan-Amendment #1 will be available to the public for review at the following location from Tuesday, September 15, 2009 through Wednesday, October 14, 2009:

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

The Fiscal Year 2009-2010 Annual MTW Plan-Amendment #1 will also be available on HACSB's website at www.hacsb.com and any HACSB satellite office.

Notice is hereby given that the Housing Authority of the County of San Bernardino will conduct a public hearing on October 14, 2009 at 10:00 a.m. at 715 E. Brier Drive, San Bernardino, CA 92408. If a citizen wishes to challenge the nature of the above action(s) in court he/she may be limited to raising only those issues he/she or someone else raised at the public hearing described in this notice, or in written correspondence delivered Monday through Friday to the Secretary's Office located at 715 E. Brier Drive, San Bernardino, CA 92408 prior to the hearing.

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

To receive copies of this notice in Spanish, please call (909) 890-0644.
9/15/09

SBS-1690360#



* A 0 0 0 0 0 1 3 3 8 2 0 3 *

**HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
MINUTES FOR PUBLIC HEARING
HELD ON OCTOBER 14, 2009**

The Housing Authority of the County of San Bernardino (Housing Authority), California held a public hearing for Amendment #1 to the Fiscal Year 2009-2010 Moving to Work (MTW) Annual Plan at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on October 14, 2009.

Present: Mario Saucedo, Board Chairman
George Guerrero, Board Member
Jessie Munoz, Board Member
Sylvia Miller, Board Member

Susan Benner, Executive Director
Gus Joslin, Deputy Executive Director, Office of Real Estate Development
Maria Razo, Deputy Executive Director, Office of Business Administration
Marsha Zeller, Procurement & Contracts Manage
Lucy Leslie, Property Manager
Alison Crawford, Director of Administrative Services.

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 Amendment #1 to the Housing Authority of the County of San Bernardino's Fiscal Year 2009-2010 Moving to Work Annual Plan before it is submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

II. Opening Remarks

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

Each Housing Authority participating in this demonstration, such as the Housing Authority of the County of San Bernardino, is required to submit an Annual Plan that describes its goals and objectives for the upcoming year. Amendment #1 to the Housing Authority's FY 2009-2010 Annual MTW Plan incorporates the agency's plans for the proposed revitalization of the Lugonia Avenue public housing site in Redlands, California. The plan amendment was made available for public viewing on September 25, 2009. The plan was advertised in the San Bernardino Sun (county newspaper), on the Housing Authority's website, and were copies were available at all Housing Authority offices.

III. Call for Public Comments

The public hearing convened at 10:00 a.m. with Mario Saucedo, Board Chairman, presiding. Mr. Saucedo explained that the purpose of this hearing was to provide interested parties with an opportunity to present questions and/or comments regarding Amendment #1 to the FY 2009-2010 Moving to Work Annual Plan before it is submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

IV. Comments

There were no public comment and the hearing was closed.