



# *Moving to Work*

# ANNUAL PLAN

Housing Authority of the County of San Bernardino

# 2014



*Building Communities  
Changing Lives*

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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.

Housing Authority of the County of San Bernardino

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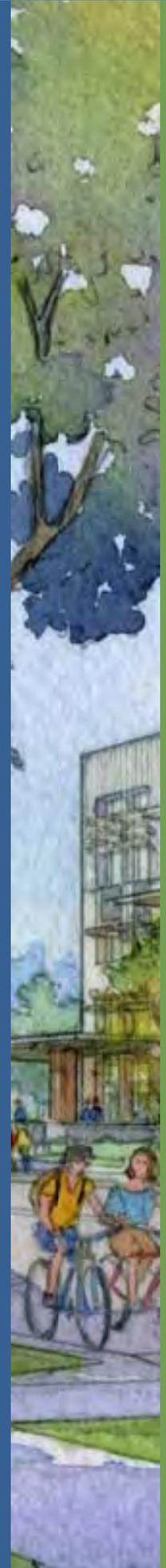
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# Section I: Introduction

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## Background

The Housing Authority of the County of San Bernardino (HACSB) is one of the nation’s most progressive housing authorities in the country. As the largest provider of affordable housing in the County, we proudly serve over 30,000 people, most of whom are seniors, disabled individuals, and children. We strive to 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 San Bernardino.

### *San Bernardino County*

The County of San Bernardino is the largest county in the contiguous United States by area and covers over 20,000 square miles of land. With a population of over two million, it ranks twelfth largest in the nation with more residents than 15 of our nation’s states<sup>i</sup>. The County has 24 cities and multiple unincorporated areas. Unfortunately, the recent economic downturn took a heavy toll on the County and our county’s unemployment rate of 10.7% is higher than that of our State (9.4%) and our nation (7.6%)<sup>ii</sup>. This has increased the need for supportive services and most public assistance programs like Supplementary Nutritional Assistance Program (food stamps), CALWORKS, Medi-Cal have experienced significant increases in enrollment. The number of low income families continues to increase and statistics indicate that 19.3% of families with children within our County live in poverty<sup>iii</sup>.

### *Moving to Work Designation*

Fiscal Year 2014 will mark the beginning of HACSB’s sixth year of participation in the U.S. Department of Housing and Urban Development’s (HUD) Moving to Work (MTW) Demonstration Program. As an MTW agency, we are able to develop and test innovative programs that promote economic independence for our families, save taxpayer dollars through administrative efficiencies and expand housing choices for our families. A brief timeline of our Reports and Plans is provided below –

MTW Plan	Approved by HUD	MTW Report	Accepted by HUD
FY 2009 MTW Annual Plan  Amendment 1	September 25, 2008  June 29, 2009	FY 2009 MTW Annual Report	April 22, 2010
FY 2010 MTW Annual Plan  Amendment 1  Amendment 2  Amendment 3	September 30, 2009  November 18, 2009  February 22, 2010  September 15, 2010	FY 2010 MTW Annual Report	March 21, 2011
FY 2011 MTW Annual Plan	October 18, 2010	FY 2011 MTW Annual Report	March 20, 2012
FY 2012 MTW Annual Plan  Amendment 1	October 5, 2011  November 4, 2011	FY 2012 MTW Annual Report	July 19, 2013
FY 2013 MTW Annual Plan	September 27, 2012		

HACSB has 22 approved MTW activities – 11 help families in their economic independence efforts, 8 focus on creating administrative efficiencies while providing additional services and 3 help increase the affordable housing options for our families.

## **Overview of Agency's Goals and Objectives**

As a non-traditional housing authority, our agency's success is a result of our business approach to strategic planning and delivery of services. Assistant Secretary Sandra Henriquez stated that the success of the Boston Housing Authority during her tenure was a result of "operating as a private business with a social mission." This resonates at our agency. As a business entity that serves as good stewards of taxpayer's dollars, we cannot properly serve our families unless we operate an effective and productive business. This approach has become even more crucial during these times of austere budgets and long-term economic challenges.

In addition to focusing on effective business operations, we also strive to provide our families with the resources, skills, and motivation to transition out of government assisted programs into economic independence. Therefore, as a reflection of our mission and service philosophy, we have increased our resident services and coupled them with new initiatives such as five year term limits, work requirements, tiered lease assistance and minimum rent increases, among others. These new initiatives also ensure greater personal accountability for our families. As catalysts, in collaboration with our partners, we provide and leverage services that will help our families build a foundation for economic independence.

Prior to our MTW designation, HACSB embarked on a 30 year strategic planning process and in early 2008 solidified our agency's long term goals that guide us in our annual strategic planning. Our proactive planning and strategy efforts have helped us face budget reductions of \$21.4 million within the past five calendar years, yet we have been able to increase the services we provide to our families. Our long term goals are aligned with statutory MTW goals and they enhance our efforts to implement an array of innovative business practices and program services. The flexibility granted by our MTW designation coupled with our 30 year strategic plan will help us realize our goals and objectives.

In FY 2011 we established the Community Development Initiatives Department (CDI) to promote strategies that support the agency's emphasis on promoting economic independence through case management and serving as a catalyst for coordinating services, resources and partnerships throughout the County. Similarly, the mission of our affiliate nonprofit Knowledge & Education for Your Success (KEYS) is to empower low-income individuals and families in the county and unlock their potential for success. KEYS will develop a network of service resources to meet the needs of our County residents and link them to a broad array of services customized to meet their requirements. These two service oriented initiatives have allowed us to increase our focus on moving families to self-sufficiency while also achieving administrative efficiencies.

Through our MTW flexibility and our strategic plan, HACSB aims to accomplish the following through our established goals and objectives:

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

-  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
-  Develop a communication program that effectively disseminates information inside and outside the Agency
-  Provide world class customer service

The specific MTW activities that meet this objective are-

Operational Efficiency Through Innovation Activities	
Single Fund Budget – FY 2009	Controlled Program Moves– FY 2009
Strategic Investment Policies – FY 2009	Local Inspection Standards– FY 2010
Alternate Assessment Program– FY 2009	Local Asset Management Program– FY 2010
Biennial Recertifications– FY 2009	Property Management Innovation– FY 2011
Local Verification Policies– FY 2009	Utility Allowance Reform– FY 2012
Elimination of Assets– FY 2009	Streamlined Lease Assistance –FY 2013

- **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 objectives:

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

The specific MTW activities that meet this objective are-

Develop Economically Independent Clients Activities	
Local Policies for Portability - FY 2009	Local Income Inclusion- FY 2011
Elimination of Earned Income Disallowance - FY 2009	Five Year Lease Assistance Program - FY 2011
Minimum Rent- FY 2009	Pilot Local FSS program - FY 2011
Pilot Work Requirement- FY 2010	
No Child Left Unsheltered – FY 2014	
Transition for Over-Income Families – FY 2014	

- **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 objectives:
  - 🏠 Have an increasingly diverse number of funding sources to provide the programs and services described in the strategic plan
  - 🏠 Expand and improve HACSB’s housing stock

The specific MTW activities that meet this objective are-

Ensure Freedom of Housing Choices	
Local Project-Based Voucher Program - FY 2009	Operating Subsidy for Vista del Sol - FY 2010
Local Payment Standards - FY 2009	

<sup>i</sup> US Census Bureau, State and County Quick Facts

<sup>ii</sup> U.S. Bureau of Labor Statistics

<sup>iii</sup> San Bernardino County Community Indicators

## SECTION II – GENERAL OPERATING INFORMATION

The Housing Authority of the County of San Bernardino (HACSB) administers housing assistance to nearly 10,000 families, throughout the County of San Bernardino through Affordable Housing (Public Housing) and Housing Services Programs (Housing Choice Vouchers, Mainstream, Shelter Plus Care (S+C) Vouchers, Veterans Administration Supportive Housing (VASH) Vouchers, Housing Opportunities for People with AIDS (HOPWA) and other local programs).

### HOUSING STOCK INFORMATION

#### HUD Funded Affordable Housing (Public Housing)

The chart below summarizes the Affordable (public) Housing units anticipated at the beginning of the fiscal year, the changes anticipated during the year and the total units projected at the end of FY 2014.

AFFORDABLE HOUSING STOCK				
Management Point	ACC Units (beginning FY 2014)	Anticipated Changes (in FY 2014)	ACC units (end FY 2014)	Reason for Anticipated Changes
<b>AMP 120</b>	349	-349	0	Waterman Gardens site is in the preliminary process of redevelopment. Submit Rental Assistance Demonstration Program (RAD) for scattered sites. RAD application submitted for Waterman Gardens.
<b>AMP 130</b>	330	-330	0	HACSB anticipates applying for the RAD program for scattered sites.
<b>AMP 150</b>	126	-114	12	Vacating of Lugonia site will be complete for Phase 2. Single family homes will be sold under the Section 32 Homeownership guidelines. HACSB anticipates submitting a RAD application for the Brockton site.
<b>AMP 160</b>	183	-55	128	Single family homes to be sold under the Section 32 Homeownership guidelines. HACSB anticipates submitting a RAD application for the Chino site.
<b>AMP 170</b>	220	-104	116	HACSB anticipates applying for the RAD program. However under the portfolio approach this set of units will be part of the second application. The second application may not close before the end of the reporting period.
<b>AMP 180</b>	6	-6	0	Single family homes to be sold under the Section 32 Homeownership guidelines.
<b>AMP 190</b>	1	-1	0	Single family homes to be sold under the Section 32 Homeownership guidelines.
<b>TOTAL</b>	<b>1,215</b>	<b>-959</b>	<b>256</b>	

HACSB ended FY 2013 with 1,235 housing and non-dwelling units under the Annual Contributions Contract, and 1,215 housing units. Through our active Homeownership Program, HACSB has sold 7 units under Section 32 Homeownership guidelines in FY 2013:

<b>FY 2013 Public Housing Units Sold to date</b>		
<b>Address</b>	<b>Project</b>	<b>AMP</b>
6334 Cienega, Twentynine Palms	35	190
415 S. Macy St., San Bernardino	17	130
11997 Effen St., Rancho Cucamonga	32	160
13645 Arroyo Dr., Victorville	32	180
10688 Spahn Dr., Bloomington	42	160
73984 Casita Dr., Twentynine Palms	35	190
6415 Athol Ave., Twentynine Palms	35	190

#### ***Anticipated Changes in FY 2014***

Due to years of declining funding of the Affordable (Public) Housing Program, short on capital grant funds and severely under funded with operating subsidies, 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 1, 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 therefore will pursue this strategy for future rehabilitation of our Affordable (public) housing portfolio for the benefit our current residents and the community at large.

In early March of 2013, we commenced construction of phase 1 of the Redlands-Lugonia site (AMP 150, sites 1, 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 consists of 85 units of affordable rental housing funded with 4% Low-Income Housing Tax Credits and Tax-exempt Bonds. In April 2012, we applied for, and later received HUD approval for an allocation of tenant protection vouchers corresponding to the original public housing units. Approximately 60 families in phase 1 have been relocated to other sites within HACSB's portfolio or provided a voucher to secure housing of their choice on the open market. Those families will have the first option to return to the completed Redlands-Lugonia (Valencia Grove) site when construction is completed.

HACSB is planning on submitting a RAD application before the end of FY 2013 for 104 units in Barstow (AMP 170- sites 013 & 034), and 97 scattered-site units in San Bernardino (AMP 120- sites 019, 031, 032 & 034). We will also apply project-based vouchers and plan to make a total of 100 units available at two nearby mixed income developments (Sunset Pointe and Sunrise Vista) owned by HACSB. These developments recently underwent \$2 million in renovations and rehabilitations including ADA unit conversions, a/c replacements, termite treatment work, exterior lighting replacement, concrete repairs, and asphalt and roof replacement. These units are a mix of 1, 2 & 3 bedroom family units (flats), within the garden apartment community, with accessible units pursuant to section 504 on the ground level as well as second-level walk-ups. The mixed-income complexes include common laundries, fitness and swimming pool facilities.

In FY 2013, we intend to analyze and model RAD applications for the final set of scattered site units within HACSB's public housing portfolio, including 34 units in AMP 130 (sites 18 & 27) and 12 units in AMP 150 (site 032). RAD applications for senior public housing sites including 40 units at Mount Vernon Manor Senior Complex (Colton, CA) in AMP 160 (site 19-10), and 40 units at East Williams Street (Barstow, CA) in AMP 170 (site 19-12) will also be evaluated.

We also plan to submit a public housing mixed-finance proposal to support the redevelopment of the 252 unit Waterman Gardens site in San Bernardino (AMP 120- site19- 02). Master planning for that development has been completed, plans submitted to the City of San Bernardino planning department, and final entitlements are expected to be awarded in the summer of 2013. The new development will include over 400 mixed-income housing units, including senior and homeownership units and extensive community facilities for recreation as well as employment and training opportunities supporting HACSB's MTW initiatives. Housing affordability will continue to be the primary focus for the development, and HACSB anticipates a mix of ACC/RAD and project-based voucher units with substantial funding secured through Low Income Housing Tax Credits. While it is too early to know the number of ACC/RAD units that will be within the new Waterman Gardens community, HACSB estimates at a minimum that the existing 252 ACC units will be replaced on a one-for-one basis over the course of the multiple-phase redevelopment.

## Capital Fund Program

**FY 2013** - The Agency continues its capital improvements agency-wide to include interior kitchen and bathroom renovations, Section 504 unit accessibility, and exterior xeriscaping to support water conservation. Included in this work will be unit reconfiguration to split single 5 bedroom units, to two (2) smaller bedroom sizes to meet the much larger demand for smaller units. HACSB is also planning to implement additional energy improvements agency-wide to augment work completed previously under an Energy Performance contract.

The most significant capital expenditures of Capital Funds in 2013, other than that mentioned above, includes architectural and engineering work associated with the entitlement phase of

the Waterman Gardens redevelopment project. Preliminary resident relocation planning has been completed, as well as environmental (NEPA/CEQA) approval processes. HACSB is also aggressively implementing resident employment programs under Section 3 as directly supportive of the variety of Moving-To-Work initiatives described in this plan. Capital Fund is currently being utilized to prepare and convert existing public housing (maintenance) facilities for employment training and educational use. These programs maintain a special focus on initiating deconstruction and recycling/reuse activities associated with the demolition of existing housing units. The initial deconstruction training, with a class of 15 public housing resident trainees, commenced on May 8, 2013. The program will expand to include broader construction skills training, including landscape irrigation and maintenance in the summer of 2013.

**FY 2014** - The Capital Fund Program 5 Year Plan and Budget is included as Appendix C. The Agency will continue its capital improvements agency-wide to include interior kitchen and bathroom renovations, Section 504 unit accessibility, exterior xeriscaping, and unit reconfiguration to split single 5 bedroom units, to two (2) smaller bedroom sizes to meet the much larger demand for smaller units. HACSB will also continue to implement additional energy improvements agency-wide to augment work completed previously under an Energy Performance contract.

The most significant capital expenditures planned for FY 2014 using Capital Funds, other than that mentioned above, includes architectural and engineering work associated with the initial construction phases of the Waterman Gardens redevelopment project. Mixed-finance and RAD applications as well as limited resident relocation planning (for initial phase) will also be completed to implement the project by the Spring of 2014. HACSB will continue to aggressively implement resident employment programs under Section 3 as directly supportive of the variety of Moving-To-Work initiatives described in this plan. Capital Fund will be utilized (and leveraged with outside funding) for employment training anchored within the large public housing revitalization projects either already underway (Redlands-Lugonia) or planned (Waterman Gardens). These programs will place a priority on sustainable development and green building practices, including deconstruction and recycling/reuse activities associated with the demolition of existing housing units, and property management and maintenance of the newly constructed rental housing. The efforts are intended to also extend into the neighborhoods surrounding the existing public site(s) to promote community-wide revitalization.

## Housing Choice Voucher Program

The table below summarizes the baseline number of MTW Vouchers, Project-Based Vouchers and non MTW Vouchers.

<b>MTW Vouchers</b>	<b>Number of Vouchers</b>
MTW Vouchers -Beginning of Year (non PBV)	7,260
MTW Project Based Vouchers -Beginning of Year (PBV)	844
Expected Additions/Deletions (PBV)	308
Expected Additions/Deletions (non PBV)	-308
<b>TOTAL ALL VOUCHERS EXPECTED END OF YEAR</b>	<b>8,104</b>

The authorized number of number of vouchers per our Annual Contributions Contract with HUD is 8,719.

### Anticipated Changes in FY 2014 (Project Based Vouchers)

#### *Lugonia - Redlands*

Lugonia Avenue Apartments is the first phase of the redevelopment/replacement of low income HUD assisted affordable (public) housing built in 1942. The 115 units will be replaced with 189 affordable 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, complete 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, and 21 four bedroom/two bath units with 1,358 square feet. We anticipate to project base another 53 units in FY 2014.

#### *Meadowbrook Park Senior Apartments -San Bernardino*

We also anticipate project basing 47 units at Meadowbrook Park Senior Apartments in San Bernardino, CA wherein our affiliate nonprofit, HPI Inc. is partnering with the nonprofit Housing Preservation, Inc. for the preservation and rehabilitation of an existing HUD subsidized affordable housing complex. The community consists of 95 existing studio units that will be reconfigured to create 47 one bedroom units in order to stabilize occupancy at the troubled site which also contains 120 family units. Extensive rehabilitation work will be completed at the complex to address the significant (deferred maintenance) needs there.

### ***Horizons – Yucaipa***

A partnership agreement was established with Urban Housing Communities (UHC) and our affiliate nonprofit HPI, Inc. to serve as a General Partner in a new 77 unit affordable senior community in the city of Yucaipa. HACSB has committed to providing 35 Project Based Vouchers, which will increase the future competitiveness of HPI Inc. for Low-Income Housing Tax Credits. The number of project based vouchers may increase to 50, due to a reduction in public funding available for this development.

### ***Lugo – San Bernardino***

HPI, Inc. will be a co-general partner in this 119 unit development in San Bernardino of which 8 units will be project based.

### ***Sunrise Vista & Sunset Pointe – Barstow***

The purchase of Sunrise Vista and Sunset Pointe in May 2010 increased the affordable housing options available to low-income individuals and families in the City of Barstow, diversified our existing Authority Owned Portfolio, and offered a relocation opportunity due to the proposed demolition/disposition of existing Public Housing developments in the city. In March 2013, HACSB approved to increase the number of project based vouchers at Sunrise Vista by 67 units to a total of 117 units, and at Sunset Pointe by 58 units to a total of 108 units.

### ***Gilbert – San Bernardino***

In partnership with Technical Employment Training Inc., PATH (People Assisting the Homeless) and the American Round Table to Abolish Homelessness, we are pursuing the acquisition of housing dedicated to supporting the re-entry of ex-offenders into the community. We anticipate providing 25 project-based vouchers which will be coupled with wrap-around services including employment training and counseling to prevent recidivism and homelessness.

**Non MTW Vouchers** – The chart below summarizes the authorized number of non MTW vouchers by program anticipated in FY 2014.

<b>Non MTW Vouchers</b>	<b>Number of Vouchers</b>
Mainstream	100
HOPWA	47
VASH	190
Master Leasing	35
Stepping Stones (S+C)	28
New Horizons (S+C)	46
Good Samaritan (S+C)	17
Project Gateway (S+C)	12
Laurelbrook (S+C)	27

Cornerstone (S+C)	33
Lantern Woods (S+C)	16
Whispering Pines (S+C)	16
Expected Additions	0
<b>TOTAL AUTHORIZED NON MTW VOUCHERS (EXPECTED END OF YEAR)</b>	<b>567</b>

**Authority Owned (Non-HUD) Housing Stock** – In addition to the HUD funded affordable housing portfolio, HACSB owns 1,355 residential housing units and 4 commercial units. Many of these units are affordable for families earning 80% or less of the Area Median Income (AMI) as a result of public funds acquired for the acquisition and/or development, such as HOME and Redevelopment Housing Set-Aside funds. The chart below lists the residential properties and total number of units in each property in the HACSB Authority Owned (Non-HUD) Housing Portfolio. A detailed list of the affiliate nonprofit properties can be found in Section III – Non MTW Related Information under the Affiliate Non Profit section.

<b>AUTHORITY OWNED HOUSING STOCK</b>		
<b>Property Name</b>	<b>City</b>	<b>Total Units</b>
Muni Property	Apple Valley	7
Desert View	Baker	24
Sunset Pointe	Barstow	144
Sunrise Vista	Barstow	156
9 <sup>th</sup> Street Property	Colton	3
Canyon Villas	Colton	46
Las Palmas	Fontana	16
Redwood Terrace	Fontana	68
A Avenue	Hesperia	4
Mesa Gardens	Hesperia	29
Sunnyside	Hesperia	30
Sequoia	Hesperia	35
Scattered Sites	Hesperia, Yucaipa	3
Stone Creek	Loma Linda	20
Van Leuven (14/8)	Loma Linda	22
Crafton	Mentone	5

<b>AUTHORITY OWNED HOUSING STOCK</b>		
<b>Property Name</b>	<b>City</b>	<b>Total Units</b>
Mentone (State)	Mentone	34
Kingsley Patio	Montclair	34
Bahia	Ontario	3
Frankish Building (includes 4 commercial)	Ontario	20
Summit Place	Ontario	75
Summit Walk	Ontario	78
Lombard	Redlands	4
Brockton	Redlands	8
Stillman	Redlands	9
Hampton Court	Redlands	24
Merrill	Rialto	24
Wall Avenue	San Bernardino	7
Yucca	San Bernardino	14
Arrowhead Woods	San Bernardino	51
<b>Property Name</b>	<b>City</b>	<b>Total Units</b>
Grandview Towers	Twin Peaks	40
Andalusia	Victorville	168
Third Street	Yucaipa	19
Sunset Gardens	Yucaipa	39
Yucaipa Crest	Yucaipa	45
Yucaipa Terrace	Yucaipa	51
<b>TOTAL AUTHORITY OWNED UNITS</b>		<b>1,359</b>

## LEASING INFORMATION

HACSB ANTICIPATED LEASING INFORMATION (FY 2014)					
Public Housing		Housing Choice Vouchers		Authority Owned Housing Units	
Total Units (7 were removed for Homeownership sales)	1,208	Total MTW Voucher Baseline	8,104	Total Units	1,359
Total Units Leased	1,183	Total MTW Vouchers Leased	7,940	Total Units Leased	1,250
<b>Percent of Units Leased</b>	<b>98%</b>	<b>Percent of MTW Voucher Utilization</b>	<b>98%</b>	<b>Percent of Units Leased</b>	<b>92%</b>
		Total Non MTW Vouchers	567		
		Total Non MTW Vouchers Leased	612		
		<b>Percent of Non MTW Vouchers Leased</b>	<b>108%</b>		

### Anticipated Leasing Issues

#### **MTW Vouchers**

HACSB has always strived to provide a right balance of services to our participants and residents focusing on housing choices, activities that promote economic independence and administrative efficiencies. A great example of our spirit is the Five Year Lease Assistance Program that meets all three MTW statutory objectives.

As a result of funding reductions in the housing choice voucher program, HACSB anticipates a lower utilization rate than has previously been attained. The budget no longer affords a higher utilization rate. HACSB anticipates reducing its budget through attrition and pausing selection of families from the waiting list with the exception of families from the No Child Left Unsheltered special program beginning in 2014.

In FY 2013, the majority of the leasing for our Authority Owned housing units was managed by an independent property management company. The occupancy rate for this portfolio is 87%; with the majority of developments having occupancy rates well above 90%. Two large properties (300 units total) were undergoing rehabilitation which affected the overall occupancy of the portfolio. This portfolio is a combination of affordable and market rate units.

With the exclusion of the two aforementioned properties the occupancy rate for the portfolio is over 91% for the FY which is in line with the Metropolitan Statistical Area occupancy rates for Riverside/San Bernardino County as of the first quarter of 2013.

### **Affordable (Public) Housing Portfolio**

There are no leasing issues anticipated in our affordable housing program.

### **Non MTW Vouchers**

Despite previous slower lease rates for Non MTW Vouchers, our renewed vigor and teamwork with partners have significantly improved the current lease rates. In most cases, the low lease rate was due to funding and/or administrative uncertainty of our partner agencies. Many programs (Shelter Plus Care) require our partner agencies to provide matching case management, social services and supportive services which can be challenging in times of ongoing budget cuts at county, state and federal levels. Over this past year we have strengthened our partnerships and collaborative efforts within our special purpose programs and expect significant increases in utilization in Fiscal year 2014. In late March this year we engaged in an intensive collaborative effort with the San Bernardino County Department of Behavioral Health and the Office of Homeless Services and as a result, launched Project HOPE, an innovative new way of partnership and collaboration to move applicants quickly through the referral process in order to increase utilization of our homeless special purpose programs. This June we are very excited to be participating in the regional Veterans Boot Camp to end veteran homelessness. In FY 2014, we expect to fully lease our Mainstream and VASH programs. In our Shelter Plus Care programs, due to funding availability, we expect to achieve a lease rate significantly over 100% utilization.

### **Authority Owned Housing Portfolio**

An independent third party, Beacon Property Management, currently manages our Authority owned portfolio. After an extensive financial and operational evaluation, we plan to begin transition of having Housing Partners I (HPI) owned properties managed in house versus outsourcing. One significant factor was the size of the portfolio and the efficiencies gained due to economies of scale. We expect our lease rates to be at 92% for FY 2014.

## WAITING LIST INFORMATION

**Summary** – The chart below provides a summary of the waiting list applicants by income and household type for the Affordable Housing, Housing Choice Voucher and Five Year Lease Assistance Programs as of May 15, 2013:

WAITING LIST DEMOGRAPHICS								
Family Type	Affordable (Public) Housing Waiting List				Housing Choice Voucher Waiting List			
	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	Total PH	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	Total HCV
Elderly*	1,187	235	50	1,472	296	28	6	330
Disabled	1,244	356	88	1,688	537	71	14	622
All Other	11,903	2,752	648	15,303	2,747	206	53	3006
<b>TOTAL</b>	<b>14,334</b>	<b>3,343</b>	<b>786</b>	<b>**18,579</b>	<b>3,580</b>	<b>305</b>	<b>73</b>	<b>**3,970</b>

\* To avoid double counting, a person who is both elderly and disabled is identified as elderly

\*\*Includes people that do not meet the defined criteria due to income or family size

Our Affordable Housing Waiting list has seen a decrease due to our leasing efforts. This is a site based wait list and applicants are allowed to apply to multiple communities. However due to the large number of applicants the one and two bedroom waiting lists for all sites with the exception of Barstow are currently closed and we anticipate the same in FY 2014.

The Housing Choice Voucher waiting list has been closed since April 2007; however, an update to the waiting list in preparation for the Five Year Lease Assistance program was completed in FY 2013. As a result of the adoption of the Streamlined Lease Assistance program in the FY 2013 MTW Plan, HACSB will be once again updating the waiting list. Due to the two different types of populations being served by these programs, including one type being term limited, as well as the critical MTW requirement to serve substantially the same mix of families, the HACSB needs to be able to identify all family types on the waiting list.

HACSB will maintain two types of waiting lists for the Housing Choice Voucher program: Tenant-Based and site-based Project-Based vouchers waiting lists. HACSB will identify households to select from the waiting list, when funding is available, based upon the characteristics provided by the households at the time of waiting list application. Tenant-based families will be pulled based on a lottery order but will be targeted to achieve substantially the same mix of families that were originally on the program. The term limited five-year lease assistance program is not applicable for the Project-Based Voucher program.

The tenant-based waiting list also will be updated to incorporate families on a locally funded programs' waiting list. The tenant-based assistance program was administered by HACSB but

was funded by the County. Although funding has run out for this program, many families have been waiting for assistance since 2004. HACSB will open a preference for these families in FY 2013 and add them to the tenant-based voucher waiting list.

The Project-Based Voucher program allows families to apply to multiple sites to give them more housing choices. All of the scattered sites listed below are family communities while the other sites are for seniors. The details of all site-based PBV waiting lists are provided below –

<b>Project Based Voucher Waiting List</b>					
<b>Property Name</b>	<b>Units</b>	<b>ELI (30% AMI)</b>	<b>VLI (50% AMI)</b>	<b>LI (80%AMI)</b>	<b>Total</b>
Redwood Terrace -Fontana	68	251	59	8	*320
Robert O. Townsend - Montclair	48	299	53	13	*370
Vista Del Sol - Redlands	53	170	29	4	*205
Arrowhead Woods - San Bernardino	51	174	26	7	*209
Grandview Towers - Twin Peaks	40	72	10	5	*88
Yucaipa Crest - Yucaipa	45	81	21	4	*108
Yucaipa Terrace - Yucaipa	51	37	7	1	*46
Desert Village - Victorville	46	113	23	1	137
Scattered Sites Region 1	97	1,567	407	147	*2,147
Scattered Sites Region 2	107	1,466	427	155	*2,094
Scattered Sites Region 3	72	2,114	450	121	*2,701
Scattered Sites Region 4	100	1,047	235	51	*1,346
Scattered Sites Region 5	59	423	92	28	*545
<b>TOTAL</b>	<b>837</b>	<b>7,844</b>	<b>1,839</b>	<b>545</b>	<b>10,316</b>

\*Includes people that do not meet the defined criteria due to income or family size

The total number of applicants by area median income category is included in the chart below–

<b>HACSB GRAND WAITING LIST TOTAL</b>	
Total Extremely Low Income Applicants	25,758
Total Very Low Income Applicants	5,487
Total Low Income Applicants	1,404
<b>Total Applicants**</b>	<b>32,649</b>

\*\*Includes people that do not meet the defined criteria due to income or family size

## Section III – 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. In FY 2014, we anticipate assisting 100 families through this program.

 **Non Elderly Disabled (NED)** – This program is designed to provide rental assistance to non-elderly persons with disabilities to enable them to lease affordable private housing of their choice. In FY 2014, we anticipate assisting 75 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. In FY 2014, we anticipate assisting 47 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. In FY 2014, we anticipate assisting 170 families through this program.

 **Master Leasing Program** – This program is funded by State of California Mental Health funds and serves mentally ill or developmentally disabled families in a group home setting. Case management and comprehensive support services are provided for residents participating in this program. We anticipate assisting 40 families through this program in FY 2014.

 **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 S + C vouchers:

- ❖ **Stepping Stones (S + C)** - This program provides rental assistance for hard to serve homeless persons with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). Under the program requirements, HACSB provides the housing services based on referrals from DBH, which matches the housing funds by providing supportive services. We anticipate assisting 45 families through this program in FY 2014.

- ❖ ***New Horizons (S + C)*** – This program is offered through the Department of Behavioral Health for homeless individuals/families that are currently receiving services from the department. It was implemented in 2008 with expiration in August 2014 due to a one year extension on the grant term. We anticipate assisting 80 families through this program in FY 2014.
- ❖ ***Good Samaritan (S + C)*** – This program is offered through the Department of Behavioral Health for chronically homeless individuals that are currently receiving services from the department. It implemented in 2008 with expiration in August 2014 due to a one year extension on the grant term. We anticipate assisting 25 families through this program in FY 2014.
- ❖ ***Laurelbrook Estates (S + C)*** – This program assists individuals or families experiencing mental illness 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 will be offered through the Department of Behavioral Health. We anticipate assisting 27 families through this program in FY 2014.
- ❖ ***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. We anticipate assisting 12 families through this program in FY 2014.
- ❖ ***Cornerstone (S + C)*** - This program implemented in 2012 and is offered through the Department of Behavioral Health for homeless individuals or families. We anticipate assisting 59 families through this program in FY 2014.
- ❖ ***Whispering Pines (S + C)*** - This program implemented in 2012 and is offered through the Department of Behavioral Health for homeless individuals. We anticipate assisting 28 families through this program in FY 2014.
- ❖ ***Lantern Woods (S + C)*** - This program implemented in 2012 and is offered through the Department of Behavioral Health for homeless individuals. We anticipate assisting 16 families through this program in FY 2014 of which 8 will be Transitional Aged Youth and 8 will be adult participants.

## **KEYS – Knowledge & Education for Your Success**

KEYS is a 501(c)(3) nonprofit corporation created in 2009 by HACSB to consolidate HACSB’s array of supportive services, to centralize strategic community partnership development, and to provide additional support and services for economically disadvantaged families and children, including the 30,000 persons assisted by HACSB. The mission of KEYS is to empower low-income individuals and families in San Bernardino County and to unlock their potential for success. KEYS uses a scientifically proven, “Families Strengthening” Case Management model, which helps our families reach their full potential to achieve family self-sufficiency, economic

stability, emotional/mental health wellness, and overall healthy well-being. Our strategies and goals will create a more robust community that can support families, strengthen heads of household and the families they lead, and decrease isolation while increasing awareness and utilization of services. KEYS staff works in partnership the Community Development Initiatives Department of HACSB to streamline the intake and referral process so residents have opportunities to receive supportive services throughout their residency within HACSB. Due to limited capacity, the initial families that will be assisted are those participating in the Five Year Lease Assistance and Pilot Work Requirement Programs.

## College Scholarships

For 21 years, the Housing Authority has been proud to assist eligible participants in achieving their higher educational goals through scholarships. To date, HACSB has awarded 253 students with \$170,500 in scholarships. Current participants/residents in the Housing Services Program (Housing Choice Voucher programs), Affordable Housing Program (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.

This year, nine students were awarded \$1,500.00 to assist them with their college expenses. The recipients are attending one of the following four-year colleges/universities: Biola University; Cal State University, San Bernardino; La Sierra University; Oakland University; University of California, Berkeley; and University of California, Riverside. Their areas of study include the following majors: anthropology, biology, criminal justice, nursing, political science, and psychology.

## Other Affordable Rental Housing –

HACSB owns 1,355 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 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 and is 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. HPI Property Acquisitions LLC is an HPI, Inc. controlled entity that owns 406 units throughout the County of San Bernardino. HPI Inc. and its affiliates own a total of 647 units, detailed in the list below.

<b>Affiliate Non-Profit</b>			
<b>Property Name</b>	<b>City</b>	<b>Units</b>	<b>Entity</b>
Acacia Property	Fontana	28	HPI Property Acquisition LLC
Mountain View Townhomes	Apple Valley	30	HPI Property Acquisition LLC
Desert Village	Victorville	46	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
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>647</b>	

## Neighborhood Network Computer Labs

In February 2010, HACSB was awarded a competitive, three year \$1.2 million Broadband Technologies and Opportunities (BTOP) grant to provide technology access to underserved communities, boost economic growth and create jobs. The grant ended on February 28, 2013. The funds were used at our 5 computer centers, located throughout the County, to add 25 new workstations, increase broadband speeds, extend operating hours, provide a range of online training workshops, and serve additional users. Computer labs offer internet access, education and career planning, resume review and editing, job search and employment assistance, and basic training on Microsoft Office Programs. During the grant period, a total of 270 people secured employment using the array of support offered by the computer labs. Despite the challenging employment market over the last three years, residents achieved this critical accomplishment. Training outcomes for the three year term of the grant were as follows: Microsoft Office (Word, Power Point, Excel), incl. Spanish: 4,208 participants, 8,416 hours; children's computer skills workshops: 158 participants, 456 hours; Internet job search workshop: 400 participants, 687 hours. Additionally, 67 program participants were referred to the San Bernardino Employment and Training Agency for educational assessments and assistance with GED, vocational training certifications, or degree completion.

Due to lack of funding, one of the labs has been closed, with the other 4 remaining open with reduced hours of operation. Workforce at the labs was reduced from 5 full time and 5 part time staff to 3 full-time staff. Additionally, we are leveraging resources with two community partners, Smooth Transitions and the Career Institute to facilitate training programs in our labs. The training is certified which serves as a useful addition to the student's career portfolio.

# Section IV – Long Term MTW Plan

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***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.

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 additional assistance to our families on their path to economic independence. In conjunction with an extensive list of community partners, government agencies, employment service providers, and institutions of higher education we work to: 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 upholding our core values of respect, safety, integrity and service

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

-  ***Operational efficiency through innovation*** – Maximizing HACSB's economic viability and sustainability and being good stewards of taxpayers' dollars.
-  ***Develop economic independent clients*** – Facilitating opportunities for families and individuals to become self-sufficient and financially independent.
-  ***Ensure freedom of housing choice*** – Providing quality affordable housing opportunities in mixed-income communities with access to excellent quality of life services.

In 2008, prior to our MTW designation, HACSB developed a comprehensive 30 year strategic plan that included eleven strategic goals. These goals serve as a guiding map to help us achieve our mission and vision. Strategy leaders update the annual accomplishments and milestones marking the progress towards the 30 year strategic goals. Our MTW designation assists in our efforts to achieve our long term goals and the statutory objectives align with our long term vision. HACSB currently has 22 approved MTW activities: 12 address the objective of operational efficiency, 7 assist families with their economic independence efforts and 3 help expand housing opportunities. HACSB continually seeks to implement innovative solutions that streamline processes, increase efficiency and help families achieve economic independence. These strategic 30 years goals that continue to guide us as we participate in the MTW demonstration are provided in the chart below-

## 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

In FY 2011, we established the Community Development Initiatives (CDI) Department in order to further our strategic goal helping residents achieve their own personal level of stability and economic independence. We also established a great nonprofit organization, Knowledge & Education for Your Success (KEYS), whose mission is to empower low-income individuals and families in our County and unlock their potential for success. In a needs assessment study conducted by Loma Linda University for one of our affordable housing communities, we realized that many individuals do not access available resources due to lack of confidence, self-esteem, motivation and other factors. In conjunction with CDI, KEYS will provide case management to assist families in creating a personal plan and guide them in accessing resources throughout the County.

We are confident that through our combined efforts and through long term strategic planning, we will reach 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.

In spite of funding reductions, HACSB maintains committed to all of our strategic goals, MTW initiatives and our community development initiatives. Throughout FY 2014 and our entire participation in MTW, we will continue to pursue these goals as well as meet the three MTW statutory objectives.

# SECTION V: PROPOSED MTW ACTIVITIES

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## PROPOSED ACTIVITIES

### Activity 23: No Child Left Unsheltered

- A. Description** – 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 will help resolve extremely critical needs of unsheltered families in the county by offering public housing units and housing choice voucher rental subsidies to families who are identified as chronically homeless through our strong partnerships, particularly with the local school district. The Housing Authority will be partnering with these 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 appropriate waiting lists. The program also will provide families with supportive services and resources such as emergency relief, school connections with community support, and job training for parents.

The number of families identified to be served between both programs is 50 households. This number was established in part based on the January 2013 county-wide Point In Time count for homeless, chronic homeless and unsheltered individuals and families. Though the numbers for these populations are always in flux, based on that data and information reviewed from community partners, we feel the maximum of 50 households provides the opportunity to assist most chronically homeless unsheltered families with children the opportunity to be safely housed and supported in stabilizing their housing within the community.

Through this activity, HACSB will be setting aside 40 housing choice vouchers and ten (10) units at the Waterman Gardens public housing community to be made available to eligible families meeting the criteria under this program. In the housing choice voucher program, families would be assisted through a waiting list, separate from the traditional housing choice voucher waiting list, which would be maintained specifically for this program. The rental subsidy will be determined using the same methodology used in the Streamlined Lease Assistance program and assistance will be term limited using the same policies as our Five Year Lease Assistance Program. Families applying to the Waterman Gardens public housing community would do so by applying to the regular site-based waiting list. Similarly, like applying to the housing choice voucher program, families applying for the waiting list at Waterman Gardens must also be referred by a designated partnering agency that has knowledge of the family’s state of homelessness and experience working with the family. The No Child Left Unsheltered applicants receive a local preference that will move them towards the top of the Waterman Gardens site based waiting list. These families will have their rent portion based on the Streamlined Lease Assistance policies, but will not be term-limited.

To ensure the success of the family, staff from HACSB’s affiliate – KEYS will also provide and coordinate wrap around supportive services and resources. These include but are not limited to: case management, emergency relief, welcome home packages, counseling and support services, school connections with community support, and job training for parents. This program will promote a stable family environment, improve educational and social advancement of children and their parents, and advance the economic well-being of the household.

**B. Statutory Objective** – This activity addresses the statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

**C. Anticipated Impacts** – The primary anticipated impact of this activity is being able to house families who previously were unsheltered and who are determined to be chronically homeless. By housing families who experience chronic homelessness, we believe the anticipated impacts will be a stabilization of the family environment, improved educational and social advancement of children and their parents, and the overall economic advancement of the household. We also anticipate that through this program, we build even stronger community partnerships with San Bernardino organizations which will further assist the self-sufficiency of our clients. We project very limited impact to the waiting lists of either the Housing Choice Voucher program or the Waterman Gardens Public Housing community. The main reason for this expectation is the small number identified to be served under the new program. The Waterman Gardens site will serve a maximum of 10 families in a site of 252 households. The voucher subsidized program will serve a maximum of 40 families in a program of over 8,105 households. Due to the small ratio in numbers set-aside to total numbers served in each program, we feel the impact to the waiting time for families/individuals already on the Housing Choice Voucher or Waterman Gardens waiting list is minimal.

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

**Households Transitioned to Self Sufficiency**

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
No Child Left Unsheltered eligible homeless families housed who previously were unsheltered	0 No Child Left Unsheltered eligible homeless families are housed	Number of housed families who qualify for No Child Left Unsheltered	Year 1: 40 HCVs and 10 public housing units utilized by families who qualify for No Child Left Unsheltered	Families who were previously unsheltered are housed

**Households Assisted by Services that Increase Self-Sufficiency**

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
No Child Left Unsheltered families assisted with services that increase self-sufficiency	0 No Child Left Unsheltered families receive services	Number of participant families receiving services that increase self-sufficiency	50 households - 40 HCV housed families and 10 public housing- expected to receive self-sufficiency services after implementation of the activity.	Families who were previously not receiving services that increase self-sufficiency receive services due to their participation in the No Child Left Unsheltered Program

**E. Data Collection and Protocols –**

A baseline report will be developed to identify the total number of families on each No Child Left Unsheltered waiting list and the number of households served each year through this program.

**F. Authorization Cited –**

HACSB is authorized to undertake this initiative through Attachment C (C) 1, 2, 4 and (D) 1 (c), and 3 (a) (b) and 4. HACSB is also citing the following authorizations that also apply to Activity 22: Attachment C (C) 11, and Activity 20: Attachment C (D) 2(a) (b) (c) and (d) as these activities are incorporated in Activity 23.

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

**A. 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, families who have an annual income which exceeds 80% of area median income (“over income”) will be given a 6 month transition period to locate new rental housing. During the 6 month transition period, HACSB will continue to provide housing assistance to over-income families; however, once the 6 month period has elapsed, families will be responsible for the entire contract rent (housing choice voucher) or to move (public housing). Public housing 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 and homeownership families will be exempt from the 6 month transition requirement.

Existing families will have the 6 month transition period commence starting January 1, 2014 while families who become over income after that date will have their 6 month transition period starting from the effective date of the income change. If during the 6 month 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. HACSB does not expect individuals who meet the income criteria of above 80% AMI to quit their positions simply to maintain housing assistance. Jobs paying over 80% AMI are considered to be well-paying positions and for individuals in our programs that have these positions, the value of a well-paying job, that compensates them at a level that enables the household to have income that is higher than 80% AMI, is greater than the benefit of housing assistance.

Although MTW flexibility is not needed to transition over income families in public housing, it is needed for the Housing Choice Voucher program as well as for families participating in Family Self-Sufficiency under both programs. Upon approval of this activity, the Housing Authority will also update its Admissions and Continued Occupancy Policy (ACOP) to reflect already existing authorization through the Code of Federal Regulations to terminate families over income in the Public Housing program. The Housing Authority also will continue to transition families who have \$0 Housing Assistance Payments off of the program, in alignment with existing regulations. Ultimately, the Housing Authority desires to have similar policies, to the extent possible, between the Housing Choice Voucher and Public Housing programs, and terminating families due to excess income helps achieve that goal. This is particularly important in the Five Year Lease Assistance program, where due to the flat subsidy, families never will reach \$0 HAP and a mechanism must be put in place to transition those families off the program once they reach a self-sufficient level of income.

- B. Statutory Objective** – This activity addresses the statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- C. Anticipated Impacts** – The anticipated impact of this activity is that more applicant families will be selected from the waiting list than would be absent this activity. Transitioning self-sufficient families off of the program will open spots for families needing assistance and will encourage existing families to make the permanent move to unassisted housing.

It is estimated that 10 Public Housing families, 5 of whom participate in the FSS program and 25 Housing Choice Voucher program families, 3 of whom participate in FSS would be transitioned off of the program. Of the 25 HCV families, 13 are already \$0 HAP and would be transitioned off of the program in alignment with the existing regulations.

Financially, the impact of this policy would mean a loss in rental income for Public Housing and fewer families served or an increase in HAP costs, depending on the overall financial situation of the Housing Authority, for the Housing Choice Voucher program.

Over income families pay \$8,811 in rent on a monthly basis for an annual total \$105,732. Once public housing over income families are transitioned out, it is assumed that a replacement family would have an average rent of \$235 per month. The rent and operating subsidy received by newly admitted families is projected to be \$5,100 on a monthly basis and \$61,200 annually, for an income loss of \$44,532 to the public housing program.

The total HAP paid on a monthly basis for over income families in the HCV program is \$4,514 for an annual HAP expenditure of \$54,168. The average HAP for the over income families is \$181. If these families transitioned off the program, approximately 9 families from the waiting list could be served, assuming an average HAP of \$500, which is the current average HAP from our 5 year lease assistance program.

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

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Number of over income public housing families on FSS	5 over income public housing families on FSS	Over income public housing families on FSS	All over income families move to allow program participation for applicants	More applicants from waiting list are able to participate because over income families transitioned
Number of Over Income housing choice voucher families not at \$0 HAP	12 over income housing choice voucher families not at \$0 HAP	Over income housing choice voucher families not on \$0 HAP	All over income families move to allow program participation for applicants	More applicants from waiting list are able to participate because over income families transitioned

**E. Data Collection and Protocols –**

A baseline report will be developed to identify the total number of Public Housing and Housing Choice Voucher families whose adjusted income is greater than 80% of the Area Median Income. We will also track the number of new families that are assisted through this activity.

**F. Authorization Cited –**

HACSB is authorized to undertake this initiative through Attachment C (C) 4, and 11 and (D) 2 (d), 3(a) and (b).

# SECTION VI – ONGOING ACTIVITIES

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## POSTPONED MTW ACTIVITIES

### Activity 3: Alternate Assessment Programs

In FY 2009, HACSB proposed to develop Activity 3: Alternate Assessment Programs which would meet the statutory goal of increasing operational efficiencies. 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. HACSB has been actively involved in a working group, consisting of team members from various MTW agencies, in an effort to develop a replacement assessment. On December 8, 2010, HACSB formally opted out of the PHAS and SEMAP 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.

In late FY 2013, HACSB and other MTW HA staff met with HUD PIH senior staff to discuss progress on the Alternative Assessment program. Our Agency will continue to be actively engaged with other MTW Agencies and HUD to develop an alternate system.

### Activity 21: Utility Allowance Reform

In FY 2012, HACSB proposed to develop and implement a flat utility allowance schedule for the Housing Choice Voucher program. In FY 2012, HACSB also created a five-year lease assistance program that provides a standard subsidy of 50% of the payment standard (or contract rent, whichever is lower) to each participant. In FY 2013, HACSB adopted a Streamlined Tiered and Streamlined Fixed Lease Assistance program which uses a standardized percentage of annual income to determine the participant's rent responsibility. The standardized percentage, which increases at recertification for families on the tiered program, incorporated average utility allowances. As a result, the utility allowance schedule was no longer necessary.

In FY 2014, the transition to Streamlined Lease Assistance for all families not participating in the Five Year Lease Assistance program will be complete. HACSB will have no need for a flat utility allowance schedule as utilities have already been taken into account for all MTW Housing Choice Voucher participants. 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.

## MTW ACTIVITIES (Approved but not fully implemented)

### Activity 15: Pilot Work Requirement

**A. Activity Plan Year** - This activity was described in Plan Year 2010. The work requirement for portability was implemented on August 1, 2010 and the work requirement for Maplewood Homes (formerly known as Medical Center) will be implemented on July 1, 2013.

- a. Description** – HACSB implemented a pilot work requirement for residents of the Maplewood Homes (formerly known as Medical Center) Community and for incoming ports in the Housing Choice Voucher program. The Maplewood Homes (formerly known as Medical Center) development is a traditional affordable housing community that has received an infusion of approximately \$8.1 million in capital funds consisting of Capital Fund Financing and competitive American Recovery Reinvestment Act (ARRA) funds.

For our Maplewood Community, the definition of “work” under this activity encompasses participation in any one of three phases:

- Phase 1: activities removing barriers to gainful employment,
- Phase 2: activities leading to gainful employment and,
- Phase 3: employment.

Residents will need to participate for a minimum of 15 hours a week in the above work activities. There will be a six month transition period at the initial implementation. Residents will be allowed to participate in Phase 1 for a maximum of two years upon which they should transition into the other two phases. They will then be allowed to participate in Phase 2 for a maximum of two years upon which they should transition to Phase 3. All elderly, disabled individuals and single adult households with kids under the age of 6 will be exempt. If a family is non-compliant after the six month transition period, they will be issued a 90 day notice to become compliant. If they continue to fail to be compliant, a 90 day notice of rent change to market rent will be issued.

The work requirement for incoming ports states that all eligible household members (non-elderly and non-disabled) of the incoming portability family must be employed at least 15 hours per week within our County or within a reasonable driving distance, prior to the execution of the contract and throughout their participation in our program. If a family is non-compliant, HACSB will impute their previous employment income until such time that new employment is obtained.

- b. Relation to Statutory Objectives** - This activity relates to the statutory objective to provide incentives to families to achieve self-sufficiency.
- c. Anticipated Impact** – The anticipated impact of this activity for the Maplewood Homes Community is increased earned income for residents, increased participation

in training or volunteer programs, increased enrollment in educational institutions and strengthened relationships with critical community partners.

**d. Baselines, benchmarks, and metrics to assess outcomes –**

<b>Maplewood Homes</b>			
<b>Baseline</b>	<b>Metric</b>	<b>Benchmark</b>	<b>Expected Outcome</b>
Number of residents in Phase 1 is 44, Phase 2 is 50 and Phase 3 is 74	Number of residents	A 33% decrease in the second year for Phase 1 and a 33% decrease in year four for Phase 2	As residents move through the phases, they take steps towards economic independence
Number of non-compliant residents are 97	Number of residents	A decrease of 25% in noncompliance rates in two years	As residents realize the benefits of the activity, they begin progress on self-sufficiency efforts
Current average household rent charged is \$194	Average amount of monthly household rent	Increase of 2% per year in monthly household rent from year 2	Increased revenue to support property operations.
<b>Incoming Portability</b>			
<b>Baseline</b>	<b>Metric</b>	<b>Benchmark</b>	<b>Expected Outcome</b>
Average HAP at start of activity is \$726.25	Average HAP for port families	Reduction of 15% in Average HAP for incoming portability families	Decrease in HACSB HAP Payments for incoming portability families.
Average adjusted annual income at start of activity in \$13,966	Average annual adjusted income	Increase of 15% of average annual adjusted income	Increase in average adjusted annual income.

**e. Data Collection and Protocols –** The data for this activity will be collected from our current financial and operational software system.

**B. Status Update –** The Pilot Work Requirement was fully implemented on July 1, 2013. HACSB, through our partnership with Loma Linda University, and our affiliate non-profit KEYS as well as our Community Development Initiatives (CDI) department have been focused on guiding families to access the resources they require including on site mental health services, psychoeducational programming, financial literacy, etc. We initially implemented on January 1, 2013, and gave the families a six month implementation period. Prior to January 1 and during the 6 month implementation period, Housing Authority staff

have communicated extensively to impacted families and continue to work closely with them as the implementation moves forward. Staff have worked one on one with those families that were pending compliance with the activity requirements and have successfully assisted the majority of those families in becoming compliant.

Our work requirement for portability was implemented on August 1, 2010 and we have seen higher annual incomes for our families.

As of July 15, 2013 twelve individuals were pending compliance, our Family Resource Coordinator is actively working with these individuals to ensure compliance. This represents a 97% compliance rate.

**C. Proposed Modifications** – There are no proposed modifications to this activity in FY 2014.

**D. Outside Evaluators** - HACSB partnered with Loma Linda University to develop a Needs Assessment of all residents of Maplewood Homes (formerly Medical Center). We plan to continue working with them to assist us in providing services such as mental health services and psychological education programming that are needed in our community.

## **Activity 22: Streamlined Lease Assistance Program**

**A. Activity Plan Year** - This activity was described in Plan Year 2013. We expect to have this activity implemented by June 1, 2014.

**a. Description** – HACSB will develop a tiered subsidy/rent schedule, based on annual income, to calculate the total tent payment (TTP) for all non-elderly and non-disabled households participating in the Housing Choice Voucher and Affordable Housing (Public Housing) portfolios. For all elderly and disabled households, TTP will be based on a fixed percentage of the gross annual income that has been adjusted to account for deductions and allowances. The goal of this activity is twofold: first to simplify the cumbersome rent calculation process and achieve administrative efficiencies; and second to help families better understand the rent structure and prepare them for economic independence. This will be applicable to all current and new families in our Housing Choice Voucher and Affordable Housing Programs (except those in the Five Year Lease Assistance Program) and new families in the No Child Left Unsheltered program.

If the percentage of annual income is more than the ceiling rent for Affordable Housing or contract rent for Housing Choice Voucher Program, then the lesser of the TTP or rent will be charged.

This process will also greatly benefit the agency and the administrative efficiencies gained will help case managers guide families towards other economic independence services. HACSB has implemented biennial recertification's, as such families will not be subject to a change until their next recertification. Since the tiered subsidy/rent has incorporated the allowances and deductions, it simplifies the process and reduces time spent verifying and calculating the adjusted income. Furthermore, the impact analysis shows a minimal initial change for our families yet significant efficiencies for the agency.

We plan to examine the effects of the tiered subsidy/rent schedules by conducting a research study with a partner like Loma Linda University. We believe the activity will increase accountability and promote self-sufficiency activities in our families thus resulting in economic independence.

***TIERED LEASE ASSISTANCE PROGRAM:***

The subsidy/rent tier for all non-elderly and non-disabled families will be effective at each biennial recertification and will start at 21% of annual income and increase by 3% at every recertification (two years) to a maximum 30% of annual income. No other deductions or allowances (e.g. dependents, elderly/disabled, childcare, medical, disability expense, utility, etc.) will be provided, since these have been taken into account in determining the baseline percentage amount of 21%. At each recertification, an individualized baseline will be established and the TTP will never drop below the prior baseline. Families will not be subject to any changes in their calculations in between tiers, hence an increase in family income would equate to additional savings for the family.

TIERED SCHEDULE FOR NON ELDERLY AND NON DISABLED HOUSEHOLDS

Timeline	Next recertification	Year 2	Year 4	Year 6
Percentage	21%	24%	27%	30%

***FIXED LEASE ASSISTANCE PROGRAM:***

For all elderly and disabled households, HACSB will use a flat 24% of gross annual income to calculate the total tenant payment. This process will eliminate all other deductions and allowances (e.g. dependents, elderly/disabled, childcare, medical, disability expense, utility, etc.) resulting in a simpler calculation which will benefit the agency and the family. The baseline percentage has taken into account deductions and allowances. These families will not be subject to a tier and the 24% of annual income will be effective at their next biennial recertification.

FIXED PERCENTAGE FOR ELDERLY AND DISABLED HOUSEHOLDS

<b>Timeline</b>	Next recertification
<b>Percentage</b>	24%

HACSB participates in an Energy Performance Contract (EPC) within its affordable housing program. The incentives associated with the EPC are an add-on subsidy and a utility allowance reduction calculation. The proposed tiered and/or subsidy/rent schedule has been adjusted to account for utility allowances. HACSB will continue to calculate the utility allowance reduction incentive separately for applying the incentive on the affordable housing Operating Subsidy application.

- b. Statutory Objective** - This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures. This activity also addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- c. Anticipated Impacts** - The anticipated impact of this activity is increased administrative efficiency in both the Housing Choice Voucher and the Affordable Housing portfolios. The simplified rent calculation severely reduces the time spent calculating and verifying deductions and allowances. The simplified process will also create efficiencies in explaining the calculations to our families. Additionally, the number of interims would be reduced since income changes between recertifications will not be used to adjust the TTP. This activity is expected to reduce the staff time spent processing annual recertifications and interims.

This activity also promotes a better understanding of the families rent portion which will simplify the unit selection process for families. Families will be able to budget better and plan other expenditures as the simplified rental portion (percentage of annual income) can be factored into their expenses. For our HCV participants, it could lead to an educated search where most utilities are paid by the landlord. Currently, 35% of our HCV participants are overhoused – larger units means additional expenses that could be used for self-sufficiency actions. We anticipate a ‘smarter home search’ by our participants where they consider the distribution of utilities, size and the other factors associated with their decision. Some families fail to focus on the larger picture and view increases in personal income as unproductive since it leads to additional taxes and an increased rental portion. We want our families to succeed in the long run and provide encouragement by not increasing their portion if their income increases. Similarly, it will help them prepare for non-

assisted living where income changes do not change the circumstances and budgeting is a necessity.

In 2011, we created a new agency division, Community Development Initiatives (CDI), which aids in developing and promoting economic and social development opportunities within our communities. We envision growing this department with the administrative efficiencies, allowing case managers to work closely with our families and develop a strategy to work towards economic independence. They can provide the link to essential services and resources offered specific to their communities and needs. A great example of such a service is our Broadband Technologies Opportunities Program (BTOP) labs that provide technology access to underserved communities and career mentoring services. We are confident that our joint efforts will enable families to overcome obstacles and increase economic security.

**d. Baselines, proposed benchmarks, and metrics to assess outcomes –**

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
The average time spent to conduct a recertification on a HCV or AH family	Average time to conduct recertifications is 75 minutes	Hours	Average time to conduct recertifications will decrease to 65 minutes	The simplified calculations will decrease the time spent per recertification
The time spent to conduct interim examinations	The total time spent conducting interims is 3003 hours	Hours	The total time spent conducting interims will reduce to 946 hours in two years	Only family composition changes will result in interim examinations in two years
Average annual income for families on tiered program will increase	Average annual income for a family on tiered program is \$14,012	Annual income in dollars	Average annual income for a family on tiered program will increase to \$15,413 in 5 years	Families will increase their self-sufficiency efforts as they prepare for economic independence

**e. Data Collection and Protocols –** A time study will be conducted biannually to track the time spent processing the annual recertifications and interim examinations. The total number of biennial recertification’s and interims examinations will be tracked using our software. The ratio of elderly/disabled and non-elderly/disabled cases will also be tracked to ensure accurate measurements. Additionally, the average income for all non-elderly and non-disabled families will also be measured as we anticipate an increase in earned income due to support from CDI and KEYS.

f. **Authorization Cited** – HACSB is authorized to undertake this initiative through Attachment C (C) 1, 4, 11 and (D) 1 (c) (g), 2 (a) (b), 3 (a) (b).

g. **Rent Reform Initiatives:**

- a. **Board Approval** – Attached in the appendices to FY 2013 Annual Plan.
- b. **Impact Analysis** – Attached in the appendices to FY 2013 Annual Plan.
- c. **Annual Re-evaluation** – A re-evaluation of this policy will be completed on an annual basis and the metrics of the activity will be tracked semiannually. All hardship requests received will also be reviewed on a semiannual basis.
- d. **Hardship** – A hardship criteria has been developed for all families that see a significant increase in their portion. In order for families to be eligible, they must be in compliance with all program rules and regulations. Families must provide all supporting documents regarding their case and all hardships will be reviewed by our Program Integrity Unit (P.I.U.) that oversees both the Housing Choice Voucher and the Affordable Housing programs. Circumstances that will be taken into consideration include no fault loss of income, overhoused situation, unforeseen medical expenses, etc. If approved, P.I.U. will determine the amount and effective timeline for the hardship request. All hardship requests will be tracked on a semiannual basis and the policy will be reviewed annually.
- e. **Transition Period** – This policy will be effective for current families at their next recertification. Due to biennial recertifications, the implementation of the activity will be spread over two years. HACSB also plans an extensive communication engagement with our families explaining the new changes.
- f. **Public Hearing** – This activity was included as part of the Public Hearing.

B. **Status Update** – We expect to have the Streamlined Lease Assistance program implemented by June 1, 2014. We are currently working on fully updating related policies contained within the Housing Choice Voucher Administrative Plan and Public Housing Admissions and Continued Occupancy Policies.

C. **Proposed Modifications** – There are no proposed modifications to this activity in FY 2014.

D. **Outside Evaluators** - HACSB will couple this activity with the Five Year Lease Assistance program activity longitudinal study, which is currently being conducted by Loma Linda University.

## IMPLEMENTED MTW ACTIVITIES

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

See Section VII for additional information.

### Activity 2: Strategic Investment Policies

**A. Activity Plan Year** – This activity was approved in our FY 2009 Initial MTW Plan and was implemented in November 2010.

- a. Description** - HACSB has adopted investment policies consistent with California Government Code 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.
- b. Statutory Objective** – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.
- c. Anticipated Impacts** – This activity 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.
- d. Baselines, proposed benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Average interest earned on MTW funds invested during FY 2013	Interest rate for LAIF in FY 2014 (0.35% LAIF rate in FY 2012)	Interest earned on MTW funds invested	Percentage increase in investment earnings over State LAIF interest rates	Increased overall investment returns

- e. Data Collection and Protocols** – On an annual basis, our investments will be compared to the states Local Agency Investment Fund (LAIF). A quarterly report has been developed to track the success of the local portfolio investment strategy.

**B. Status Update** – HACSB has developed an investment policy for MTW funds which will be consistent with California Government Code Section 53630 and/or HUD approved investment criteria. However the ongoing budget reduction and funding level uncertainty have resulted in a very conservative investment strategy, where the funds are currently invested in the state’s LAIF account. We are hoping in the near future we can establish a time laddered investment pool and show a rate of return on our investments over the states LAIF interest rates.

**C. Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.

**D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

#### Activity 4: Biennial Recertifications

**A. Activity Plan Year** - This activity was approved in our FY 2009 MTW Annual Plan and modified in our FY 2012 MTW Annual Plan. The activity was originally implemented on October 1, 2009 and the modification was effective April 1, 2012.

**a. Description** – This activity allows the agency to conduct biennial recertifications on all families in our Affordable Housing and Housing Choice Voucher Programs.

**b. Statutory Objectives** - This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures by reducing the number of recertifications.

**c. Anticipated Impact** – This activity benefits our participants and residents due to reduced, redundant reporting requirements. The agency achieves operational efficiency due to a reduction in annual caseload.

**d. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Total number of staff hours to complete recertification for elderly and disabled families with fixed incomes	306 hours for Public Housing; 2,224 hours for HCV in FY 2009. (0.85 hours to complete recertification)	Hours to conduct recertification for eligible families	153 hours to complete recertification in PH: 1122 hours for HCV. The benchmarks will be the same for all forthcoming years.	148 hours to complete recertification in PH: 784 hours in the Voucher Program

Actual number of families eligible to complete recertification packet biennially (elderly and disabled families with fixed incomes)	360 eligible families in Public Housing; 2,640 in HCV.	Number of families completing packet annually.	Of total eligible families, 180 will complete packet annually in PH and 1320 in HCV. The benchmarks will be the same for all forthcoming years	Of total eligible families, 114 in PH and 1,167 in HCV Program completed packet in FY 2011.
<b>Baseline Description</b>	<b>Baseline Data</b>	<b>Metric</b>	<b>Benchmark</b>	<b>Expected Outcome</b>
Total number of staff hours to complete recertification for non-elderly and non-disabled households with fixed income	1,393 hours for Public Housing; 8,453 hours for HCV in FY 2009 (1.62 hours per recertification)	Hours to conduct recertification for eligible families	697 hours to complete recertification in PH; 4,227 hours for HCV. The benchmarks will be the same for all forthcoming years.	Total number of staff hours reduced
Actual number of families eligible to complete recertification packet bi-annually	860 eligible families in Public Housing; 5,218 in HCV.	Number of families completing packet annually.	Of total eligible families, 430 will complete packet annually and 2,609 in HCV. The benchmarks will be the same for all forthcoming years	Reduced annual reporting burden for families

**e. Data Collection and Protocols** – A time study is conducted twice a year to measure the time spent on conducting the recertification. Additionally we generate reports from our software system to determine the actual number of recertifications completed.

**B. Status Update** – On October 1, 2010, biennial recertifications were implemented for all elderly and disabled individuals on fixed incomes and on April 1, 2012, we expanded the biennial recertification to all families in our programs. With this expansion, we have not changed the interim reporting requirements between recertifications and families are

required to report all changes in family composition and income. Families participating in the Five Year Lease Assistance program are only required to report changes in family composition between recertifications. We have split our caseload of non-elderly non-disabled families and half of the pool will complete their recertification this year while the other will have a recertification next year. A similar implementation schedule was conducted when the activity was originally proposed and that worked well for the agency. We expect to realize the full savings from this activity in FY 2014.

The Agency is also monitoring the impact of the Streamlined Lease Assistance Program on this activity. Streamlined Lease Assistance reduces the complexity of recertifications which likely will reduce the total hours required to complete recertifications.

- C. Proposed Modifications** – HACSB proposes to modify this activity by allowing a three month grace period before and after the recertification date to complete biennial recertifications. HACSB proposes to modify this activity by allowing a three month grace period before and after the recertification date to complete biennial recertifications. The motivation behind this modification is to ensure ongoing efficiencies are realized. In the current environment of significant federal budgetary cuts, HACSB has continued to be creative in streamlining programs, policies and staff. However, one of the issues that hamper operational efficiency is when, due to a lease-up drive, we have high volumes of recertifications to complete in a small time period; this makes it difficult to staff properly. The modification to this activity will give HACSB the ability to re-apportion recertifications over a broader date range, thus making it easier to balance caseloads and adequately plan staffing needs.
- D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 5: Local Verification Policies

- A. Activity Plan Year** - This activity was approved in our FY 2009 Initial MTW Plan and was implemented on October 1, 2009.
  - a. Description** - HACSB has implemented local verification policies for both the Affordable Housing and Housing Choice Voucher programs.
  - b. Statutory Objectives** - This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.
  - c. Anticipated Impact** – The agency achieves operational efficiency due to a reduction in the time spent conducting verifications for interim examinations and recertifications.

d. **Baselines, benchmarks, and metrics to assess outcomes –**

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Total number of staff hours to process verifications	1,133 hours to process verifications in Public Housing; 5,814 in HCV (0.7 in PH and 0.8 in HCV to conduct verifications)	Hours to conduct verifications per family	705 hours to process verification in PH: 3,875 in HCV. The benchmarks will be the same for all forthcoming years.	Hours to process verifications: PH - 316 hours and HCV – 4,438 hours

e. **Data Collection and Protocols** - A time study is conducted twice a year to measure the time to conduct verifications.

B. **Status Update** – In FY 2013, we updated the Administrative Plan to take advantage of new HUD guidance in PIH Notice 2013-04 which allows the Agency to use self-certification for fully excluded income sources. HACSB will also be monitoring this activity in light of the Streamlined Lease Assistance programs which will require less verifications to be conducted for deductions such as medical expenses, child care expenses and disability assistance expenses. This may result in a decrease in the hours it takes to process verifications independent of the Local Verification Policy activity.

C. **Proposed Modifications** –There are no proposed modifications to this activity in FY 2014.

D. **Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

**Activity 6: Elimination of Assets**

A. **Activity Plan Year** - This activity was approved our FY 2009 MTW Plan and was implemented on October 1, 2009.

a. **Description** – HACSB has eliminated the inclusion of income from assets in the calculation of tenant rent in both the Affordable Housing and Housing Choice Voucher programs. Information on assets is not required to be reported by families and is not being verified by HACSB.

- b. **Statutory Objectives** – This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.
- c. **Anticipated Impact** – This activity has generated staff time reductions associated with collection and verification of assets.
- d. **Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Total hours of staff time to collect and calculate asset income for PH	178 hours to collect and calculate asset income in Public Housing	Hours	Zero hours in FY 2010 to collect and calculate asset income for PH	178 total staff hours reduced.
Total hours of staff time to collect and calculate asset income for HCV	1,300 hours to collect and calculate asset income in HCV	Hours	Zero hours in FY 2010 to collect and calculate asset income in HCV.	1,300 total staff hours reduced.

- e. **Data Collection and Protocols** – We continue to run biannual reports to verify that no asset data is recorded or used in total tenant payment calculations.
- B. **Status Update** – We continue to use the flexibility granted with this activity and the benchmark has been achieved. We continue to monitor the data in our software system to verify that data from assets is no longer being recorded and/or used in the calculation of tenant rent.
  - C. **Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.
  - D. **Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 7: Controlled Program Moves

- A. **Activity Plan Year** - This activity was approved in our FY 2009 MTW Plan and became effective on February 1, 2010.
  - a. **Description** – HACSB has limited voluntary program moves for Housing Choice Voucher participants to once every two years, only at the time of annual re-certification and upon verification from their current landlord that they are a tenant in good standing. There are certain exceptions to the policy like reasonable

accommodations, self-sufficiency activities, etc. This policy will be effective only upon execution of a new contract at the time of a program move for current participants and upon initial lease up for applicants.

- b. Statutory Objectives** - This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.

**Anticipated Impact** – The activity will reduce the number of voluntary moves each year and the associated staff time to process moves.

- c. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Percent of total voluntary program moves each year	12.7% of participants moved voluntarily in FY 2009	Percent of families that voluntarily move each year	No more than 4% of total participants move voluntarily each year. The benchmark will remain the same for all forth-coming years.	Families voluntarily move only every other year
Number of staff hours spent annually processing program moves	4,599 hours to process program moves annually (4.8 hours per move)	Hours to process a program move	1,448 hours spent to process moves annually.	Staff time reduced due to fewer moves processed.

- d. Data Collection and Protocols** - A time study is conducted twice a year to measure the time to process our moves and the number of moves is tracked through our software on an annual basis.

- B. Status Update** – We continue to make improvements and see a reduction in the number of hours spent processing moves. Our Local Payment Standards Activity did result in a slight increase in moves as families chose homes with better access to jobs, transportation and schools. The move briefings have allowed us to educate our participants about the potential impacts such as costs associated with moves, which has helped our families make well informed decisions.

C. **Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.

D. **Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 8: Local Policies for Portability

A. **Activity Plan Year** - This activity was initially approved in our FY 2009 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.

a. **Description** - HACSB applies all MTW requirements to inbound portability participants. HCV participants porting into San Bernardino County are required to comply with HACSB’s MTW policies and requirements. In addition, a work requirement was implemented for eligible participants porting into HACSB’s jurisdiction.

b. **Statutory Objectives** – This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures. In addition, this activity also addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

c. **Anticipated Impact** – The anticipate impact is a decrease in ports that may result in administrative efficiencies. These resources could then be directed to focus on educating ports about the MTW program or other aspects of portability like financials, reporting requirements, delinquent accounts etc.

d. **Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Average staff time spent to process in-bound portability	2,004 hours to process in-bound ports in FY 2009	Hours to process inbound portability	1,002 hours to process in-bound ports. The benchmark will be the same for all forthcoming years.	Reduction in staff time to process portability

Average staff time spent to process out-bound portability	319 hours to process out-bound ports in FY 2009	Hours to process out-bound portability	160 hours to process out-bound ports. The benchmark will be the same for all forthcoming years.	Reduction in staff time to process portability
Percent of HAP and Admin Fee Accounts Receivable due to untimely payments from Receiving PHA's	\$257,488, which is .36% of the HAP and Admin Fee accounts were receivables due from PHAs for portability	Percent of annual HAP receivable from portability	Portability receivables – FY 2010 -\$244,613: FY 2011 – \$232,383 FY 2012 –\$220,764 FY 2013 – \$209,725 FY 2014 - \$199,239	Increase in cash available to make timely HAP payments

e. **Data Collection and Protocols** – A time study is conducted twice a year to measure the time to process our ports and the number of ports is tracked by our software system. A financial report has been developed to monitor the impact on the HCV accounts payable amount.

**B. Status Update** – With the approval of the Streamlined Lease Assistance program in the FY 2013 MTW Plan, the Housing Authority has determined that all inbound portability families will be participants in the Streamlined Tiered or Streamlined Fixed Lease Assistance program once it is implemented. Inbound portability families will be provided the option of porting back to their original PHA, should they be in compliance with all other HACSB requirements, should they not want to participate in the Streamlined Lease Assistance program.

**C. Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.

**D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

## Activity 9: Elimination of Earned Income Disallowance

**A. Activity Plan Year** - This activity was initially included in HACSB's FY 2009 Initial MTW Plan and became effective on October 1, 2009 for participants in the Housing Choice Voucher and Affordable Housing programs.

- a. **Description** - HACSB has eliminated the HUD Mandatory Earned Income Disallowance (EID) from the calculation of total tenant payment.
- b. **Relation to Statutory Objectives** - This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient. This activity also addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.
- c. **Anticipated Impact** – The impact of this activity has provided opportunities to families to increase their self-sufficiency by better mirroring financial incentives in the unsubsidized housing portfolio thus generating administrative efficiencies from no longer monitoring program.
- d. **Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Public Housing participants receiving EID with earned income	31 Public Housing participants receiving EID with earned income	Families that retain earned income	15 families will retain earned income upon expiration of EID	Families working towards self-sufficiency
HCV participants receiving EID with earned income	5 HCV participants receiving EID with earned income	Families that retain earned income	2 families will retain earned income upon expiration of EID	Families working towards self-sufficiency
Total staff hours to manage EID in Public Housing	52.7 total hours spent in FY 2009 to manage EID in Public Housing	staff time to manage EID	Zero hours in staff time spent to manage EID in PH.	Savings of 52.7 hours in staff time annually upon phase out of EID.

- e. **Data Collection and Protocols** – There are no EID households in the Affordable Housing or Housing Choice Voucher Program.

- B. Status Update** – Through this activity, we eliminated offering the HUD mandatory EID from the calculation of total tenant payment to any new participants. Participants who were receiving EID prior to the implementation date were allowed to continue to receive the disallowance through September 30, 2011 or until their eligibility for EID expired, whichever came first. There are no EID households in the Affordable Housing or Housing Choice Voucher Programs. HACSB continues to use the authorizations granted through this activity and the benchmark has been achieved.
- C. Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.
- D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 10: Minimum Rent

- A. Activity Plan Year** - This activity was approved in our FY 2009 Initial MTW Plan and became effective on October 1, 2009.
  - a. Description** - HACSB has increased the minimum rent from \$50.00 to \$125.00 per month for all households in both the Affordable Housing and the Housing Choice Voucher Programs.
  - b. Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
  - c. Anticipated Impact** – The agency anticipates an increase in self-sufficiency activities resulting in a decrease in the number of zero income households.
  - d.**
  - e. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Percent of Public Housing families TTP <\$125.00	9.4% of Public Housing families have TTP <\$125.	Percent of households at minimum rent	8.4% of PH families with TTP<\$125,000	1% reduction in the number of households paying minimum rent

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Percent of HCV families with TTP <\$125.00	8.6% of HCV families have TTP <\$125	Percent of households at minimum rent	7.6% of HCV families with TTP<\$125.00	1% reduction in the number of households paying minimum rent
Average household income for PH minimum rent families with earned income	Average household income for PH minimum rent families with earned income is \$10,833	Average earned income in dollars	Average household income for PH minimum rent families with earned income increases to \$11,916	Increase in self-sufficiency activities will lead to an increase in household income.
Average household income for HCV minimum rent families with earned income	Average household income for HCV minimum rent families with earned income is \$7,917	Average earned income in dollars	Average household income for HCV minimum rent families with earned income increases to \$8,709	Increase in self-sufficiency activities will lead to an increase in household income

f. **Data Collection and Protocols** – On a quarterly basis, we track the total number and percent of minimum rent families in each program each year. We are also tracking the increase in household income for families on minimum rent.

B. **Status Update** – Even as the unemployment rate in the nation improves (7.6%), our County (10.7%) is struggling to provide a variety of quality jobs and has a higher unemployment rate than the nation and the state (9.4%). As an agency, we are continuing to provide extensive services and personalized career mentoring to assist our families on their path to economic independence. Although there has been some improvement in FY 2013 in the unemployment rate, we are hoping to see even more improvement in FY 2014 within our County, our State and the nation as a whole. Our hardship policy has not changed and so far in FY 2013 we have received 0 hardship requests for minimum rent.

C. **Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.

D. **Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

## Activity 11: Local Project-Based Voucher Program

**A. Activity Plan Year** - This activity was approved in our FY 2009 Initial MTW Plan. Our third amendment to the FY 2010 MTW Plan helped clarify the components of our local program and this activity was implemented in September 2010.

**a. 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.

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

**Anticipated Impact** – As our housing stock increases, we will be able to provide quality affordable units and increase housing choice for families.

**c. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline description	Baseline	Metric	Benchmark	Expected Outcome
Percentage of PBV units in portfolio	3.76% of portfolio are PBV units	Percentage of PBV units in portfolio	HA/Affiliate owned PBV units in portfolio increase to 20% by 2018	Increase in quality housing choices for participants
Number of residents living in wrong size units	Current number of Public Housing disposition families remaining in wrong sized unit- over-housed (84) and under-housed (14).	Number of Public Housing disposition families in wrong sized unit	Less than 50% of current families will remain in the wrong sized units	Families will move to appropriately sized units

**d. Data Collection and Protocol** – A report has been developed to identify the percentage of PBV units in the HACSB portfolio. Another report also tracks the number of residents living in wrong-sized units.

- B. Status Update** – In May 2013, we renewed our PBV contracts for 46 units at Desert Village, Victorville; 68 units at Redwood Terrace, Fontana; and 45 units at Yucaipa Crest, Yucaipa. We also received Board approval for the following new PBV contracts, all of which are currently owned or will be owned by the Housing Authority or affiliate nonprofit as per the approved flexibility under this activity –

Development Name	Units	Month
Sunset Pointe, Barstow	58	March 2013
Sunrise Vista, Barstow	67	March 2013
Meadowbrook, San Bernardino	47	March 2013

The following proposed new PBV contracts, in which our affiliate nonprofit HPI Inc. will be a co- general partner are pending board approval –

Development Name	Units
Gilbert, San Bernardino	25
Horizons, Yucaipa (increase to existing approval)	15
Lugo, San Bernardino	8

- C. Proposed Modifications** – There are no proposed modifications for this activity in FY 2014.
- D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

## Activity 12: Local Payment Standards

- A. Activity Plan Year** – This activity was initially included in HACSB’s FY 2009 Initial MTW Plan and was modified in our FY 2012 Plan. The activity was implemented on July 1, 2011 for all new lease ups and recertifications.
- a. Description** - HACSB has implemented Local Payment Standards that accurately reflect the varying rental submarkets that exist across San Bernardino County. A third party market study was conducted to define the submarkets and the corresponding market rent and is updated annually.
- b. Relation to Statutory Objectives** – This activity addresses the MTW statutory objective to increase housing choices for low-income families.

c. **Anticipated Impact** – The anticipated impact of this activity is increased housing opportunities for participants as they can now move to areas that are now accessible since rents are based on true market data.

d. **Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline		METRIC	BENCHMARK		Expected Outcome
The number of residents currently residing in each submarket	SUB 1	0%	Number of residents in each submarket (identify submarkets with higher poverty tracts)	Sub 2	21%	Residents leave submarkets with higher poverty census tracts to better submarkets
	SUB 2	23%		Sub 6	17%	
	SUB 3	2%		Submarkets 2 and 6, see a decrease of 15% in three years.		
	SUB 4	1%				
	SUB 5	12%				
	SUB 6	16%				
	SUB 7	14%				
	SUB 8	21%				
	SUB 9	10%				
The number of over housed residents	Percentage of over housed residents is 36%		Number of over housed residents	The percentage of over housed drops to 27% in three years		Upon renewal of lease, residents move to right size units in better neighborhoods
The number of residents that are currently paying over 40% of their annual income towards rent.	Percentage of residents paying over 40% in rent is 21%		Number of residents paying over 40% in rent	The percentage of residents paying over 40% in rent drops to 18% in three years		Residents are encouraged to find units that require less than 40% of their annual income as total family share

e. **Data Collection and Protocols** – The payment standards will be updated annually by an independent third party. We will track the movement of our families currently residing in submarkets with a higher percentage of poverty tracks.

**B. Status Update** – The activity has demonstrated success in achieving our goal of increasing housing choice as families move from submarkets 2, 6, and 9, to areas that provide better access to employment opportunities, transportation and schools. HACSB is currently working with various third party data collection agencies to conduct the annual update to our payment standards. The number of overhoused residents has started to drop as families realize the additional expenses associated with larger units. The standardized payment standards (Fair Market Rents for Riverside/San Bernardino County) allowed families to over extend and choose units larger than their voucher size

in some areas. We are hoping families can divert these resources towards economic independence activities and improve fiscal responsibility.

**C. Proposed Modifications** – There are no proposed modification to the activity in FY 2014.

**D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity. We plan to continue the use of the independent third party to update the payment standards on an annual basis.

### Activity 13: Local Inspection Standards

**A. Activity Plan Year** - This activity was adopted in our FY 2010 MTW Plan and was implemented on May 1, 2011.

**a. Description** - HACSB has implemented a local inspection standard for the Housing Choice Voucher program that allows units to qualify for a biennial inspection and will increase the Agency’s operational efficiencies. Units that receive a passing grade on the first pass inspection will qualify for biennial inspections.

**b. Relation to Statutory Objective** – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures and to provide better housing options to low income families.

**c. Anticipated Impacts** – This activity will result in a reduction of inspections producing administrative efficiencies for the agency and a reduction in administrative burden for landlords. We also anticipate an increase in quality housing choice options for low-income families over time as the landlords are incentivized to maintain higher quality units on the program.

**d. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline Description	Baseline	Metric	Benchmark	Expected Outcome
Number of units that qualify for biennial and annual inspections	0% if inspections were biennial	Ratio of inspections that qualify for biennial to total inspections	33% of our portfolio will qualify for biennial inspections	Housing quality increases as landlords are incentivized to maintain units
Total cost to conduct inspections	Total expenses for inspections is \$707,551	Dollars	Total expenses for inspections is \$579,392 in two	The total costs to conduct inspections

			years	decreases by \$128,000 in two years
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**e. Data Collection and Protocols** – A report has been developed to track the number of inspections that qualify for biennial inspections.

**B. Status Update** – This activity has generated savings for the agency and support from the landlords who were involved in the development of the activity. As mentioned in the FY 2011 MTW Annual Report, we started a pilot project of outsourcing a sample of our inspections to an independent contractor. The performance and customer satisfaction reports were very positive and as a result of continued funding cuts we outsourced our HQS Inspection process in August 2012. We continue to perform quality control inspections throughout our portfolio for accuracy, inspection standards and customer satisfaction. This has assisted in achieving our second metric of decreasing the cost of inspections in two years while maintaining a quality portfolio.

**C. Proposed Modifications** - There are no proposed modifications to this activity in FY 2014.

**D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 14: Local Asset Management Program

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 approved 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. The expected indirect cost rate for fiscal year 2014 is \$8.98 and details are provided in Appendix D.

### Activity 16: Operating Subsidy for Vista Del Sol

This activity was approved through an amendment to our FY 2010 MTW Annual Plan. Vista del Sol is a 71 unit affordable senior housing community developed by HACSB's affiliated non-profit; Housing Partners I Inc. Approximately 75% of the development is affordable to households at no more than 80% of Area Median Income. An initial analysis of the Vista del Sol waiting list showed that the average amount of rent that applicants could afford was far below the HOME rents for these beautiful units. In order to meet the gap, HACSB requested a

temporary operating subsidy of \$134,000 to make these units affordable to low income seniors from April 2010 through September 2010. On September 15, 2010, we executed a Project Based Voucher contract, and thus no longer required the operating subsidy.

### Activity 17: Local Income Inclusion

**A. Activity Plan Year** - This activity was approved in our FY 2011 MTW Annual Plan and was implemented on May 1, 2011 in both the Housing Choice Voucher and the Affordable Housing Program.

- a. Description** – HACSB has implemented policies to include certain income from sources in the rent calculation that are currently excluded. The sources of incomes that will be included by HACSB in the income calculations for rent are foster care income and sanctioned Temporary Assistance to Needy Families (TANF) income.
- b. Relation to Statutory Objectives** - This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- c. Anticipated Impacts** – This activity will help families budget and manage their available financial resources. It will decrease their dependence on assistance for housing expenses and prepare them to achieve self-sufficiency. We also expect an increase in earned income for households receiving allowances due to their increased efforts to achieve self-sufficiency.
- d. Baselines, benchmarks, and metrics to assess outcomes** –

Baseline	Metric	Benchmark	Expected Outcome
Average earned income from wages from households receiving foster care allowance is currently \$4,927 in PH and \$1,724 in HCV	Aggregate amount of earned income from households receiving foster care allowance in PH and HCV	Increase in earned income from households receiving foster care allowance in PH and HCV	Increase earned income of households
Average income from wages from households receiving sanctioned TANF income allowance is currently \$349 in PH and \$702 in HCV	Aggregate amount of earned income from households receiving sanctioned welfare income allowance in PH and HCV	Increase in earned income from households receiving sanctioned TANF income allowance in PH and HCV	Increase earned income of households

- e. **Data Collection and Protocols** – The data for this activity will be collected from our software system.
- B. **Status Update** – This activity was implemented on May 1, 2011 and we have seen an increased compliance with the TANF families. This greater accountability works for our agency, the Transitional Assistance Department (TAD), and most significantly, our families, as it ensures they follow the path to economic independence. Prior to implementation, the Department of Children Services was also informed about our policy change regarding foster care income and we have not received any concerns.
- C. **Proposed Modifications** – There are no proposed modifications to this activity in FY 2014.
- D. **Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

### Activity 18: Property Management Innovation

- A. **Activity Plan Year** - This activity was approved in our FY 2011 MTW Annual Plan and modified in our FY 2012 Plan. The activity was implemented on January 1, 2012
  - a. **Description** – HACSB has developed a property management innovation program that reflects the private sector property management principles. The objective of this activity is to adopt and implement 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 the private sector property management principles.
  - b. **Statutory Objective** – This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.
  - c. **Anticipated Impacts** –The anticipated impact of this activity is increased efficiency and decreased per unit costs our Affordable Housing portfolio. It will also help residents in their self-sufficiency efforts as they are acclimated to the private sector management practices.

**d. Baselines, benchmarks, and metrics to assess outcomes**

<b>Baseline</b>	<b>Metric</b>	<b>Benchmark</b>	<b>Expected Outcome</b>
Current average per unit costs (per month) in AMPs is \$528	Average per unit cost per AMP	Average per unit costs(per month) in AMPs is \$517	Improved property management will lead to lowered per unit costs
Current average vacancy turnaround costs is \$3,793 per unit	Dollars spent on vacancy turnarounds	Average vacancy turnaround cost per unit is \$3,600	Less damage to units resulting in lower vacancy turnaround costs
Current total operations & maintenance expenses are \$234 per unit/per month	Operations & Maintenance expenses	Total operations and maintenance expense per unit/per month is \$229	Decrease in dollars spent on maintaining properties

**e. Data Collection and Protocols** – The per unit costs, vacancy turnaround costs and operations & maintenance expenses will be collected from the quarterly financial statements prepared through our financial management software system and other data will be collected from our housing software system.

- B. Status Update** – The Property Management Innovation activity has resulted in little to no adverse impact, including a decrease in late fees.
- C. Proposed Modifications** – There are no proposed modifications to this activity in FY 2014.
- D. Outside Evaluators** - HACSB will not be using outside evaluators to monitor and/or evaluate this activity.

**Activity 19: Local FSS Program**

- A. Activity Plan Year** - This activity was approved in our FY 2011 MTW Annual Plan and was implemented on July 1, 2012.
  - a. Description** – HACSB has developed a pilot local FSS (Family Self Sufficiency) program to help families in their self-sufficiency efforts. Using our MTW flexibility, at the end of their FSS contract, program participants will only be eligible to receive the remaining balance if they voluntarily terminate their assistance from the

Housing Choice Voucher or Affordable Housing program due to self-sufficiency efforts.

- b. 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.

**Anticipated Impacts** – The anticipated impact of this activity is increased savings and increase earned income for participants. We also hope to empower families to make educated financial decisions regarding their withdrawals. We also hope to see a slight surge in families that wish to become homeowners and take advantage of our homeownership program.

**c. Baselines, benchmarks, and metrics to assess outcomes**

Baseline	Metric	Benchmark	Expected Outcome
Ratio of Earned income at start of activity of pilot program participants and traditional FSS participants	Earned income of pilot program participant and traditional FSS participant	Ratio of earned income from pilot program participants is higher to traditional FSS	Increase in earned income from pilot participants versus traditional FSS escrow participants
Participant’s completing Contract of Participation in both Pilot and traditional FSS programs.	Number of participants who complete the contract and leave program	Number of people who successfully complete the Contract of Participation.	Higher number of people on pilot program achieve self sufficiency

- d. Data Collection and Protocols** – The progress and other components of the contract of participation will be tracked on our robust Tracking at Glance software.

**B. Status Update** –Since its implementation in July 2012, one hundred seventeen (117) families have enrolled in the program. Sixty-five (65) families have enrolled in the program under the guidelines of this activity and fifty-two (52) have enrolled under the tradition 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. The newly established Program Coordinating Committee continues to meet on a quarterly basis identifying ways to leverage resources, collaborate on funding opportunities, and meet the diverse needs of participant families.

**C. Proposed Modifications** – There are no proposed modifications to this activity in FY 2014.

**D. Outside Evaluators** - HACSB has partnered with Loma Linda University to evaluate this activity.

**Activity 20: Five Year Lease Assistance Program (formerly Term Limits)**

**A. Activity Plan Year** - This activity was approved in our FY 2011 MTW Annual Plan and was implemented on January 1, 2012.

a. **Description** – HACSB implemented a five year term limit with flat subsidy on housing assistance for new participants (effective January 1, 2012), excluding elderly and disabled families, in the HCV program, and ‘No Child Left Unsheltered’ program. The goal is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term. This will incentivize our participants to focus on securing better employment and prepare them for a better future.

b. **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.

c. **Anticipated Impacts** – The anticipated impact of this activity is an increase in participation in self-sufficiency activities by participants. The time limit of assistance will encourage families to get involved in many services referred by the Agency to aid in the path to self-sufficiency.

d. **Baselines, proposed benchmarks, and metrics to assess outcomes** –

Baseline	Metric	Benchmark	Expected Outcome
Zero families have Individual Training and Service Plans (ITSP)	Number of households	Number of families with ITSP	Families will achieve self-sufficiency within term and agency can serve more families
Average wait list time for current 2007 waiting list is 6 years	Number of years	Average wait list time for families will decrease to five years	More families served
1.50 hours to conduct recertifications	Hours	Hours to conduct program recertifications decreases to 1 hour	Time to conduct program recertifications is lower than HCV recertifications

- e. **Data Collection and Protocols** – The number of households that choose to leave the program before the expiration of the term limited voucher will be tracked. The average time participants have to wait for assistance will also be measured for the baseline at the start of the activity.
- f. **Authorization Cited** - HACSB is authorized to undertake this initiative through Attachment C (D) 2 (a)(b)(c)(d) which waives certain provisions of Section 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R 982.308, 982.451 and 983 Subpart E.

**B. Status Update** – This was implemented on January 1, 2012 for all newly admitted non-elderly and non-disabled participants. As of May, 2013, we are assisting 709 families in this program. In addition to the head of household, almost 600 adult household members have completed their Individual Training and Services Plans (required under this activity for all adult household members). In April, 2013 was the first year anniversary of the first set of families who leased up under this program. As a result, we have begun meeting with families who have been on the program for one year to review the progress on the goals through the first year contained within their Individual Training and Services Plans. Staff are available to assist where any barriers have been encountered. However, due to decreased funding, HACSB stopped selecting families from the waiting list in February, 2013 and the number of families in this program is expected to remain static until the funding situation improves.

All adult household family members are scheduled consultations with our Community Development Initiatives staff and are required to complete an Individual Training and Services Plan. HACSB is also working with Loma Linda University to conduct a longitudinal study that will follow the families through this activity. We are confident that with the extensive case management and additional services, families will progress on their path to economic independence.

**C. Proposed Modifications** – HACSB inadvertently overlooked inclusion of a key component to the Five Year Lease Assistance Program in the FY 2012 MTW Plan. Because subsidy is provided to families based on 50% of the payment standard or contract rent, whichever is lower, families will never reach \$0 HAP. This will result in high income families remaining on the program that otherwise would not. HACSB has included in communications with participants that once they become over-income, participation will be terminated; this is the basis for proposed activity #24. Currently, no family has yet become over-income. HACSB defines over-income for the purposes of this activity to be 80% of Area Median Income.

**D. Outside Evaluators** - HACSB partnered with Loma Linda University to create a five year longitudinal study which will include annual reports/updates.

# Section VII – Sources and Uses of Funds

## A. Planned Sources and Uses of HUD Funds

1. **Planned Sources and Uses of MTW Funds-** The chart below summarizes the HACSB Consolidated MTW Budget for the Fiscal Year 2014 (October 1, 2013- September 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise the MTW Block Grant sources including Section 9 Operating Funds; Section 9 Capital Funds; Section 8 Housing Assistance Payments; and Section 8 Administrative Fees.

<b>Consolidated MTW Budget</b>	
<b>Revenue:</b>	<b>Total</b>
HCV- HAP <sup>1</sup>	\$67,534,486
HCV- Administrative Fees <sup>1</sup>	5,333,514
Repayment Agreement Income	174,000
Public Housing Subsidy <sup>1</sup>	6,125,149
Rental Income	3,273,900
Capital Fund Grants <sup>1</sup>	2,455,783
Investment Income	35,000
Miscellaneous Income	367,662
<b>Total Revenue</b>	<b>\$85,299,494</b>
<b>Expenses:</b>	
Administration & General	\$11,780,376
Utilities	946,144
Operations & Maintenance	3,586,279
Extraordinary Maintenance	78,578
Housing Assistance Payments	66,657,420
Development & Capital Projects	2,210,205
<b>Total Expenses</b>	<b>\$85,259,002</b>

<b>Transfers, Reserves &amp; Net Income:</b>	
Operating Transfers In/(Out)	\$0
Reserve Drawdown /(Buildup)	-40,492
<b>Net Income/(Loss)</b>	<b>\$0</b>

<sup>1</sup> Block Grant Funding.

2. **Planned Sources and Uses of Non MTW Funds-** The chart below summarizes the HACSB Consolidated Non MTW Budget for the Fiscal Year 2014 (October 1, 2013-September 30, 2014). This chart lists all planned revenue and expenditures for other funds that are not eligible MTW Block Grant funds (including state and local funds). The budgeted net income is anticipated to be deposited to current operating/repair & replacement reserves.

<b>Other Programs - Non MTW Budget</b>	
<b>Revenue:</b>	<b>Total</b>
Grants	\$4,592,059
Administrative Fees	4,882,080
Rental Income	11,195,341
Miscellaneous Income	504,501
<b>Total Revenue</b>	<b>\$21,173,981</b>

<b>Expenses:</b>	
Administration & General	\$9,362,267
Utilities	1,142,708
Operations & Maintenance	2,913,045
Extraordinary Maintenance	157,750
Housing Assistance Payments	4,518,216
<b>Total Expenses</b>	<b>\$18,093,986</b>

<b>Transfers, Reserves &amp; Net Income:</b>	
Operating Transfers In/(Out)	\$0
Replacement Reserves	-901,618
Reserve Drawdown /(Buildup)	-2,178,377
<b>Net Income/(Loss)</b>	<b>\$0</b>

The grants in the Other Program - Non MTW Budget are comprised of the following –

<b>Non MTW Budget</b>	<b>Amount</b>
Laurel Brook	285,768.00
Project Gateway	159,840.00
Project Lantern Woods	173,568.00
Good Samaritans	205,500.00
Mainstream	642,000.00
Master Leasing	455,040.00
New Horizons	604,800.00
Stepping Stones	302,400.00
VASH	1,036,800.00
Cornerstone	442,500.00
Whispering	210,000.00
ROSS	73,843.00
<b>Total</b>	<b>4,592,059.00</b>

B. **Planned Sources and Uses of State/Local Funds-** The chart below summarizes the HACSB State and Local Funds Budget for the Fiscal Year 2014 (October 1, 2013-September 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise State and Local operating activities. The budgeted net income is anticipated to be deposited to current operating reserves.

<b>Sources and Uses of State and Local Funds</b>	
<b>Revenue:</b>	<b>Total</b>
Grants	\$0
Administrative Fees	358,800
Rental Income	464,368
Miscellaneous Income	276,816
<b>Total Revenue</b>	<b>\$1,099,984</b>

<b>Expenses:</b>	
Administration & General	\$824,741
Utilities	49,620
Operations & Maintenance	151,474
<b>Total Expenses</b>	<b>\$1,025,835</b>

<b>Transfers, Reserves &amp; Net Income:</b>	
Operating Transfers In/(Out)	\$0
Replacement Reserves	-23,763
Reserve Drawdown /(Buildup)	-50,386
<b>Net Income/(Loss)</b>	<b>\$0</b>

C. **Planned Sources and Uses of Central Office Cost Center-** The chart below summarizes the HACSB Central Office Cost Center Budget for the Fiscal Year 2014 (October 1, 2013-September 30, 2014). This chart lists all planned revenue and expenditures for all central office cost center operations. The budgeted net loss is expected to be transferred out of other operating funds.

<b>Sources and Uses of Central Office Cost Center</b>	
<b>Revenue:</b>	<b>Total</b>
Grants	\$0
Administrative Fees	4,424,609
Miscellaneous Income	4,788
<b>Total Revenue</b>	<b>\$4,429,397</b>

<b>Expenses:</b>	
Administration & General	\$4,257,637
Utilities	45,706
Operations & Maintenance	61,731
<b>Total Expenses</b>	<b>\$4,365,074</b>

<b>Transfers, Reserves &amp; Net Income:</b>	
Operating Transfers In/(Out)	\$0
Replacement Reserves	-63,800
Reserve Drawdown /(Buildup)	-523
<b>Net Income/(Loss)</b>	<b>\$0</b>

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

HACSB is utilizing the Indirect Cost Allocation approach as stated in the Local Asset Management Program. More details are provided in Appendix D: Local Asset Management program.

#### **E. Single Fund Flexibility**

HACSB established a MTW Block Grant Fund under the original MTW Agreement and continues to use single-fund flexibility. HACSB flexibility to use MTW Block grant resources to support its array of low-income housing services and programs allows the Agency to combine resources and achieve inter-department solutions that are represented as a simple unified solution to our residents and our agency. HACSB's LAMP addresses the entire HACSB operation and MTW Block Grant funds.

For 2014, HACSB analyzed its housing, rental assistance, service, administrative, and capital needs through the budget process to determine the level of service and resource needs to meet HACSB's strategic objectives for the upcoming year. HACSB developed its FY 2014 budget with one MTW fund combining all revenue sources from Housing Choice Vouchers, Public Housing and Capital Funds. HACSB will monitor the actual versus budgeted on a monthly basis to ensure compliance by programs. It is anticipated that no budget revisions will be necessary and that all programs will remain compliant with the approved budget.

In FY 2011, HACSB established the Community Development Initiatives (CDI) Department to support long term goals in our strategic plan that aligns with our MTW objectives. CDI will promote strategies that will help increase our family's economic independence and through

case management bridge the gap between services required and partner organizations that provide them. Our agency embodies teamwork and various departments work together to seek optimal solutions that meet our vision of creating a world in which all families have a stable and enriched quality of life.

In FY 2013, HACSB started a partnership with the Workforce Investment Board (WIB) and through this partnership place up to three workforce development specialists on site at our Housing Program Office in San Bernardino. These specialists will primarily work with our families on our Five Year Lease Assistance Program and provide job training programs, assessments and develop individual employment plans. Additionally, WIB has access to many local jobs, some of which are exclusively advertised to them. Their goal is to assist families earn a 'living wage' and they currently have a 80% success rate. We are confident that this career mentoring will add to our existing efforts and ensure our families achieve economic independence.

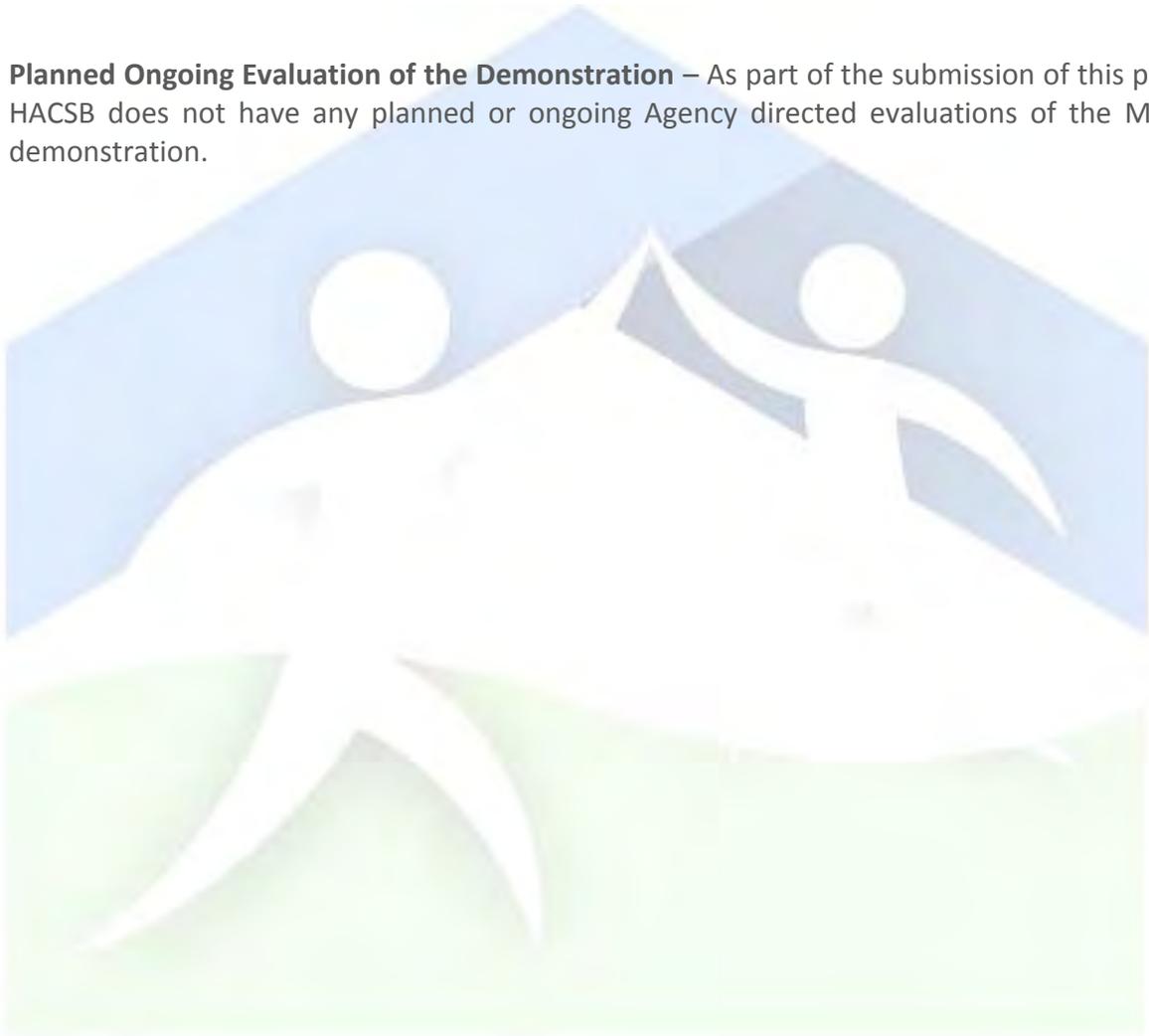
HACSB plans on using its Block Grant based on need and single fund budget flexibility in FY 2014 as shown on below:

<b>Single Fund Flexibility (FY 2014)</b>				
<b>Funding Source</b>	<b>Block Grant Amount</b>	<b>Budgeted Expenses</b>	<b>Transfer In/(Out)</b>	<b>Reserves Buildup / (Drawdown)</b>
Housing Choice Voucher	\$ 73,180,372	\$ 73,898,192	\$ 717,820	\$ -
Public Housing Program	9,628,339	7,913,481	(1,714,858)	-
Public Housing Capital Fund	2,455,783	2,455,783	-	-
Moving to Work Fund	35,000	991,546	997,038	40,492
<b>Totals</b>	<b>\$ 85,299,494</b>	<b>\$ 85,259,002</b>	<b>\$ -</b>	<b>\$ 40,492</b>

## Section VIII – Administrative

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- A. **Resolution of the Board of Commissioners** – Attached in the appendices is the Resolution of the Board of Commissioners adopting this Annual MTW Plan along with the Certificate of Compliance prescribed by HUD in Exhibit B of the MTW agreement.
- B. **Planned Ongoing 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.



# Appendix A: Board Resolution

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Attached on the following pages are –

1. Certificate
2. Board Resolution adopting FY 2014 MTW Annual Plan
3. Certifications of Compliance with Regulations
4. Certification for a Drug Free Workplace



# CERTIFICATE

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I, Daniel Nackerman, President/CEO of the Housing Authority of the County of San Bernardino, hereby certify that the attached Resolution No. 2395 was adopted by the Board of Commissioners by vote of the members present as the same appears in the Official Minutes of said Authority at the regular meeting of July 10, 2013.

July 10, 2013

Date



---

Daniel Nackerman, Secretary

**RESOLUTION NO. 2395**

**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**, the Housing Authority of the County of San Bernardino desires to implement the activities in the Fiscal Year 2013-2014 MTW Annual Plan that will increase operational efficiency and innovation; promote economic independence for our families and expand housing opportunities;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Housing Authority of the County of San Bernardino does hereby adopt the Fiscal Year 2013 - 2014 Moving to Work Annual Plan.

Adopted: July 10, 2013

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

**Certifications of Compliance**

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 October 1, 2013, 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 conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) 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 certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. 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.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its 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.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. 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.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. 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.

13. 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.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. 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.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. 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).
20. 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.
21. 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  
PHA Name

CA019  
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)

Frank Williams  
Name of Authorized Official

Board Chairman  
Title

Signature

July 10, 2013  
Date

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

# 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 Federalagency 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  
Daniel Nackerman

Title  
President/CEO

Signature  
X 

Date  
July 10, 2013

# Appendix B: Public Process

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The following steps were taken by HACSB to ensure a thorough public process in the development and adoption of the FY 2014 MTW Annual Plan:

Friday, May 24, 2013	Public notice published in local newspaper - San Bernardino County Sun, announcing the public hearing on Tuesday, June 25; text and Affidavit of Publication included as part of Appendix B
Friday, May 24, 2013	Plan posted on HACSB website and available at all HACSB offices throughout the county
Friday, June 14, 2013	Plan presented to Resident Advisory Council Board – comments included
Tuesday, June 25, 2013	Public Hearing held; minutes included as part of Appendix B
Wednesday, July 10, 2013	Approval by Board of Commissioners – Resolution and certificate included in Appendix A

**SAN BERNARDINO COUNTY SUN**

This space for filing stamp only

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

Maria Razo-Dale  
HOUSING AUTHORITY/SAN BERNARDINO CO  
715 E BRIER DR  
SAN BERNARDINO, CA - 92408-2841

SBS #: 2488964

**PROOF OF PUBLICATION**

(2015.5 C.C.P.)

State of California )  
County of SAN BERNARDINO ) ss

Notice Type: HRGSB - NOTICE OF HEARING-SB

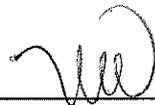
Ad Description:  
FISCAL YEAR (FY) 2013-2014 MTW ANNUAL PLAN

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:

05/24/2013

Executed on: 05/24/2013  
At Los Angeles, California

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



Signature

**NOTICE OF PUBLIC HEARING**  
On March 14, 2008, the U.S. Department of Housing and Urban Development (HUD) executed a ten-year Moving to Work (MTW) Agreement with the Housing Authority of the County of San Bernardino (HACSB) and on September 25, 2008, HUD approved HACSB's first Annual MTW Plan. 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 its Fiscal Year (FY) 2013-2014 MTW Annual Plan. The FY 2013-2014 MTW Annual Plan will be available to the public for review for 30 days starting Friday, May 24, 2013 at the following location:

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

The Fiscal Year 2013-2014 MTW Plan will also be available on HACSB's website at [www.hacsb.com](http://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 Tuesday, June 25, 2013 at 1:30 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 MTW 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.

Para recibir copias de este aviso en español, por favor hable al (909) 890-0644.

5/24/13

SBS-2488964#



\* A 0 0 0 0 0 3 0 8 6 7 8 0 \*

**HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
MOVING-TO-WORK ANNUAL PLAN PUBLIC HEARING**

The Housing Authority of the County of San Bernardino (Housing Authority), California held a public hearing for the Fiscal Year 2013-2014 Moving to Work (MTW) Annual Plan at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on June 25, 2013 at 1:30 p.m.

**Attendees:**

Maria Razo-Dale, Executive Vice President/CAO  
Rishad Mitha, Director of Housing Communities

**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 2013-2014 Moving to Work Annual Plan before submission to the Housing Authority's Board of Commissioners for approval. Once approved, 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. Our plan was made available for public viewing on May 24, 2013. The plan was also advertised in the local newspaper - San Bernardino County Sun, on the Housing Authority's website, and copies were available at all Housing Authority offices, which are located throughout the county.

**III. Call for Public Comments**

The public hearing convened at 1:30 p.m. with Maria Razo-Dale, Executive Vice President/CAO, presiding. Copies of the Plan were made available for review. Ms. Dawson, a program participant of the Housing Choice Voucher program attended the public hearing.

#### IV. Comments

Ms. Dawson requested additional information regarding the two new proposed activities- No Child Left Unsheltered and the Transition for Over Income Public Housing/Housing Choice Voucher Families. Ms. Dawson expressed positive feedback in regards to the two new proposed activities and mentioned that she was very pleased that the agency was moving in the direction of trying to assist more families by encouraging families to transition off the programs. She also asked for more information about the Five Year Lease Assistance Program, and indicated that she felt that it was a great program. Ms. Dawson also indicated that she was extremely grateful for the assistance.

#### **RESIDENT ADVISORY COUNCIL BOARD MEETING – JUNE 14, 2013**

During the public comment period, the Resident Advisory Council Board was presented with the proposed FY 2013-2014 Moving to Work Annual Plan and proposed new activities at their regular meeting on June 14, 2013. A list of attendees and their comments are provided below –

#### **List of Attendees**

##### **Board Members -**

Linda Brooks	Roxanne Chiappone	Dolores Diaz
Veronica Duran	Thomas McLeod	Priscilla Molina
Connie Partida		

##### **HACSB staff –**

Maria Razo-Dale	Marcia Waggoner	Caroline Velarde
Janice Simmons-Rogers	Darlene McIntosh	Pamala Averill
Ana Gamiz		

#### **Opening Remarks**

A presentation explaining the Moving to Work designation, its impact on the agency, update on current activities and details on proposed activities was presented by Maria Razo-Dale, Executive Vice President/CAO, at the meeting. The public comment timeline and approval process for the MTW annual plan was explained and the contact information for Maria Razo-Dale was provided for further questions and comments. Maria Razo-Dale,

Executive Vice President/CAO explained the agency long term strategic vision and rent reform activities.

**Comments**

The Board was very receptive to the activity update and the proposed activities. The Board had questions regarding the transition timeline for any families that would be required to transition off the program under the Transition for Over Income Families activity. The Board mentioned that it was important to provide opportunities to additional low-income families. The Streamlined Lease Assistance Program was also discussed and the Board appreciated the simplification of the rent process. The Board expressed an extremely favorable response to the proposed No Child Left Unsheltered activity.

The members were also invited to the public hearing to be held on June 25, 2013 at 1:30 p.m. at 715 East Brier Road, San Bernardino, CA 92408.



## Appendix C: Capital Fund Program- Five Year Plan & Budget (2014-2018)

### Housing Authority of the County of San Bernardino

AMP 202					
Development	City	Units	Budget	Plan Year	Activities
Cal 19-18 - 4th Street	San Bernardino	6	40,000	2014	Misc. Dwelling Improvements
Cal 19-14 - Lugo Ave.	San Bernardino	8	40,000	2014	Site Improvement
Cal 19-18 N. Berkeley St.	San Bernardino	6	30,000	2014	Site Improvement
Waterman Gardens	San Bernardino	252	362,080	2014	Redevelopment Activity
Cal 19-18 - King Street	San Bernardino	2	20,000	2015	Site Improvement
Cal 19-31 - N. "E" Street	San Bernardino	24	48,000	2015	Misc. Dwelling Improvements
Cal 19-34 - Lynnwood	San Bernardino	15	30,000	2015	Site Improvement
Waterman Gardens	San Bernardino	252	366,113	2015	Redevelopment Activity
Cal 19-14 - Lugo Ave.	San Bernardino	8	32,000	2016	Misc. Dwelling Improvements
Cal 19-19 - W. Evans St.	San Bernardino	24	40,000	2016	Misc. Site Improvements
Cal 19-31 - N. "E" Street	San Bernardino	24	40,000	2016	Misc. Site Improvements
Cal 19-18 - 4th Street	San Bernardino	6	30,000	2016	Misc. Dwelling Improvements
Waterman Gardens	San Bernardino	252	378,193	2016	Redevelopment Activity
Cal 19-34 - Lugo Ave.	San Bernardino	8	64,000	2017	Misc. dwelling Improvements
Cal 19-18 - 4th Street	San Bernardino	6	48,000	2017	Misc. dwelling Improvements
Waterman Gardens	San Bernardino	252	368,405	2017	Redevelopment Activity
Cal 19-32 - Genevieve	San Bernardino	8	60,000	2018	Misc. Dwelling Improvements
Cal 19-18 - 2nd St.	San Bernardino	4	20,000	2018	Site Improvement
Waterman Gardens	San Bernardino	252	330,777	2018	Redevelopment Activity
<b>Total- AMP 202</b>			<b>2,347,568</b>		

AMP 203					
Development	City	Units	Budget	Plan Year	Activities
Cal 19-18 - N. Davidson	San Bernardino	6	30,000	2014	Misc. dwelling Improvements
Cal 19-18 - 11th/Turrill	San Bernardino	4	20,000	2014	Misc. dwelling Improvements
Maplewood	San Bernardino		166,113	2014	Com Center/Office Upgrades
Maplewood	San Bernardino	296	180,050	2014	Site Improvements
Maplewood	San Bernardino	296	101,000	2014	Misc. dwelling Improvements
Cal 19-18 - W. 8th St.	San Bernardino	6	24,000	2014	Site Improvements
Cal 19-18 - W. 7th St.	San Bernardino	6	24,000	2014	Site Improvements
Cal 19-18 - W. 8th St.	San Bernardino	6	30,000	2015	Misc. dwelling Improvements
Cal 19-18 - W. 7th St.	San Bernardino	6	30,000	2015	Misc. dwelling Improvements
Maplewood	San Bernardino	296	91,092	2015	Site Improvements
Maplewood	San Bernardino	296	200,000	2015	Misc. dwelling Improvements
Cal 19-18 - "J" Street	San Bernardino	2	20,000	2016	Misc. dwelling Improvements
Cal 19-18 - "J" Street	San Bernardino	2	20,000	2016	Site Improvements
Maplewood	San Bernardino	296	105,000	2016	Misc. dwelling Improvements
Maplewood	San Bernardino	296	222,845	2016	Site Improvements
Cal 19-18 - N. Davidson	San Bernardino	6	60,000	2017	Site Improvements
Maplewood	San Bernardino	296	105,000	2017	Site Improvements
Maplewood	San Bernardino	296	300,000	2017	Misc. dwelling Improvements
Maplewood	San Bernardino	296	150,000	2018	Site Improvements
Maplewood	San Bernardino		105,261	2018	Com Center/Office Upgrades
Maplewood	San Bernardino	296	100,000	2018	Interior Improvements/Electrical/Plumbing
<b>Total- AMP 203</b>			<b>2,084,361</b>		

**Housing Authority of the County of San Bernardino**

<b>AMP 205</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-05 - Redlands	Redlands		25,000	2014	Com Center/Office Upgrades
Cal 19-05 - Redlands	Redlands	75	75,000	2015	Site Improvements
Cal 19-05 - Redlands	Redlands	75	137,500	2015	Electrical/Plumbing/Interior Improvements
Cal 19-05 - Redlands	Redlands		25,000	2016	Com Center/Office Upgrades
Redlands - Lugonia Site	Redlands	115	157,167	2016	Redevelopment Activities
Cal 19-05 - Redlands	Redlands	75	60,000	2016	Misc. site Improvements
Cal 19-05 - Redlands	Redlands		24,000	2017	Com Center/Office Upgrades
Cal 19-32 - E. 9th St.	Highland	12	60,000	2018	R/R Roof/Exterior Improvements
Cal 19-05 - Redlands	Redlands		24,500	2018	Com Center/Office Upgrades
Redlands - Lugonia Site	Redlands	115	156,067	2018	Redevelopment Activities

**Total- AMP 205** 744,234

<b>AMP 206</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-06 - Chino	Chino	50	40,000	2014	Site Improvements
Cal 19-06 - Chino	Chino		15,000	2015	Com Center/Office Upgrades
Cal 19-06 - Chino	Chino	50	100,000	2015	Electrical/Plumbing/Interior Improvements
Cal 19-04 - Colton	Colton	85	85,000	2016	Site Improvements
Cal 19-04 - Colton	Colton	85	125,000	2017	Site Improvements
Cal 19-04 - Colton	Colton	85	85,000	2017	Electrical/Plumbing/Interior Improvements
Cal 19-04 - Colton	Colton	85	20,600	2017	Misc. dwelling Improvements
Cal 19-04 - Colton	Colton	85	100,000	2018	Site Improvements
Cal 19-06 - Chino	Chino	50	43,100	2018	Site Improvements

**Total- AMP 206** 613,700

<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	65,000	2014	Site Improvements
Cal 19-13, 34 - Barstow	Barstow	104	65,000	2014	Site Improvements
Cal 19-07, 12 - Barstow	Barstow	114	10,000	2015	Com Center/Office Upgrades
Cal 19-07, 12 - Barstow	Barstow	114	137,500	2015	Electrical/Plumbing/Interior Improvements
Cal 19-07, 12 - Barstow	Barstow	114	75,000	2016	Misc. Dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	90,200	2017	Misc. Dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	80,000	2018	Misc. dwelling Improvements
Cal 19-13, 34 - Barstow	Barstow	104	48,000	2018	Misc. dwelling Improvements
Cal 19-07, 12 - Barstow	Barstow	114	12,500	2018	Com Center/Office Upgrades

**Total- AMP 207** 583,200

**Housing Authority of the County of San Bernardino**

<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	57,962	2014	Misc. dwelling Improvements

**Total- AMP 208** 57,962

<b>AMP 209</b>					
<b>Development</b>	<b>City</b>	<b>Units</b>	<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Cal 19-35	Twentynine Palms	1	20,000	2014	Misc. dwelling Improvements

**Total- AMP 209** 20,000

<b>AGENCY WIDE</b>					
<b>Development Account</b>			<b>Budget</b>	<b>Plan Year</b>	<b>Activities</b>
Operations			0	2014-2018	Operations
Development Activities			595,013	2014-2018	Replacement Housing Factor
Management Improvements			70,000	2014	Self Sufficiency Programs
			70,000	2015	
			70,000	2016	
			70,000	2017	
			70,000	2018	
Administration			311,691	2014-2018	10% limit
Fees & Costs			80,000	2014	A&E/Consultants, Inspection Costs
			80,000	2015	
			80,000	2016	
			80,000	2017	
			80,000	2018	
Audit			2,000	2014	Audit Program
			2,000	2015	
			2,000	2016	
			2,000	2017	
			2,000	2018	
Non-Dwelling Equipment			2,000	2014	Misc equipment
			2,000	2015	
			2,000	2016	
			2,000	2017	
			2,000	2018	
Relocation Costs			25,000	2014	
			125,000	2015-2018	
Debt Service Pledge			0	2014-2018	CFFP repaid w/ 501-11
Subtotal Annual Agency Wide Activities			1,826,704		
<b>Total - Agency Wide</b>		<b>X5 years</b>	<b><u><u>9,133,520</u></u></b>		
<b>Grand Total- All AMP's</b>			<b><u><u>15,584,545</u></u></b>		
Annual Allocation (including RHF)			3,116,909		

## APPENDIX D: 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 Technology (I.T.)** – Our centralized I.T. 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 five 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. This had led to the development of 5 computer centers that are served by 9 computer technicians and host 50 personal computers and 25 Apple Mac's. Our IT 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.

## APPENDIX D: Local Asset Management Program

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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.

## APPENDIX D: Local Asset Management Program

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**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 charters 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

## APPENDIX D: Local Asset Management Program

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- 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

## APPENDIX D: Local Asset Management Program

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- 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 2014 budget, the per-unit per month (PUM) cost is \$8.98. Additional detail on the calculation of the Indirect Service Fee calculation is reflected in Appendix A – Attachment 2.

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

## APPENDIX D: Local Asset Management Program

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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 D: Local Asset Management Program

Appendix D – Attachment 2

<b>Indirect Services Fee Calculation</b>		
<b>Fiscal Year 2014</b>		
<b>Description</b>		<b>Fiscal Year 2014 Estimated Budget</b>
<b>Indirect Costs</b>		
Executive	\$ 988,713	
Finance	786,193	
Information Systems	752,302	
Procurement	338,911	
Development	1,266,724	
Human Resources	296,032	
<b>Total Indirect Costs</b>		<b>\$ 4,428,875</b>
<b>Less Indirect Revenues</b>		
Capital Grant Revenue	\$ 257,820	
Asset Management Fees	144,840	
Management Fees	2,046,536	
Bookkeeping Fees	844,830	
Other Revenues	123,828	
<b>Total Revenues</b>		<b>3,417,854</b>
<b>Remaining Indirect Costs</b>		<b>1,011,021</b>
<b>Estimated Units Leased</b>		
Housing Choice Voucher	8,205	
Public Housing	1,182	
<b>Total Estimated Units Leased</b>		<b>9,387</b>
<b>Indirect Service Fees Rate</b>		<b>\$ 8.98</b>

# APPENDIX E: SUMMARY OF MTW ACTIVITIES

ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR	STATUS
Activity 1	Single Fund Budget	Administrative Efficiency	FY 2009	Ongoing
Activity 2	Strategic Investment Policies	Administrative Efficiency	FY 2009	Ongoing
Activity 3	Alternate Assessment Program	Administrative Efficiency	FY 2009	On Hold
Activity 4	Biennial Recertifications	Administrative Efficiency	FY 2009	Ongoing
Activity 5	Local Verification Policies	Administrative Efficiency	FY 2009	Ongoing
Activity 6	Elimination of Assets	Administrative Efficiency	FY 2009	Ongoing
Activity 7	Controlled Program Moves	Administrative Efficiency	FY 2009	Ongoing
Activity 8	Local Policies for Portability	Economic Independence	FY 2009	Ongoing
Activity 9	Elimination of Earned Income Disallowance	Economic Independence	FY 2009	Ongoing
Activity 10	Minimum Rent	Economic Independence	FY 2009	Ongoing
Activity 11	Local Project-Based Voucher Program	Expanding Housing Opportunities	FY 2009	Ongoing
Activity 12	Local Payment Standards	Expanding Housing Opportunities	FY 2009	Ongoing
Activity 13	Local Inspection Standards	Administrative Efficiency	FY 2010	Ongoing
Activity 14	Local Asset Management Program	Administrative Efficiency	FY 2010	Ongoing
Activity 15	Pilot Work Requirement	Economic Independence	FY 2010	Ongoing
Activity 16	Operating Subsidy for Vista del Sol	Expanding Housing Opportunities	FY 2010	Complete
Activity 17	Local Income Inclusion	Economic Independence	FY 2011	Ongoing
Activity 18	Property Management Innovation	Administrative Efficiency	FY 2011	Ongoing
Activity 19	Local FSS program	Economic Independence	FY 2011	Ongoing
Activity 20	Five Year Lease Assistance Program	Economic Independence	FY 2011	Ongoing
Activity 21	Utility Allowance Reform	Administrative Efficiency	FY 2012	On Hold
Activity 22	Streamlined Lease Assistance Program	Administrative Efficiency	FY 2013	In development
Activity 23	No Child Left Unsheltered	Economic Independence	FY 2014	Pending Approval
Activity 24	Transition for Over-Income Families	Economic Independence	FY 2014	Pending Approval

# Appendix G: 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 references about our programs and services. These fact sheets are posted online at [www.hacsb.com](http://www.hacsb.com) and are also available at our offices.



# HACSB FACTSHEET

## Moving to Work | OVERVIEW

### WHO WE ARE

The Housing Authority of the County of San Bernardino (HACSB) is one of the nation's most progressive housing authorities. We are the largest provider of affordable housing in the largest geographical county in the continental U.S., We proudly manage programs with approximately 11,000 housing units and vouchers combined to serve an excess of 31,000 people, most of whom are seniors, disabled individuals, veterans, and children. We are also very active in real estate development, resident self-sufficiency support, and first-time homebuyer attainment.

As a non-traditional housing authority, our agency's success is a result of our business approach to strategic planning and delivery of services. A high-performing and in-



novative agency, HACSB was designated as a Moving to Work (MTW) Agency by the U.S. Department of Housing and Urban Development (HUD) in 2008. As a result, we have transformed our agency by executing innovative initiatives based on the three key MTW objectives: saving taxpayer dollars through efficient work; helping our families achieve economic independence; and ensuring a family's freedom of housing choice. We have also adopted and achieved,

on an ongoing basis, the performance-based evaluation system from the 'Bipartisan Policy Center' to improve housing quality, increase delivery efficiency, enable independent lives, create economic self-sufficiency, and de-concentrate poverty. To date we have developed 22 MTW "initiatives," which have been approved by HUD in our MTW annual plans. The table below shows a current list of activities:

ACTIVITY	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR	STATUS
Activity 1	Single Fund Budget	Administrative Efficiency	FY 2009	Ongoing
Activity 2	Strategic Investment Policies	Administrative Efficiency	FY 2009	Ongoing
Activity 3	Alternate Assessment Program	Administrative Efficiency	FY 2009	On Hold
Activity 4	Biennial Recertifications	Administrative Efficiency	FY 2009	Ongoing
Activity 5	Local Verification Policies	Administrative Efficiency	FY 2009	Ongoing
Activity 6	Elimination of Assets	Administrative Efficiency	FY 2009	Ongoing
Activity 7	Controlled Program Moves	Administrative Efficiency	FY 2009	Ongoing
Activity 8	Local Policies for Portability	Economic Independence	FY 2009	Ongoing
Activity 9	Elimination of Earned Income Disallowance	Economic Independence	FY 2009	Ongoing
Activity 10	Minimum Rent	Economic Independence	FY 2009	Ongoing
Activity 11	Local Project-Based Voucher Program	Expanding Housing Opportunities	FY 2009	Ongoing
Activity 12	Local Payment Standards	Expanding Housing Opportunities	FY 2009	Ongoing
Activity 13	Local Inspection Standards	Administrative Efficiency	FY 2010	Ongoing
Activity 14	Local Asset Management Program	Administrative Efficiency	FY 2010	Ongoing
Activity 15	Pilot Work Requirement	Economic Independence	FY 2010	Ongoing
Activity 16	Operating Subsidy for Vista del Sol	Expanding Housing Opportunities	FY 2010	Complete
Activity 17	Local Income Inclusion	Economic Independence	FY 2011	Ongoing
Activity 18	Property Management Innovation	Administrative Efficiency	FY 2011	Ongoing
Activity 19	Local FSS program	Economic Independence	FY 2011	Ongoing
Activity 20	Five Year Lease Assistance Program	Economic Independence	FY 2011	Ongoing
Activity 21	Utility Allowance Reform	Administrative Efficiency	FY 2012	On Hold
Activity 22	Streamlined Lease Assistance Program	Administrative Efficiency	FY 2013	In Development

## MOVING TO WORK OVERVIEW

In 1996, Congress enacted the Moving to Work (MTW) demonstration program. The purpose is to provide public housing authorities (PHAs) the opportunity to design and test innovative, locally-designed strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW gives PHAs exemptions from many existing public housing and voucher rules and more flexibility with how they use their federal funds. MTW PHAs are expected to use the opportunities presented by MTW to inform HUD about ways to better address local community needs. MTW agencies are not given additional funding to administer their various initiatives. Currently, 39 Housing Authorities participate in the program out of 3,200 Housing Authorities nationwide.

## MOVING TO WORK SUCCESSES

Throughout the years, there has been an ongoing negative sentiment about participating MTW agencies due to lack of knowledge as to status of results. However, we have found that most of this negative image is based on misinformation. Some of the expressed concerns include: MTW agencies serve fewer families; and self-sufficiency activities are forcing low-income families out of affordable housing programs. We cannot speak for other MTW agencies, but we have had a great deal of success with most of our activities and the misconceptions to date do not apply at our agency.

We are proud to report some of the results from some of our endeavors:

- **Saving Taxpayers' Dollars:** We have continued to benefit from substantial operational efficiencies with new business practices such as checking incomes every two years instead of annually and more friendly and efficient methods of tracking resident information. As a result of these activities, in FY 2012 our staff saved a total of 8,742 hours.
- **Serving More Families:** These savings helped us assist 153 additional families in our Housing Choice Voucher Program (to 8,038), a 2% increase from the prior fiscal year; despite the ongoing federal funding cuts to our programs. Currently our lease rate is over 100%.
- **Addressing Local Needs:** Given the vast geographic area and demographic differences in our 20,000-square-mile county, HUD's previous payment standard was not an accurate rental market representation. Therefore, an independent third party firm conducted a detailed rental analysis and created nine rental submarkets with updated payment standards. Within one year, this reduced the per unit costs from \$730 to \$672. The projected annual cost savings is \$5.5 million—enough to house 680 additional families and/or mitigate funding cuts. This also empowered our families to move to areas with better schools, access to transportation and/or job opportunities that may have been previously inaccessible.
- **Working Families:** The pilot "work" requirement at a 297-unit public housing site will require all current and future adult household members between the ages of 18 and 61 (excluding disabled individuals) to participate for a minimum of 15 hours a week in "work" activities. The definition of work includes: volunteerism, educational and training programs, drug and/or mental health treatment, and paid employment. Household members have until July 1, 2013 to comply, and to date 84% (not including volunteers) of those individuals at the property are compliant with the "work" requirement.
- **Limiting housing assistance to serve more families:** The Five Year Lease Assistance Program is a five-year term limit activity for all new individuals/families (except seniors and disabled individuals) pulled from the voucher program waiting list. HACSB's staff works with each adult to develop a personalized education and/or professional plan which serves as a guide for self-sufficiency goals. After a year of implementation, 567 households are being assisted under this program

and 767 adults have developed their plans. A flat subsidy is provided which is equal to the lesser of 50% of the contract rent or 50% of the payment standard for the given submarket. As we backfill through attrition and limit the years families can receive housing assistance, we hope to promptly serve the 35,000 applicants on our waiting lists.

- **Helping Families Achieve Self-Sufficiency:** Loma Linda University (LLU) conducted several needs assessments of our residents and determined that the top needs of our residents include: mental health services, family counseling, and case management. As a follow-up, LLU is providing these types of services for our families to overcome some of their personal barriers. Helping families achieve economic independence is also a shared priority with our partner, the County's Workforce Development Department. Through their expertise and the needs of our residents, we have recently partnered to have an onsite Workforce Development Specialist work directly with our clients to receive employment training and placement assistance. This person works specifically with our families in the five year term limit and "pilot" work requirement activities. The activities that promote administrative efficiency have also enabled staff to focus on other areas. For example, in 2010, HACSB created Community Developments Initiative that works closely with our families to help them reach their personal and professional economic independence goals.
- **Assimilating to the Private Rental Market:** In 2012, we implemented an activity at our public housing sites that mirrors private sector property management principles to: improve the quality of housing units; help residents familiarize themselves with private sector property management practices; and increase management efficiency. After one year of implementation, we have saved approximately 61% in vacancy turn costs which equates to an annual savings of \$93,300. Late fees increased from \$20 to \$50, and as a result, the number of late fees charged to residents has declined by 60%.

## Spotlight on Success Program... Participant Profiles

**Miriam**, a resident from the Colton Public Housing Community, recently secured employment at JC Penney's as a hair stylist. For months she came into the Neighborhood Network Lab to look for a job, where staff like Annie Funn helped her. As a licensed cosmetologist, Miriam feels lucky to have secured a job in her



area of interest. Searching and securing a job was a huge endeavor for Miriam, who for the past six years had been suffering from depression after a life threatening domestic violence incident. She sought counseling, received moral support from her family and children, and housing assistance from the agency. She was also inspired by the success story of another housing resident who went through the Family Self-Sufficiency Program. She feels like she's finally back on track with her life and her dreams of homeownership. Miriam states: "I feel hope now...I want others to be inspired by this."

**Helen**, a single mother of three children with financial and personal struggles, always aspired to become a homeowner. Five years ago she enrolled in the Family Self-Sufficiency (FSS) Program to help her move toward this goal. She attended all budget and credit classes, worked diligently to raise her credit score, secured full time employment, saved money in her FSS escrow account, and is now free of cash aid and food stamps assistance. At the completion of her term in the FSS program, Helen received a check from the money she saved in her escrow account. "This money is going for the purchase of my home!" she says.

—CONTINUE

**Renee Calloway** is a recent participant of the Five Year Lease Assistance Program and an example of how perseverance and tenacity helped her achieve her goals. During her initial case management meeting with staff she set five goals for herself: 1) find a suitable home; 2) obtain a certificate in the culinary arts; 3) secure full-time employment in security or any other field; 4) enroll in the Individual Development Account program offered by Community Action Partnership; and 5) become self-employed once she completes the program. Within three weeks of that meeting, Renee had: completed the student assessment at San Bernardino Valley College for her educational goals; located a home; and secured a full-time security job! Renee moved quickly on her goals and plans to maximize her five years of housing assistance to continue solidifying other goals so at the end of the program terms she's economically independent.



**Leonard Jones** applied for the Homeownership Assistance Program in February of 2011. He had a few minor



credit issues to repair before applying for a mortgage loan. Angela Joyner and other staff helped guide him through the credit repair process. In six months he increased his credit score, had attended Springboard first-time homebuyer education workshops, and qualified to receive down payment assistance through the state. Homeownership opportunities are available to all families—even for Leonard, who is on fixed Social Security income. By June of 2012, Leonard closed escrow on his first home! Mr. Jones says “The program was wonderful. I had tried to purchase before on my own but couldn’t have done it without the Housing Authority. I would recommend that to anybody else trying to buy a home through this program.”



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# HACSB **FACTSHEET**

## Who we are



### Our Business

The Housing Authority of the County of San Bernardino (HACSB) is one of the nation's most progressive housing authorities. As the largest provider of affordable housing in the County, we proudly serve more than 30,000 people, most of whom are seniors, disabled individuals, and children.

As a non-traditional housing authority, our agency's success is a result of our business approach to strategic planning and delivery of services. Sandra Henriquez, Assistant Secretary at the federal Housing and Urban Development Department, stated that the success of the Boston Housing Authority during her tenure was a result of "operating as a private business with a social mission." This resonates at our agency. As a business entity that serves as good stewards of taxpayer's dollars, we cannot properly serve our families unless we operate an effective and productive business.

We also strive to provide our families with the resources, skills, and motivation to transition out of government assisted programs into economic independence. Therefore, as a reflection of our mission and service philosophy, we have increased our resident services and coupled them with new initiatives such as five-year term limits, work requirements, minimum rent increases, and others. These new initiatives also

help ensure greater personal accountability for our families.

Our agency's business success comes during a period of economic and social challenges facing San Bernardino County. The ongoing economic downturn, especially in the housing industry, has left many families without jobs and homes, increasing the demand for affordable housing, social services, and assistance from government programs. Table 1 highlights some critical statistics that paint a picture of the reality facing the

#### TABLE 1: SAN BERNARDINO COUNTY STATS

- Housing was the highest unmet need among 211 callers in 2012.
- \$2.5 billion are allocated yearly to families receiving cash assistance, Medi-Cal, and food stamps.
- 14% of individuals are receiving some form of assistance in cash benefits and/or food stamps.
- 24% of all children live in poverty.
- \$21,392 in per capita income is 26% below the state average.
- 10.8% unemployment rate compared to the 7.8% national level.
- Sixth in foreclosures nationwide.
- 35% of working households are experiencing a severe housing cost burden.
- City of San Bernardino is the second-poorest city in the United States, with 34% of people below the national poverty level.

residents and communities of San Bernardino County.

Because HACSB is a large, strong business entity, investing in HACSB is a wise investment of taxpayer dollars that benefit the entire county and its residents. During Fiscal Year 2012, we infused \$106 million into the county's economy as a housing and service provider, developer, and employer. Our other monetary contributions in Fiscal Year 2012 included:

- \$67 million paid in housing assistance payments to almost 4,000 landlords
- \$13.2 million paid to more than 600 vendors for various programs and services
- \$12.5 million on rehab, construction and acquisition of housing units.

## Affordable Housing: What and Who

Affordable housing provides working individuals in low paying jobs the opportunity to afford a place to live. Research shows that in San Bernardino County, household needs an income of \$45,000 to rent a two-bedroom apartment.

Table 2 highlights how many common professions require vocational training and even Bachelor's degrees, indicating that, contrary to popular belief, educated professionals also need affordable housing.

## Housing Types and Development

As the demand for affordable housing increases, our limited affordable housing supply is not enough to house the thousands of families in need. We embrace and are committed to providing affordable mixed income housing that complements the existing communities. Therefore, to better serve families of all income ranges, we manage two levels of housing programs:

- **Affordable Housing:** Rental assistance is avail-

**TABLE 2\***

**Very-Low Income Earners in San Bernardino County (below 50% median income)**

**Average Annual Salary**

Cashiers	\$20,766
Child Care Workers	\$22,889
Preschool Teachers	\$25,261
Receptionists	\$26,232
Bank Tellers	\$27,593
Medical Secretaries	\$30,344
School Bus Drivers	\$30,441
Dental Assistants	\$30,568
Paramedics and EMTs	\$31,249

\* Source: California Campaign for Affordable Homes 2010



able for approximately 9,800 low-income households in the form of vouchers, lease assistance, or housing at a public housing community.

- **Market Rate Housing:** We moved beyond the traditional housing programs and expanded our housing stock as a developer of sustainable affordable and market rate housing. The revenue from these market rate units has helped us build and acquire more affordable housing.

Providing sustainable housing is crucial for high quality housing. In light of this, we are gradually transitioning our units to a variety of renewable energy sources. Recently we have invested \$17.9 million in solar panel installations, lighting upgrades, window upgrades, weatherization program, and xeriscaping. To date, HACSB continues solar installations on multiple apartment sites throughout the County, and this year is implementing an Energy Management planning and operations strategy involving staff and resident training across our housing portfolio. Through this work we seek to be a national leader in the implementation of renewable energy projects specific to affordable housing, reduce energy expenses for all of our low income residents, and reduce our overall carbon footprint. To date, we have reduced by over 700 metric tons—the equivalent of removing 150 vehicles from the roadway, or of preserving 575 acres of pine forest.

## Innovation at Work

For several years now, Congress has considered legislation to provide a select few of traditional housing authorities with flexibility to waive current housing policies, and Section 8 reform bills to offer regulatory relief. Through the past five years, we have transformed our agency by setting ourselves to these high standards. Building upon our practices, we have executed innovative initiatives with three key goals in mind: save taxpayer dollars through efficient work; help our families achieve economic independence; and ensure a family's freedom of housing choice

Our implementation of these broad administrative efficiencies has enabled us to:

- **Save Taxpayers' Dollars:** We have continued to benefit from substantial operational efficiencies with new business practices such as Biennial Recertifications and Local Verification Policies. As a result of these activities, the staff saved a total of 8,742 hours during FY 2012.
- **Serve More Families:** The savings helped us assist 153 additional families in our Housing Choice Voucher Program (to 8,038), a 2% increase from the prior fiscal year; despite the ongoing federal funding cuts to our programs.

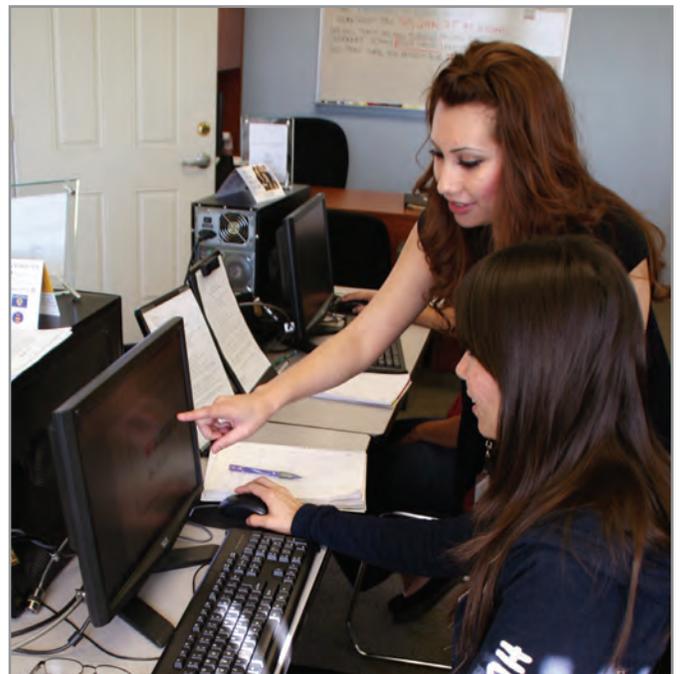


- **Help Families Achieve Self-Sufficiency:** Incorporated into our business plan is our Community Development Initiatives Department that serves as a catalyst for coordinating services, resources and partnerships to promote economic independence, family strengthening, and enhanced quality of life. These synergies will help families achieve economic independence, and help us promptly serve the 35,000 applicants on our waiting lists.
- **Address Local Needs:** Given the vast geographic area and demographic differences in our 20,000-square-mile county, HUD's previous payment standard was not an accurate rental market representation. Therefore, an independent third party firm conducted a detailed rental analysis and created nine rental submarkets with updated payment standards. Within one year, this reduced the per-unit costs from \$730 to \$672. The projected annual cost savings is \$5.5 million; enough to house 680 additional families and/or mitigate funding cuts. This also empowered our families to move to areas with better schools, access to transportation and/or job opportunities that may have been previously inaccessible.
- **Computer and Software Skills Development:** Computer labs offer internet access, education and career planning, resume review and editing, job search and employment application assistance, and basic training on Microsoft Office Programs.
- **Family/Individual Case Management and Counseling:** In order to enhance the quality of life of our families, staff works to coordinate the delivery of services and resources from partners.
- **Homeownership Assistance:** Since 2001, the homeownership program has helped 176 families, 22 of which graduated from the Family Self-Sufficiency Program and reached their life goal of homeownership. Since 2009, this program has received statewide recognition; it ranks among the top in creating new homeowners each year.
- **Program Integrity:** In 2010, HACSB incorporated a Program Integrity Unit that provides training, education, and prevention tools to maintain compliance in all aspects of the agency's housing programs.

## More Than Just Housing

As we increase the number of families served we are also expanding the types of services we provide. As catalysts, we provide and leverage services that will help our families build a foundation for economic independence. Here are a few of the services we provide in collaboration with our partners:

- **Career Training and Job Placement:** In fiscal year 2012, our collaboration with Career Institute resulted in 631 career training sessions and 124 new jobs for our families.
- **College Scholarships:** During the past 21 years, we have provided 233 students with \$170,050 in scholarships using non-public funds.



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03.2013

# HACSB FACTSHEET

## Five-Year Lease Assistance Program | OVERVIEW

The Housing Authority of the County of San Bernardino (HACSB) provides affordable housing to approximately 30,000 individuals from all income ranges; 67% of which are seniors, children, and individuals with disabilities.

Unfortunately, there are not enough affordable housing units available to meet the increasing demand. The waiting lists have approximately 50,000 applicants and it can take up to 10 years to be housed in any of the various housing programs.

Affordable housing programs are meant to provide families a stepping stone through difficult economic times. Given this, our Mission is to empower all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.

We provide more than just housing to our clients. In conjunction 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.

As an innovative and proactive agency, HACSB is one of only 35 Housing Authorities of 3,200 nationally, designated as a Moving to Work (MtW) demonstration site by Congress. The purpose of this special designation is to implement new business practices and program services with three goals in mind: 1) develop economically independent clients; 2) ensure freedom of housing choice; and 3) save taxpayer dollars through operational efficiencies.

This MtW designation enhances our ability to fulfill our mission and better serve our program participants and residents. In an attempt to move forward with our mission and service philosophy,



effective January 1, 2012, HACSB will implement a Five-Year Lease Assistance Program to help families achieve economic independence. As of November 1, 2011, individuals/families pulled from the Housing Choice Voucher Program waiting list will receive a five-year term limit on housing assistance through the Five-Year Lease Assistance Program. All elderly<sup>1</sup> and disabled<sup>2</sup>

applicants will be provided assistance under the Housing Choice Voucher Program.

### **GOAL OF FIVE-YEAR LEASE ASSISTANCE PROGRAM**

The primary purpose of the Five-Year Lease Assistance Program is to help families achieve economic independence. Short-term lease assistance provides an opportunity for families/individuals to secure better employment and achieve other personal and professional goals. HACSB also anticipates serving more families by being able to pull applicants from the waiting list as participants reach the end of their participation in the program. There is a tremendous demand for affordable housing, which is clearly demonstrated with over 22,000 households currently on the Housing Choice Voucher Program waiting list.

### **HELPING FAMILIES ACHIEVE SELF-SUFFICIENCY**

HACSB's Community Development Initiatives (CDI) staff will work with each adult program participant to develop a personalized education and/or professional action plan. This will serve as a guide for the participant's self-sufficiency efforts. CDI will also help participants to leverage existing resources in the community, including HACSB's Broadband

<sup>1</sup> Elderly: Head of household and/or spouse must be 57 years of age or older.

<sup>2</sup> Disabled Individual: Head of household and/or spouse must be receiving permanent disability income.

Technologies Opportunities Program (BTOP) and job counseling services available at the Housing Authority's various affordable housing communities.

#### **DETERMINING THE LEASE ASSISTANCE AMOUNT**

HACSB contracted with an independent third party to establish payment standards that accurately reflect the varying submarkets in San Bernardino County. These payment standards reflect market rents by bedroom size within each of the nine submarkets. The termed lease assistance for each family/individual will be based on 50% of the payment standard for the approved bedroom size and submarket. One of the benefits of this fixed subsidy amount is that as participants increase their household income, their rent portion will not be increased. Families can utilize the difference for savings or to invest in self-sufficiency activities that will better prepare them for when they reach the end of their five-year assistance.

#### **FUTURE FIVE-YEAR LEASE ASSISTANCE PROGRAM PARTICIPANTS**

Once a family/individual is pulled from the waiting list, they will be required to attend an eligibility briefing where they will receive information on the process to submit all paperwork, begin establishing their CDI action plans, and locate a housing unit.

#### **PORTABILITY**

Participants moving (porting) out of San Bernardino County will also be subject to the Five-Year Lease Assistance Program's term limit, but not to the flat subsidy. Participants moving (porting) in will not be subject to the Five-Year Lease Assistance provisions or the flat subsidy. However, the work requirement will still apply to all adult household members, except elderly and disabled participants. If at any

point, HACSB absorbs the participant who moved in from other areas, they will be subject to the Five-Year Lease Assistance Program requirements or be given the option to move back at that time.

#### **LANDLORDS AND THE FIVE-YEAR LEASE ASSISTANCE PROGRAM**

The process to lease a unit to a program participant receiving assistance under the Five-Year Lease Assistance Program is similar to working with a traditional Housing Choice Voucher Program participant. Below are a few process steps:

- a request for tenancy approval needs to be submitted to HACSB;
- the unit will be inspected before occupancy to ensure it meets housing quality standards and follows payment standard guidelines;
- the landlords will execute a lease with their future tenant;
- a Lease Assistance Payment contract will be executed with HACSB.

Specific details on the implications of the Five-Year Lease Assistance Program for landlords will be discussed at the various landlord briefings and orientation sessions.

For more detailed information on the Housing Authority's Five-Year Lease Assistance Program, please refer to the Administrative Plan located on our website at [www.hacsb.com](http://www.hacsb.com).

<sup>3</sup> Elderly Port in: Any household member 62 years of age or older.

<sup>4</sup> Disabled Port in Individual: Any household member receiving permanent disability income.

<sup>5</sup> Absorbing a participant means that the participant will be assisted under HACSB's Five-Year Lease Assistance Program, which will be in place of the initial housing authority's voucher assistance; the five year term limit and flat subsidy will apply.



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# HACSB FACTSHEET

## Property Management Innovation | RESIDENTS

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This designation better enhances our ability to fulfill our mission and better serve our program participants and residents. In an attempt to move forward with our mission and service philosophy,

effective January 1, 2012, HACSB will implement in its Public Housing Communities the Property Management Innovation Activity, which mirrors private sector property management principles. This will improve the quality of the housing units, help residents familiarize themselves with private sector property management practices, and increase management efficiency. Through the new policies changes with this activity, residents will be knowledgeable and better equipped for the private sector rental market.

### WHAT DOES THIS MEAN FOR RESIDENTS?

The residential lease was revised to reflect the changes of this activity. Updated leases will be signed before the new policies become effective. Below are some of the major changes effective January 1, 2012 for all residents:

#### Flat rent option:

- **Previous Policy:** The residents had the option of choosing between the 30% income rent and flat rent.
- **New Policy:** HACSB will choose the lower of the flat rent or the 30% income rent for the resident.



#### Grievance procedure:

- **Previous Policy:** Residents would first request an on-site informal settlement of grievance and then could ask for a formal hearing.
- **New Policy:** The two-step process will be replaced with a single on-site final settlement conference with HACSB staff.

### Late fees:

- **Previous Policy:** Late fees for rents not paid on time were \$20.00.
- **New Policy:** Late fees for rents not paid on time will be \$50.00



### Non-sufficient funds (NSF) fee:

- **Previous Policy:** The NSF fee for all returned items was \$25.00.
- **New Policy:** The NSF fee for the first returned item will be \$25.00 and \$35.00 for all additional items.

### Pay or quit notice:

- **Previous Policy:** Households were served a 14-day pay or quit notice when the rent due was not paid on time.
- **New Policy:** A 3-day pay or quit notice will be served when the rent due is not paid on time.

### Pet policy:

- **Previous Policy:** The pet deposit was \$100.00 per pet.
- **New Policy:** The pet deposit has increased to \$300.00 per new pet. A maximum of two pets are allowed per household.



### Rent statement:

- **Previous Policy:** Monthly rent statements with rent amount and due date were issued to residents.
- **New Policy:** Monthly rent statements will no longer be issued. Residents are responsible to pay their rent in accordance with the lease agreement.

In addition, the following policies will apply to all new families leased on or after January 1, 2012:

### Holding deposit:

- **Previous Policy:** No holding deposit was charged.
- **New Policy:** A holding deposit of \$200.00 will be charged when a new applicant accepts the unit.

### Security deposits:

- **Previous Policy:** The security deposit charged was \$500.00 for non-elderly households and \$300 for senior and disabled households.
- **New Policy:** The security deposit will be one month's market rent (minimum of \$500 and maximum of \$1,000).



For more information on this or any other MTW activity, please visit our website at [www.hacsb.com](http://www.hacsb.com).



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# HACSBFACTSHEET

## Maplewood Homes Pilot “Work” Requirement

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All current and future adult household members between the ages of 18 and 61 will need to participate for a minimum of 15 hours a week in “work” activities. For the initial implementation period of this new effort, household members will be given a six-month grace period to comply. The definition of “work” encompasses participation in any one of the three phases:

### Phase 1: Activities removing barriers to gainful employment

- These activities may include, but are not limited to: volunteer work, skills training, general education development (GED) courses, drug treatment, and/or mental health services.
- Under this category, residents have a maximum of two years upon which they should transition into the other two phases.



### Phase 2: Activities leading to gainful employment

- These activities may include, but are not limited to: vocational training, apprenticeships, college enrollment, and/or participation in certification programs.
- Under this category, residents will be allowed to participate for a maximum of two years upon which they should transition to Phase 3.



### Phase 3: Employment

- Employment is defined as a legal occupation for which the resident receives payment equal to at least 15 hours per week at California’s minimum wage.
- Under this category, residents should maintain at least 15 hours of work activities throughout the term of their assistance with HACSB.

### RESOURCES AVAILABLE

The Housing Authority has partnered with various community organizations, local government agencies, businesses, and schools to provide the residents with the resources and tools necessary to fulfill this requirement. The on-site computer lab has also expanded the number of computers, increased broadband speeds, extended operating hours, and provides a range of online training workshops on Microsoft Office and Internet use for residents. Residents

are encouraged to reach out to Estella Nuñez via phone at (909) 890-5373 or via email at [enunez@hacsb.com](mailto:enunez@hacsb.com) for more information on the resources available.

## EXEMPTIONS AND HARDSHIP POLICY

All elderly and disabled individuals will be exempt from this policy. A disabled individual must be receiving permanent disability income. At any time, if the resident stops receiving permanent disability income, the pilot work requirement will apply. Residents who have a disability but have been determined eligible for the work requirement due to HACSB's verification procedure may request a review.

A hardship policy has also been established and will be reviewed on a case by case basis.

## COMPLIANCE

HACSB reserves the right to verify, at any time, if household members are meeting the requirements for this endeavor. However, verification will take place at least annually.



If an adult member is determined to be non-compliant with the “work” requirement, they will be given an opportunity to become compliant within 90 days. If they fail to meet compliance after 90 days, a 90-day notice will be issued that states the rent will increase to the flat/market rent for that unit.

For more information on this and any other agency efforts, please visit our website at [www.hacsb.com](http://www.hacsb.com).



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