

Moving to Work **ANNUAL PLAN**

Housing Authority of the County of San Bernardino

2017



*Building Communities
Changing Lives*

Originally Submitted to HUD July 8, 2016
Resubmitted in Response to HUD Comments October 11, 2016
Resubmitted in Response to Additional HUD Comments February 2, 2017

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Our Mission

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

Our Vision

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

Our Core Values

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

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

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

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

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Section I: Introduction

For over 70 years, the Housing Authority of the County of San Bernardino (HACSB) has been one of the leading providers of affordable housing in the County of San Bernardino. The County of San Bernardino is the largest county in the contiguous United States consisting of 24 cities and covering over 20,000¹ square miles of land. It is the twelfth largest county in the nation², with more residents than 15 of the country's states. The population of San Bernardino County has grown by 4.6³ percent between 2010 and 2015 and is expected to rise by 27% between 2014 and 2035. HACSB proudly serves more than 30,000 people, most of whom are seniors, disabled individuals and children.

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

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

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

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

¹ San Bernardino County 2013 Community Indicators Report

² Census Population Estimates 2013

³ Census Quick Facts 2015

What is in this plan?

This Fiscal Year 2017 Moving to Work Annual Plan complies with the format required by the U.S. Department of Housing and Urban Development (HUD) as outlined in the 2008 Amended and Restated Moving to Work (MTW) Agreement between HUD and HACSB, and also complies with the requirements set forth by HUD in Form 50900. This Plan is separated into the following sections:

- *Section I: Introduction* provides an overview of the layout of the document and HACSB's short term and long term goals.
- *Section II: General Housing Authority Operating Information* provides an overview of the agency's housing portfolio, leasing rates, and wait list information. **This resubmission includes revisions to this section to include information about the conversion of HACSB's Public Housing portfolio under HUD's Rental Assistance Demonstration (RAD) program.**
- *Section III: Proposed MTW Activities* describes the new MTW activities that we plan to pursue in FY 2017, including applicable evaluation criteria and waiver citations that provide the agency with the authority to undertake the new activities. **This resubmission includes revisions to this section. This section now includes proposed changes to MTW Activity 11: Local Project-Based Voucher Program and MTW Activity 12: Local Payment Standards. The proposed changes to activities 11 and 12 were previously submitted to HUD through Amendment 1B to HACSB's FY 2015 MTW Plan. The proposed changes were not approved through that amendment. Per HUD's request, the proposed changes have been moved to HACSB's FY 2017 MTW Plan through this resubmission.**
- *Section IV: Approved MTW Activities* provides information on previously approved uses of MTW authority.
- *Section V: Sources and Uses of Funds* describes the agency's projected revenues and expenditures for FY 2017, local asset management program and use of MTW Block Grant fungibility.
- *Section VI: Administrative* provides required administrative information.

What is "Moving to Work"?

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

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

A brief timeline of our MTW Plans and Reports is provided below.

| MTW Plan | Approved by HUD |
|--|--|
| FY 2009 MTW Plan | September 25, 2008 |
|  Amendment 1 |  June 29, 2009 |
| FY 2010 MTW Plan | September 30, 2009 |
|  Amendment 1 |  November 18, 2009 |
|  Amendment 2 |  February 22, 2010 |
|  Amendment 3 |  September 15, 2010 |
| FY 2011 MTW Plan | October 18, 2010 |
| FY 2012 MTW Plan | October 5, 2011 |
|  Amendment 1 |  November 4, 2011 |
| FY 2013 MTW Plan | September 27, 2012 |
| FY 2014 MTW Plan | May 14, 2014 |
| FY 2015 MTW Plan | February 13, 2015 |
|  Amendment 1A |  May 11, 2015 |
|  Amendment 1B |  N/A. Proposed changes will be included in resubmitted 2017 MTW Plan. |
|  Amendment 2 |  N/A. Proposed changes will be included in resubmitted 2017 MTW Plan. |
| FY 2016 MTW Plan | November 4, 2015 |
| FY 2017 MTW Plan | Pending HACSB Board Approval |

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

Overview of Agency's Goals and Objectives

Long-Term Goals

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

Our strategic 30 years goals are -

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

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

Short-Term Goals

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

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

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

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

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

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

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

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

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

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

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

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

| ACTIVITY | DESCRIPTION | STATUTORY OBJECTIVE | PLAN YEAR | STATUS |
|-------------|--|---------------------------------|-----------|---------------------|
| Activity 24 | Transition for Over-Income Families | Self-Sufficiency | FY 2014 | Implemented |
| Activity 25 | Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing | Expanding Housing Opportunities | FY 2016 | Not Yet Implemented |

Accomplishments

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

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

 -  Utilized technology to launch online Wait List portal used for the opening of the HCV Tenant Based Rental Assistance program wait list February 19, 2015 through March 9, 2015. The fully online system allowed applicants to apply any time of day from any device, eliminating wait times at physical offices to apply. A call center was established to assist clients with reasonable accommodation requests and limited English proficiency in applying. HACSB received over 25,000 unique applications throughout the enrollment period.
- Goal 2 – Develop economically independent clients – Facilitating opportunities for families and individuals to become self-sufficient and financially independent to transition from dependency on housing subsidy:**

 -  Expanded onsite employment support for clients with the addition of two Career Readiness Coordinators to work with Five Year Lease Assistance families, one Jobs Plus Coach for Maplewood Homes, a CalWORKS Youth Employment Program referral system in partnership with the County of San Bernardino, contracted services through the County Workforce Development Department for three on-site Workforce Development Specialists working specifically with HACSB families, and holding employment resource and opportunity events for clients to be connected to employers and resources.
 -  Pursued alternative funding to support and expand resident services such as submitting a \$2.4 million Jobs Plus grant application.
 -  Received grant funding to increase internet and broadband to all HACSB sites to help close the digital divide.
- Goal 3 – Ensure freedom of housing choice – Providing quality affordable housing opportunities in mixed-income communities with access to excellent quality of life:**

 -  Continued construction at the Redlands/Lugonia Public Housing site. The modular construction of 85 new units is complete and the property is in the leasing process.
 -  Phase I of the Waterman neighborhood revitalization closed on tax credit financing and a Groundbreaking was held on June 15, 2015.

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

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

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

Section II: General Operating Information

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

Agency Overview

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

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

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

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

HACSB does not anticipate adding new Public Housing units in fiscal year 2016-2017.

| Planned New Public Housing Units to be Added During the Fiscal Year | | | | | | | | | | | |
|---|--------------|---|---|---|---|---|----|-------------|-------------------|------------------|-----------|
| AMP Name and Number | Bedroom Size | | | | | | | Total Units | Population Type * | # of UFAS Units | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6+ | | | Fully Accessible | Adaptable |
| N/A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A |
| N/A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A |
| Total Public Housing Units to be Added | | | | | | | | 0 | | | |
| * Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other | | | | | | | | | | | |
| If Other, please describe: <input type="text" value="Description of 'other' population type served"/> | | | | | | | | | | | |

Planned Public Housing Units to be Removed During the Fiscal Year

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

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

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

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

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

| New Housing Choice Vouchers to be Project-Based During the Fiscal Year | | |
|--|--|--|
| Property Name | Anticipated Number of New Vouchers to be Project-Based * | Description of Project |
| Valencia Grove, Redlands | 85 | PBV as replacement for PH disposition for mixed family and senior units |
| Bloomington - Related Phase I | 11 | Senior and Family Community, New Development |
| Horizons, Yucaipa | 50 | Senior Community, New Development |
| Val-9 San Bernardino | 75 | Family Community, New Development |
| Bloomington - Related Phase II | 20 | Family Community, New Development |
| Ivy at College Park, Chino | 8 | Family Community, New Development |
| Veterans' Housing - Various Sites | 60 | Veterans' Housing, Existing Developments |
| Veterans' Housing, Loma Linda | 37 | Veterans' Housing, New Development |
| Fontana Family Development Project - Fontana | 8 | Family Community, New Development |
| Anticipated Total New Vouchers to be Project-Based | 354 | Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year 1469 Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year 1469 |

*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

Valencia Grove – Redlands

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

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

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

Bloomington Related Phase I and II - Bloomington

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

Horizons – Yucaipa

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

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

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

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

Ivy at College Park - Chino

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

Veterans' Housing – Various Sites

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

Veterans' Housing – Loma Linda

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

Fontana Family Development Project - Fontana

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

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

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

Other Anticipated Changes to the Housing Stock for the Fiscal Year

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

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

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

Years of declining funding for the Public Housing Program have severely under-funded capital grant funds and operating subsidies. As a result, we have been unable to adequately address the physical and management conditions at some of our communities. The demolition or disposition of such properties has allowed us the opportunity to replace existing and inadequate Public Housing subsidies with project-based voucher subsidies for the residents on the sites, along with the ability, under the ownership of our affiliate nonprofit, to leverage the unit’s equity to secure private funding and conventional loans for modernization. While we have successfully funded one development in this manner (Redlands-Lugonia AMP 150, sites 01, 8, & 9), HUD has shifted priority from disposition to

the Rental Assistance Demonstration (RAD) Program, wherein existing Public Housing subsidies are converted to rental assistance (vouchers). We have aggressively pursued this strategy for future rehabilitation of the remainder of our Affordable (public) Housing portfolio, and we received approval from HUD in December 2014 to convert our entire Public Housing portfolio under the RAD program. In FY 2014 we continued construction at the Redlands-Lugonia site (AMP 150, sites 01, 8, & 9), wherein 115 existing Public Housing units will ultimately be replaced with 189 mixed-income rental units and 39 single family homes for first-time homebuyers. Phase I, which began in 2014, consists of replacing 62 original units with 85 new units of affordable rental housing funded with 4% Low-Income Housing Tax Credits and Tax-exempt Bonds. Approximately 60 families relocated from the original units had first right to return to the site once construction was completed. Phase 1 construction was completed in April 2016, with families occupying all 85 units with project-based vouchers. Approximately 30 families who remained in the Phase 2 portion of the site were relocated, either to the newly constructed Phase 1 property, or to other off site units during the first quarter of 2016.

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

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

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

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

In 2016 we also continued construction activities of the initial phase of the RAD conversion of the 252 unit Waterman Gardens site in San Bernardino (AMP 120 - site 19-02). The RAD application for this phase supported the acquisition of an adjacent parcel of land on which a 75-unit affordable housing development (the Val9 Apartments) was built, wherein residents of the initial phase who wished

to remain in the neighborhood could be relocated. Low Income Housing tax credit and FHA insured loan funding associated with the RAD transaction closed in May 2015, and construction completion is scheduled for September, 2016.

FY 2017:

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

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

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

HACSB will continue to support resident employment programs under Section 3 to support the variety of Moving-To-Work initiatives described in this plan. Where possible, Capital Funds will be utilized (and leveraged with outside funding) for employment training

anchored within the large Public Housing revitalization projects already underway (Redlands-Lugonia and Waterman Gardens). These programs will prioritize training centered around sustainable development and green building practices, property management and maintenance of the newly constructed rental housing, as well as pre-apprenticeship construction training. These efforts are intended to also extend into the neighborhoods surrounding the existing site to promote community-wide revitalization.

B. Leasing Information

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

In 2016, HACSB anticipates continued strong rates of leasing for both Public Housing and vouchers. Public Housing units will be converted to project-based voucher units through HACSB's RAD conversion process, and this change is reflected in the number of Public Housing units anticipated to be leased during the fiscal year.

The following table represents projected average utilization for MTW vouchers and occupancy for the Public Housing units.

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

| Planned Number of Households Served at the End of the Fiscal Year | | |
|---|--|--|
| MTW Households to be Served Through: | Planned Number of Households to be Served* | Planned Number of Unit Months Occupied/Leased*** |
| Federal MTW Public Housing Units to be Leased | 219 | 2,628 |
| Federal MTW Voucher (HCV) Units to be Utilized | 8,290 | 99,480 |
| Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs ** | - | - |
| Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs ** | - | - |
| Total Households Projected to be Served | 8,509 | 102,108 |

* Calculated by dividing the planned number of unit months occupied/leased by 12.

** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.

***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

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

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

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

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

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

C. Wait List Information

Wait List Information Projected for the Beginning of the Fiscal Year

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

As in prior years, HACSB anticipates that community need for affordable housing will remain high in FY 2017. The table below shows the projected number of households on waiting lists for Public Housing units and vouchers as of the beginning of FY 2017. HACSB does not currently envision organizational or policy changes to waiting lists.

Housing Choice Vouchers

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

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

Public Housing

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

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

| Wait List Information Projected for the Beginning of the Fiscal Year | | | | |
|--|------------------|-----------------------------------|---|--|
| Housing Program(s) * | Wait List Type** | Number of Households on Wait List | Wait List Open, Partially Open or Closed*** | Are There Plans to Open the Wait List During the Fiscal Year |
| Public Housing | Other | 23,172 | Partially Open | Yes, by bedroom size as needed |
| Housing Choice Voucher Project-Based | Other | 12,981 | Partially Open | Yes, by bedroom size as needed |
| Housing Choice Voucher Tenant-Based | Community-Wide | 15,130 | Closed | No |

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

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

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

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

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

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

| |
|---|
| None. The No Child Left Unsheltered Activity (NCLU) admits families from the Public Housing and Housing Choice Voucher waiting lists through a preference for NCLU-eligible families. |
|---|

If Other Wait List Type, please describe:

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

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

| |
|-------|
| None. |
|-------|

Section III: Proposed MTW Activities

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

Per HUD's request, HACSB has included in this section proposed changes to MTW Activity 11: *Local Project-Based Voucher Program* and MTW Activity 12: *Local Payment Standards*. The proposed changes were previously submitted to HUD for approval through HACSB's 2015 MTW Plan Amendment 1B. The proposed changes were not approved through that amendment, and are hereby resubmitted for approval.

Activity 11: Local Project-Based Voucher Program

This activity was approved in our FY 2009 Initial Annual MTW Plan. Our third amendment to the FY 2010 Annual MTW Plan helped clarify the components of our local program and this activity was implemented in September 2010. A modification to the activity was proposed but not approved via Amendment 1B to our FY 2015 Plan. In 2016 HUD requested that the proposed modification be relocated to this FY 2017 MTW Plan and resubmitted for approval.

1. Activity Description

This activity was approved in our FY 2009 Initial MTW Annual Plan. Our third amendment to the FY 2010 MTW Annual Plan helped clarify the components of our local program and this activity was implemented in September 2010. Through this Plan, HACSB proposes to expand the types of units which may be assisted through HACSB's local project-based voucher program.

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

- Up to 100% percent of units in any development may be project-based;
- Up to 25% of the funding committed to vouchers may be allocated for PBV;
- PBV will be allocated to all of the public housing units approved for disposition other than 27 units to be rehabilitated in conjunction with the County Department of Behavioral Health (308 PBV units);
- Households residing in PBV units will not have automatic priority to receive tenant-based vouchers after one year, but instead will have such a priority after two years;
- A local PBV HAP contract which modifies the terms and conditions of the HAP contract, including the ability to execute PBV HAP contracts for groupings of non-contiguous scattered-site properties and to contract for a total number of units by bedroom size within a development rather than for specific units;
- An over-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher may remain in its unit and HACSB will subsidize the household based on the size of the unit, not the qualifying voucher size;
- HACSB may require an under-housed household residing in a Public Housing unit that is disposed of and converted to a Project-Based Voucher to move with a voucher for the number of bedrooms for which the household qualifies;
- For a unit other than former Public Housing units, HACSB may designate the unit as a PBV unit and allow an in-place household for which the unit is a wrong-sized unit to remain in occupancy for up to one year, if the owner agrees to accept a PBV contract rent that does not exceed the HACSB subsidy standard for the household for the initial term of the lease.

- Initial contract rent for units owned by HACSB as defined in the PBV regulations may be determined using an HACSB market study that will consider local rental submarkets, in lieu of the requirement to use an independent entity with rents based on an appraisal by a state-certified appraiser.
- In accordance with HACSB’s MTW Activity 12: Local Payment Standards and Alternative Flat Rents, HACSB’s Local Payment Standards also serve as the maximum subsidy when determining the contract rent for PBV units.

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

Proposed Modifications

In order to expand housing options for populations which have not been traditionally well-served by existing programs, including high-need populations with a high risk of homelessness such as veterans, probationers, disabled individuals, and others, HACSB intends to expand its PBV program to include additional unit types which are not allowable under traditional regulatory PBV. The types of housing which will be assisted through PBV include the following:

- Shared housing (up to one person per bedroom);
- Units on the grounds of a penal, reformatory, medical, mental health, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care;
- Manufactured homes;
- Transitional housing;
- Single-room occupancy;
- Congregate housing;
- Other housing types as needed.

HACSB intends to partner with universities, state and local government, and other stakeholders to develop housing and service delivery programs which leverage HACSB and partner resources. Where appropriate and feasible, programs will include both housing and related health care, education, job preparedness, and/or other necessary supportive services for individuals assisted through the programs.

To ensure that assisted families receiving on-site supportive services through an HACSB partner continue to reside at the location where the services are provided, HACSB may not provide a tenant-based voucher upon completion of the initial two-year term of assistance. Assisted families will be notified at move-in whether or not they will be eligible to receive a tenant-based voucher.

These additional flexibilities will be implemented with future projects that HACSB cannot yet identify. Due to the nature of awarding project-based vouchers, it is not possible for HACSB to anticipate when or for which properties this flexibility will be implemented. However, it is critical that the flexibilities are in place before the opportunity to use them arises. The following examples are provided to illustrate how these flexibilities could have been used with an existing project and proposal, and how HACSB anticipates the flexibilities will be applied in the future.

Examples of Use of Flexibility with Transitional Housing and Shared Housing

In June 2015 HACSB's affiliate non-profit Housing Partners Inc. (HPI) acquired Prospect Place, a 25-unit apartment development in Loma Linda. This property provides safe housing and vital supportive services to a population that is generally recognized as one of the hardest to house. Seven of the units are master-leased to U.S. Vets Inc. and are set aside for homeless veterans. Each two-bedroom, two-bathroom unit is occupied by four persons as shared transitional housing for up to 180 days, during which time U.S. Vets Inc. provides 24/7 onsite support, including drug and alcohol counseling and assistance with medical appointments, transportation, accessing benefits, and other services. The remaining units consist of one office/resident manager's unit, and 17 market-rate units.

Currently, the only source of funding for the shared transitional housing units is a grant awarded to U.S. Vets, Inc. Without that funding, those seven units would revert to market-rate housing. Using the additional flexibility provided through this proposed modification, HACSB could award project-based vouchers to the property for the shared transitional housing units and secure their long-term affordability, as well as potentially expand the number of units reserved for homeless veterans.

In 2015, HACSB issued a Request for Proposals for Project-Based Vouchers for Veterans housing. One of the proposals we received was for two shared housing sites consisting of a total of 39 bedrooms. Because all units would have been shared housing, HACSB was unable to consider this proposal. With the flexibility proposed under this modification, HACSB would have been able to consider and potentially award project-based vouchers to these units in order to secure additional affordable housing for homeless veterans.

Rent Reasonableness, HAP, and Vacancy Payments

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

2. Statutory Objectives

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

3. Anticipated Impacts

This activity is expected to expand affordable housing options. The total number of project-based vouchers HACSB intends to award is not anticipated to change as a result of this modification, but the additional flexibility will allow HACSB to expand the types of project-based units. This change is expected to benefit our customers, many of whom need the amenities and services available to them through non-traditional unit types such as shared housing, assisted-living facilities, and transitional housing.

4. Anticipated Schedule

HACSB will implement the flexibility upon approval of this amendment. Project-based vouchers will be awarded to the unit types permitted under this activity as they become available through HACSB's award process.

5. Proposed Metrics, Baselines and Benchmarks

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

6. Changes to Authorizations

Authorization to undertake this activity was previously granted as part of HACSB's 2009 and 2010 Annual MTW Plans through Attachment C part D(7), which waives certain provisions of Section 8(o)(13)(B) and (D) of the 1937 Act and 24 C.F.R. 982.1, 952.102, 983, 983.51, and 983.57 as well as Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I.

For this proposed modification, HACSB requests authorization under Attachment C part D(1)(f), which waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M.

Activity 12: Local Payment Standards and Alternative Flat Rents

This activity was approved in our FY 2009 Annual MTW Plan and was modified in our FY 2012 Annual MTW Plan. The activity was implemented on July 1, 2011 for all new lease ups and recertifications. A modification to the activity was proposed but not approved via Amendment 1B to our FY 2015 Plan. In 2016 HUD requested that the proposed modification be relocated to this FY 2017 MTW Plan and resubmitted for approval.

1. Activity Description

San Bernardino County is the largest county in the contiguous United States by area and larger than the nine smallest states combined. This MTW activity allows HACSB to conduct a market assessment to develop local payment standards for each of its submarket areas in lieu of the HUD-prescribed Fair Market Rents. The local payment standards accurately reflect the diverse rental submarkets that exist across the vast San Bernardino County. As clarified through our 2012 MTW Annual Plan, the Local Payment Standards also serve as the maximum subsidy when determining the contract rent for a voucher-assisted unit.

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

Proposed Modifications

Due to the nature of the local rental market described above, the HACSB intends to expand the use of local submarket payment standards to replace the Fair Market Rents as the indicator for establishing flat rents in the HACSB public housing portfolio. This continuation of the local payment standards from the housing choice voucher portfolio to the public housing portfolio is a non-significant change to the approved Local Payment Standards Activity. The annually established local payment standards by submarket and bedroom size will provide the maximum flat rent that can be charged to public housing residents. The actual flat rent may fall below the local payment standard based on a comparison of like units in the same area consistent with standard industry rent comparable practices. If an annual review of submarket local payment standard indicates an increase or decrease of more than 10% from the current rate, the submarket public housing flat rent will be re-assessed. The new flat rents will be applied in accordance with

the rent increase process as detailed in our Admissions and Continued Occupancy Policy and related Codes of Federal regulation that govern our public housing program.

As good stewards of tax payers' dollars, it is our responsibility to competitively and fairly establish unit rents, and provide quality housing. Applying the requirements under PIH 2014-12 in reference to 24 CFR Part 960 and 24 CFR Part 903 would cause large rent increases for flat rent families in many of our public housing communities throughout our jurisdiction. The flat rent schedule developed by HACSB in 2013 consisted of market driven rates developed for each of the HACSB Public Housing Asset Management Properties (AMP). Approximately 98% of the 2013 flat rents fell below 80% of the HUD published 2013 FMRs for this region. Based on the 2014 published FMRs, approximately 40% of current flat rent public housing families would experience greater than 35% increase in rent if flat rents were set to the **lowest permitted** 80% FMR rate. If the flat rents are set at 80% of the HUD published FMRs, they will be significantly higher than the market rents for this region. This will deter families from working to achieve economic self-sufficiency as the rent amount they would be required to pay would exceed the rents for comparable units available on the open market.

The HACSB conducts biennial re-certification of public housing and housing choice voucher families (see MTW Activity 4). Performing annual re-certifications to gradually increase rent for the public housing families affected by the rent increases caused by setting flat rents to 80% of FMR would impose an administrative burden on the agency. Alternatively, if graduated rent increases were performed biennially, it would not be effective as new FMR-based flat rents would likely be established between biennial reexaminations.

Continuing the application of local payment standards from the housing choice voucher portfolio to the public housing portfolio will create consistency and provide greater transparency around the flat rent determination process for public housing families. The process will also ensure that public housing families are charged a fair, market competitive rent. By using the existing process of determining reasonable market comparables via the local submarket payment standards already established annually as part of MTW Activity 12, HACSB can ensure that the flat rents for public housing families align with market rents for the area. This process also aligns with HACSB's goal to provide incentive to families to become economically self-sufficient.

Through this proposed modification HACSB also intends to change the activity name from "Local Payment Standards" to "Local Payment Standards and Alternative Flat Rents".

2. Statutory Objective

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

3. Anticipated Impacts

This proposed modification is anticipated to have no impact on the agency or our Public Housing residents. Rather, it is intended to prevent the negative impacts resulting from the requirements established by Notice PIH-2014-12.

4. Anticipated Schedule

The proposed changes will be incorporated in HACSB's policies upon approval of this amendment.

5. Proposed Metrics, Baselines and Benchmarks

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

6. Changes to Authorizations

Authorization to undertake this activity was previously granted as part of HACSB's 2009 and 2012 Annual MTW Plans through Attachment C part D(2)(a), which waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10), and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, and Attachment C part D(2)(c) which waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507.

For this proposed modification, HACSB requests authorization under Attachment C part C(11), which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A.

This item authorizes MTW activities otherwise governed under Section 3(a) (2) of the United States Housing Act of 1937 that sets forth the parameters a PHA must use for establishing flat rents.

Section IV: Approved MTW Activities

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

A. Implemented Activities

Activity 1: Single Fund Budget

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

Activity 2: Strategic Investment Policies

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

1. Activity Description

With the flexibility provided through this activity, HACSB has developed and adopted an investment policy for MTW funds that is consistent with California Government Code Section 53630 and/or HUD-approved investment criteria to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSB will invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely. This activity enables the Housing Authority to achieve a portfolio that is safer, more liquid and contains a competitive yield. Under California investment policies, HACSB will be able to invest in stronger investment instruments with lower transaction costs, thus increasing overall investment returns.

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

- CE #4: Increase in Resources Leveraged

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 4: Biennial Recertifications

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- CE #5: Increase in Tenant Rent Share
- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS# 4: Households Removed from Temporary Assistance for Needy Families (TANF)
- SS #8: Households Transitioned to Self-Sufficiency

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 5: Local Verification Policies

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

1. Activity Description

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

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 6: Elimination of Assets

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

1. Activity Description

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

2. Activity Status

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

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 7: Controlled Program Moves

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 8: Local Policies for Portability

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objectives

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

Activity 9: Elimination of Earned Income Disallowance

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 10: Minimum Rent

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 11: Local Project-Based Voucher Program

This activity was approved in our FY 2009 Initial Annual MTW Plan. Our third amendment to the FY 2010 Annual MTW Plan helped clarify the components of our local program and this activity was implemented in September 2010. A modification was proposed but not approved via Amendment 1B to our FY 2015 Plan. In 2016 HUD requested that the proposed modification be relocated to this FY 2017 MTW Plan. The re-proposal of this activity is included in Section III of this Plan.

Activity 12: Local Payment Standards and Alternative Flat Rents

This activity was approved in our FY 2009 Annual MTW Plan and was modified in our FY 2012 Annual MTW Plan. The activity was implemented on July 1, 2011 for all new lease ups and recertifications. A modification was proposed but not approved via Amendment 1B to our FY 2015 Plan. In 2016 HUD requested that the proposed modification be relocated to this FY 2017 MTW Plan. The re-proposal of this activity is included in Section III of this Plan.

Activity 13: Local Inspection Policies

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 15: Pilot Work Requirement

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

1. Activity Description

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

Phase 1: activities removing barriers to gainful employment

Phase 2: activities leading to gainful employment

Phase 3: employment

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

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

2. Activity Status

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

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

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 17: Local Income Inclusions

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

1. Activity Description

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

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

2. Activity Status

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

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

- CE #5: Increase in Tenant Rent Share

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 18: Property Management Innovation

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

1. Activity Description

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

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

2. Activity Status

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

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objectives

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

Activity 19: Local FSS Program

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

1. Activity Description

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

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

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

Annual MTW

1. Activity Description

Through this activity, new non-elderly and non-disabled households admitted to the Housing Choice Voucher program from HACSB’s waiting list are provided with up to five years of housing assistance, plus a possible extension of up to two years. During the term of assistance, the family’s housing subsidy is set at 50% of the applicable payment standard for the unit selected by the family. An intake hardship exemption is available for extremely low-income and the hardest to house families for up to two years as described below.

Intake Hardship Exemption:

Eligibility: Any family identified at intake as Extremely Low-Income (ELI) or Triage Step 3 will be eligible for a hardship exemption of no more than two years, approvable in six-month increments. Should the family’s circumstances change during the exemption period (e.g., the family is no longer zero-income or is no longer triage level three), the hardship exemption period will end.

Assistance Level: During the intake hardship exemption period, the family’s rent share will be 24% of gross annual income, or the minimum rent of \$125, whichever is greater. No allowances or deductions (e.g. utility allowance or dependent deduction) shall apply. At the end of such hardship exemption, the family’s rent portion will be calculated using the standard calculation for the Five-Year Lease Assistance program for the remainder of the family’s five-year term.

Participation Requirement: During the exemption period the family will be required to participate in supportive services as identified by HACSB’s CDI department and/or KEYS affiliate non-profit. Failure to comply with such requirements will result in immediate termination of the hardship exemption and the family’s rent portion will be calculated under the standard calculation for the Five-Year Lease Assistance program.

Total Term: The total term of assistance under the program, including any approved intake exemption period, shall not exceed five years.

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

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

For families who initially leased under this activity prior to September 21, 2015, and who port to another jurisdiction during the term of assistance, the term limit will continue to apply unless the household is absorbed by the receiving agency. For families who initially lease under this program on or after September 21, 2015, the administration of the voucher will be in accordance with the receiving PHA's policies in accordance with the Federal Register notice published September 21, 2015.

End of Term Hardship Exemption:

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

Term of Extension: Any approved extension shall be granted in six-month increments, and shall not exceed two years.

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

2. Activity Status

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

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

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

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

3. Proposed Modifications

Through this Plan, HACSB proposes to modify the subsidy calculation, applicability, and other components of this activity.

Subsidy Calculation:

Currently, the housing assistance subsidy for all families, except those with an approved intake hardship exemption, is set at 50% of the applicable payment standard for the unit selected by the family. The subsidy calculation is the same for the full duration of assistance.

Through our FY 2016 MTW Plan HACSB received approval for an intake hardship exemption for extremely low-income families and families identified as having very high barriers to economic self-sufficiency (triage step 3). We recognized that the one-size-fits-all subsidy calculation, which was intended to make the family's rent easier to understand and budget for as well as to provide incentive for the family to attain higher income, often created a substantial barrier to these families' ability to lease a unit. The intake hardship exemption approved in our FY 2016 MTW Plan provides a solution to the challenges by calculating the family's rent using a simplified income-based formula for up to two years, allowing the subsidy amount to be fit to the family's needs. The income and rent calculation is the same as the Streamlined Fixed Lease Assistance for Elderly/ Disabled Households from our Activity 22: Streamlined Lease Assistance Program.

The Streamlined Lease Assistance Program, implemented in February 2015, has generated positive feedback from our customers and staff. It provides many of the same benefits of the term-limited program's currently-used flat subsidy method, such as a calculation that is easily understood by our customers and elimination of the cumbersome rent calculation process. The Streamlined Lease Assistance Program also provides the added benefit of tailoring the level of assistance to each family's unique income scenario. As a result, we intend to eliminate the flat subsidy calculation for term-limited households and apply the Streamlined Lease Assistance Program income and rent calculation methodology to the Term-Limited Lease Assistance Program. This change will also eliminate the need for the intake hardship exemption approved via our FY 2016 Annual MTW Plan.

The revised income and rent calculation method will apply only to new families joining the term-limited lease assistance program. The income and rent calculation method for these families will be the same as the Streamlined Fixed Lease Assistance for New Non-Elderly/Non-Disabled Households; the household's rent portion will be set at will be set at the greater of 30% of gross income, the baseline rent, or the minimum rent, for the duration of assistance. Minimum rent, baseline rent, and other provisions of the Streamlined Lease Assistance Program will apply.

The income and rent calculation method for currently-assisted participants of the Term-Limited Lease Assistance program will not be modified.

HACSB believes this change will benefit families because it will continue to provide a predictable and easy to understand rent portion, while also allowing the level of assistance to be customized to each family's unique income scenario. The calculation change also eliminates the possibility of a shallow subsidy for many families served under this activity. We also believe that applying the change only to new families joining the term-limited lease assistance program will provide us an important opportunity to assess the role of the income and rent/subsidy calculation to a family's achievements during the limited term of assistance. We intend to work with our partners to monitor and assess the outcomes for families under each income and rent/subsidy calculation method.

An impact analysis for the proposed modification to the income and rent calculation is included as Appendix G to this Plan.

Applicability:

This activity currently applies only to new non-elderly/non-disabled households admitted from HACSB's housing choice voucher tenant-based waiting list, and residual non-elderly/non-disabled households not currently participating in the term-limited program. As a result of HACSB's ongoing conversions under the Rental Assistance Demonstration (RAD) program, HACSB anticipates that the number of new admissions to this program from the waiting list will decline substantially over the next year. The number of families participating in this activity will remain relatively static until the term of assistance ends for current participants, at which point the number of participants is expected to be minimal. In order to ensure that families are admitted to the term-limited program and continue this activity, HACSB will expand the applicability to include:

- Port-Ins: households entering HACSB's jurisdiction through portability will be subject to the requirements of the term-limited program, regardless of whether the household is absorbed by HACSB or administered only.
- Project-Based Mobility: non-elderly/non-disabled PBV households exercising the right to mobility will be issued a voucher under this term-limited lease assistance activity.
- Non-Legacy RAD Mobility: non-elderly/non-disabled households exercising the right to mobility at Public Housing properties converted under the Rental Assistance Demonstration (RAD) program will be issued a voucher under this term-limited lease assistance activity. This activity will apply only if the family moved in to the RAD property **after** RAD conversion. Legacy families (families residing in an HACSB Public Housing property at the time the property was converted under RAD) are protected by the provisions of RAD. This activity will **not** apply to RAD legacy families. Legacy families will receive a tenant-based voucher with no term limit.

HACSB believes this change will benefit families and the agency by ensuring that this valuable pilot activity continues. We anticipate that, due to our recent and upcoming conversions of Public Housing under the Rental Assistance Demonstration, the number of individuals selected from our tenant-based voucher waiting list will decline significantly in coming years, resulting in fewer new households admitted to the Term-Limited Lease Assistance Program. By expanding the applicability, HACSB will ensure that new families are admitted to the program, and those families will enjoy the benefits of the many supportive services offered to participants.

Unit Size Limitation:

In order to ensure that households choose a unit that is appropriately sized and affordable for their income situation, households assisted under the Term-Limited Assistance Program must select a unit whose number of bedrooms is within one bedroom of the voucher size. For example, a family with a two-bedroom voucher may select a one-, two-, or three-bedroom unit.

This change is intended to promote responsible unit selection among participants. By selecting a unit that is closest to the size prescribed by the voucher, participants will select a unit that is appropriately sized for the family to prevent over- or under-crowding, and is more likely to be affordable to the family.

Incentive to Move to Areas of High Opportunity:

HACSB will provide incentive to families in the term-limited lease assistance program to move to areas of high opportunity, as identified by HACSB.

Post-Assistance Tracking Incentive:

In order to learn more about the impacts of this activity post-assistance and to guide future policy changes, HACSB will implement a survey system that will collect information from Term-Limited Lease Assistance families at exit and annually for two years after assistance has concluded. The survey will collect much of the same information that is gathered during a biennial recertification for current participants, as well as information about the family's housing, employment, education/job training status, and other information. Although participation in the survey will be voluntary, we will provide a monetary incentive for families to complete the survey. Families will receive the incentive payment only upon completion of each survey. HACSB will exercise its MTW single-fund flexibility to implement this change.

4. Measurement Revision

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

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

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

5. Changes to Authorizations

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

6. Statutory Objectives

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

Activity 22: Streamlined Lease Assistance Program

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

1. Activity Description

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

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

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

Fixed Assistance Program for Elderly/Disabled Households:

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

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

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

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

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

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

The goals of this activity are:

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

2. Activity Status

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

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

3. Proposed Modifications

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

In order to ensure that households choose a unit that is appropriately sized and affordable for their income situation, households assisted under the Streamlined Lease Assistance Program must select a unit whose number of bedrooms is within one bedroom of the voucher size. For example, a family with a two-bedroom voucher may select a one-, two-, or three-bedroom unit.

This change is intended to promote responsible unit selection among participants. By selecting a unit that is closest to the size prescribed by the voucher, participants will select a unit that is appropriately sized for the family to prevent over- or under-crowding and more likely to be affordable to the family.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

Activity 23: No Child Left Unsheltered

1. Activity Description

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

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

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

2. Activity Status

This activity was implemented on April 1, 2015.

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

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

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

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

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

5. Changes to Authorizations

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

6. Statutory Objective

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

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

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

1. Activity Description

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

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

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

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

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

2. Activity Status

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

3. Proposed Modifications

None.

4. Measurement Revisions

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

- SS #8: Households Transitioned to Self-Sufficiency

5. Changes to Authorizations

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

6. Statutory Objective

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

B. Not Yet Implemented Activities

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

1. Description of the MTW Activity

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

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

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

Phase I will contain 38 (1) bedroom units of approximately 692 sq. ft. per unit and 12 (2) bedroom units of approximately 967 sq. ft. per unit. The 50 units will be within one two-story building and contain two elevators. 10 of the 50 units in Phase I will be reserved as MHSA units and carry an age restriction of 60 years old. The property will operate as affordable housing for seniors. For the 10 MHSA units, an elderly (senior) individual shall be defined as one who is 60 years of age or older in order to meet the MHSA requirements. For the remaining PBV units, an elderly (senior) individual shall be defined as one who is 55 years of age or older in order to meet the City of Yucaipa's senior housing requirements.

2. Implementation Update

There are no changes to the plan for implementation of this activity.

3. Timeline for Implementation

In 2015 HPI broke ground on the Horizons at Yucaipa development, a new construction affordable senior project that will be completed in the fall of 2016. Construction is scheduled for 18 months and is anticipated to be completed in January 2017. Marketing for the project will begin in October 2016 to develop a site based waiting list and to pre-qualify interested tenants. The flexibility permitted through this activity will be applied at that time. Lease up and stabilization will occur between January – March of 2017.

4. Changes or Modifications

None.

C. Activities on Hold

Activity 3: Alternate Assessment Programs

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

1. Activity Description

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

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

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

2. Reason(s) for On-Hold Status

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

3. Plan for Reactivation

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

4. Reimplementation Timeline

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

5. Non-Significant Changes or Modifications

No modifications are proposed for this activity.

D. Closed Out Activities

Activity 16: Operating Subsidy for Vista del Sol

1. Approval and Implementation Years

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

2. Reason(s) For Close-Out

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

3. Year the Activity was Closed Out

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

Activity 21: Utility Allowance Reform

1. Approval and Implementation Years

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

2. Reason(s) For Close-Out

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

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

3. Year the Activity was Closed Out

This activity was never implemented.

Section V: Sources and Uses of MTW Funds

A. MTW Plan: Sources and Uses of MTW Funds

| Estimated Sources of MTW Funding for the Fiscal Year | | |
|---|--|----------------------|
| PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item. | | |
| Sources | | |
| FDS Line Item | FDS Line Item Name | Dollar Amount |
| 70500 (70300+70400) | Total Tenant Revenue | \$ 1,346,586 |
| 70600 | HUD PHA Operating Grants | 78,991,797 |
| 70610 | Capital Grants | 6,300,663 |
| 70700 (70710+70720+70730+70740+70750) | Total Fee Revenue | 5,952,276 |
| 71100+72000 | Interest Income | - |
| 71600 | Gain or Loss on Sale of Capital Assets | - |
| 71200+71300+71310+71400+71500 | Other Income | 340,440 |
| 70000 | Total Revenue | \$ 92,931,762 |

Estimated Uses of MTW Funding for the Fiscal Year

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

Uses

| FDS Line Item | FDS Line Item Name | Dollar Amount |
|--|--|----------------------|
| 91000 (91100+91200+91400+91500+91600+91700+91800+91900) | Total Operating - Administrative | \$ 12,753,691 |
| 91300+91310+92000 | Management Fee Expense | 2,768,406 |
| 91810 | Allocated Overhead | - |
| 92500 (92100+92200+92300+92400) | Total Tenant Services | 1,183,180 |
| 93000 (93100+93600+93200+93300+93400+93800) | Total Utilities | 685,475 |
| 93500+93700 | Labor | 586,803 |
| 94000 (94100+94200+94300+94500) | Total Ordinary Maintenance | 875,887 |
| 95000 (95100+95200+95300+95500) | Total Protective Services | - |
| 96100 (96110+96120+96130+96140) | Total insurance Premiums | 236,482 |
| 96000 (96200+96210+96300+96400+96500+96600+96800) | Total Other General Expenses | 42,458 |
| 96700 (96710+96720+96730) | Total Interest Expense and Amortization Cost | 108,591 |
| 97100+97200 | Total Extraordinary Maintenance | 2,132,373 |
| 97300+97350 | Housing Assistance Payments + HAP Portability-In | 71,558,416 |
| 97400 | Depreciation Expense | - |
| 97500+97600+97700+97800 | All Other Expenses | - |
| 90000 | Total Expenses | \$ 92,931,762 |

Description of Activities that will Use Only MTW Single Fund Flexibility

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

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

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

B. MTW Plan: Local Asset Management Plan

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

Section VI: Administrative

- A. **Resolution of the Board of Commissioners** –The resolutions of the Housing Commission and Board of Governors adopting this Annual MTW Plan along with the Certificate of Compliance prescribed by HUD in Exhibit B of the MTW agreement are attached in Appendix A to this Plan.

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

Exhibit 1: RAD Conversion Plan

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

Conversion to Project Based Rental Assistance or Project Based Vouchers

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

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

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

Compliance with Fair Housing and Civil Rights Requirements

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

Implications of RAD Conversion on the Capital Fund Budget

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

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

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

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

Resident Rights, Participation, Waiting List and Grievance Procedures

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

Site Selection and Neighborhood Standards Review

TBD (Not Applicable at this time)

Relocation Plans

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

Significant Amendment Definition

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

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

Attachment 1
Resident Rights, Participation, Waiting List and Grievance Procedures
Applicable to Properties Converting to Project Based Vouchers
Excerpts of PIH Notice 2012-32: Sections 1.6.C and 1.6.D

C. PBV Resident Rights and Participation

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

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

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

Three Year Phase-in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. PBV: Other Miscellaneous Provisions

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

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

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

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

² For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

³ Applicable to projects with nine or more units.

various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).⁴

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

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

⁴ For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

ongoing section 8 administrative fee funding during this time.

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

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

Attachment 2

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

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

Attachment 3 Specific Information Related to the Public Housing Developments Selected for RAD

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

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

Currently Approved RAD Application:

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

Appendix A: Board Resolution

The following documents are attached:

1. Housing Commission resolution recommending approval of the FY 2017 Annual Moving to Work Plan
2. Board of Governors resolution approving the FY 2017 Annual Moving to Work Plan
3. Certifications of Compliance with Regulations
4. Certification for a Drug Free Workplace



RESOLUTION NO. 2016-102

A RESOLUTION OF THE BOARD OF GOVERNORS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO ADOPTING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S MOVING TO WORK ANNUAL PLAN FOR 2016-17

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

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

WHEREAS, the HACSB desires to implement the activities in the Annual MTW Plan for Fiscal Year 2016-17 that will increase operational efficiency and innovation, promote economic independence for families assisted by HACSB, and expand housing opportunities for low-income families;

NOW, THEREFORE, THE BOARD OF GOVERNORS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:

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

Section 2. The Board of Governors hereby approves the proposed Annual MTW Plan for 2016-17.

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

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

AYES: GOVERNORS: Robert A. Lovingood, Janice Rutherford, James Ramos; Curt Hagman, Josie Gonzales

NOES: GOVERNORS: None

ABSENT: GOVERNORS: None

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

I, LAURA H. WELCH, Secretary of the Board of Governors of the Housing Authority of the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Governors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of June 14, 2016. Item 124 jll

LAURA H. WELCH
Secretary of the Board of Governors

By [Signature]
Deputy
Seal of the Housing Authority of the County of San Bernardino, California, 1941

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, 2016, 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

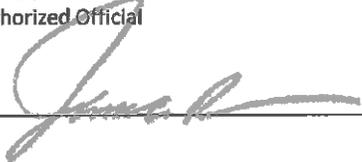
CA019
 PHA Number/HA Code

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)

****Board Resolutions are attached*****
James Ramos

Name of Authorized Official

Signature



Chairman, Board of Supervisors

Title

Date

JUN 14 2016

*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.

SIGNED AND CERTIFIED TRUE AND CORRECT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD. LAURA M. WELCH ORGANIZED
 Secretary
 By [Signature]
 Deputy
 HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO, CAL.

Appendix B: Public Process

The following steps were taken by HACSB to ensure a thorough public process in the development and adoption of the FY 2017 Annual MTW Plan:

| | |
|---|--|
| Monday, April 18, 2016 | Plan posted on HACSB website and available at all HACSB offices throughout the county; Public comment period opened. |
| Wednesday, April 20, 2016 through Wednesday, April 27, 2016 | Public notices published in local newspapers - San Bernardino County Sun, Black Voice, El Chicano, Inland Valley Daily Bulletin, Precinct Reporter, Daily Press, and The Press Enterprise, announcing the public hearing. Text of notice included in Appendix B. |
| Tuesday, May 10, 2016 | Plan presented to HACSB Housing Commission for recommendation for approval by HACSB Board of Governors. Resolution to be included in Appendix A. |
| Friday, May 13, 2016 | Plan presented to Resident Advisory Board (RAB). Comments to be included in Appendix B. |
| Thursday, May 18, 2016 | Public comment period ended. |
| Thursday, May 19, 2016, @ 2:00 p.m. | Public Hearing held. Minutes to be included in Appendix B. |
| Tuesday, June 14, 2016 | Plan approved by HACSB Board of Governors. Resolution included in Appendix A. |

NOTICE OF PUBLIC HEARING

On March 14, 2008, the U.S. Department of Housing and Urban Development (HUD) executed a ten-year Moving to Work (MTW) Agreement with the Housing Authority of the County of San Bernardino (HACSB) and 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) 2016-17 Annual MTW Plan. The Plan will be made available to the public for review for 30 days starting Monday, April 18, 2016, at the following location:

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

The Plan is available on HACSB's website at www.hacsb.com under the "MTW Plans, Reports, and Factsheets" section and at any HACSB satellite office.

Notice is hereby given that HACSB will conduct a public hearing regarding the proposed Plan on Thursday, May 19, 2016, at 2:00 p.m. at 715 E. Brier Drive, San Bernardino, CA 92408. If a citizen wishes to challenge the nature of the above action(s) in court he/she may be limited to raising only those issues he/she or someone else raised at the public hearing described in this notice, or in written correspondence delivered Monday through Friday to the HACSB office located at 715 E. Brier Drive, San Bernardino, CA 92408 prior to the hearing.

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

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

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

Equal Housing Opportunity.

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

RESIDENT ADVISORY COUNCIL BOARD MEETING

MAY 13, 2016

The Resident Advisory Council Board was presented with a summary of the proposed FY 2016-2017 Annual Moving to Work Plan, including the proposed changes to existing activities, at their regular meeting on May 13, 2016. A list of attendees and their comments follows.

List of Attendees:

Resident Advisory Board Members:

Roxanne Chiappone
Cassie Ford
Brigita Miller
Mario Moreno
Miriam Quates-Jackson
Sanito Taliau
Andrea Gonzales-Vejar

HACSB Staff:

Marcia Waggoner
Darlene McIntosh
Nicole Beydler
Renee Kangas

Summary of Proposed 2017 Annual MTW Plan

A presentation explaining the Moving to Work program, annual plan process, and details of the proposed changes to the existing Five-Year Lease Assistance and Streamlined Lease Assistance activities was presented by Nicole Beydler, Planning and Policy Analyst, at the meeting. Nicole Beydler also discussed the goals of these proposed changes, and explained how feedback from the Resident Advisory Board and the public would be incorporated into the final plan submitted to HUD for approval.

Comments

The Resident Advisory Board was very receptive to the proposed changes to the existing activities. Several questions were asked by the Board and HACSB staff present at the meeting to clarify the details of the activities:

- A RAB member asked if an existing Public Housing resident that converts under the Rental Assistance Demonstration (RAD) program can move anywhere in the County using the Local Payment Standards. Nicole Beydler and Marcia Waggoner confirmed that yes, a family exercising mobility through RAD can move anywhere in the County once they are issued a voucher.
- A RAB member expressed support of the proposed changes to the Five-Year Lease Assistance program, particularly the proposed change in the income and rent calculation methodology. The RAB member asked if a current participant in the Five-Year program can transfer to the income-based methodology. Nicole Beydler explained that the rent calculation methodology will not change for current participants.
- During discussion of the proposed change to limit the unit size a voucher holder may lease, a RAB member expressed surprise that current voucher holders may lease any size unit. Darlene McIntosh, Marcia Waggoner, and Nicole Beydler explained that families currently may select any size unit, but HACSB will only pay the Housing Assistance Payment based upon the voucher size and the family is responsible for any additional rent burden associated with selecting a larger unit. The proposed change is intended to guide families to select a unit of appropriate size and cost in order to avoid excessive rent burden.

The RAB members were also invited to and encouraged to attend the public hearing to be held on May 19, 2016, at 2:00 p.m. at 715 East Brier Road, San Bernardino, CA 92408.

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

PUBLIC HEARING

MAY 19, 2016

The Housing Authority of the County of San Bernardino (Housing Authority), California held a public hearing for the Fiscal Year 2016-2017 Annual Moving to Work (MTW) Plan at the Housing Authority's Administration Office at 715 East Brier Drive, San Bernardino, CA 92408 on Thursday, May 19, 2016, at 2:00 p.m.

Housing Authority Attendees:

Maria Razo, Deputy Executive Director

Nicole Beydler, Planning and Policy Analyst

Purpose of the Public Hearing

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

Our plan was made available for public viewing on April 18, 2016. The plan was advertised in the local newspapers, on the HACSB website, and copies were available at all HACSB offices located throughout the county.

Call for Public Comments

The public hearing convened at 2:00 p.m. with Maria Razo, Deputy Executive Director, presiding. Copies of the Plan were made available for review. There were no attendees from the public, and no public comments were received.

The public hearing ended at 3:00 p.m.

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

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

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

Total- AMP 202 2,762,000

| AMP 203 | | | | | |
|--------------------|-------------|--------------|---------------|------------------|-------------------|
| Development | City | Units | Budget | Plan Year | Activities |
| | | | | | |

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

Total- AMP 203 -

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

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

Total- AMP 205 2,260,000

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

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

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

Total- AMP 206 100,000

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

Total- AMP 207 1,129,695

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

Total- AMP 208 -

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

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

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

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

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

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

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

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

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

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

² To be completed for the Performance and Evaluation Report.

| Part III: Implementation Schedule for Capital Fund Financing Program | | | | | |
|---|---|-------------------------------|---|--------------------------------|---|
| PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO | | | | | Federal FFY of Grant: 2016 |
| Development Number Name/PHA-Wide Activities | All Fund Obligated (Quarter Ending Date) | | All Funds Expended (Quarter Ending Date) | | Reasons for Revised Target Dates ¹ |
| | Original Obligation End Date | Actual Obligation End Date | Original Expenditure End Date | Actual Expenditure End Date | |
| AMP 202 | 04/12/2018 | | 04/12/2019 | | |
| AMP 205 | 04/12/2018 | | 04/12/2019 | | |
| AMP 206 | 04/12/2018 | | 04/12/2019 | | |
| AMP 207 | 04/12/2018 | | 04/12/2019 | | |
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¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Appendix E: Local Asset Management Program

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

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

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

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

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

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

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

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

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

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

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

Local Asset Management Implementation

Leadership - Our local asset management program will be led by a leadership team consisting of representatives from the following departments: housing programs, development, finance, administrative services, human resources, information technology, procurement and community affairs and policy. They will meet on a biweekly basis to review the combined efforts and ensure the agency is striving to achieve its long-term objectives. This team is also responsible for our Strategic Plan and 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
- Utilities
- Insurance
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees
- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating HACSB-owned properties
- Fleet management fees
- Maintenance services for unit or property repairs or maintenance
- Maintenance services include, but are not limited to, landscaping, pest control, decorating and unit turnover
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning HACSB-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as HACSB receives grants

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

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

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

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

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

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

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

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

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

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

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

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

Appendix F: Non-MTW Related Information

Special Purpose Programs –

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

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

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

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

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

HACSB College Scholarship Program

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

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

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

Knowledge & Education for Your Success (KEYS)

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

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

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

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

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

Other Affordable Rental Housing

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

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

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

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

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

Appendix G: Impact Analysis – Term-Limited Lease Assistance

MTW Activity 20

Proposed Modification to Income and Rent Calculation

This activity was originally proposed and approved through HACSB’s FY 2011 Annual MTW Plan. HACSB proposes to modify the income and rent calculation component of this activity effective January 1, 2017, (contingent upon approval of this MTW Plan) or as soon as practical thereafter. The proposed change will apply to all new households assisted through Term-Limited Lease Assistance on or after the effective date of this modification.

The proposed modification will replace the current flat-subsidy component with an income and rent calculation method that is the same as the Streamlined Fixed Lease Assistance for New Non-Elderly/Non-Disabled Households. Under this modification, the household’s rent portion will be set at the greater of:

- 30% of the household’s gross income; or
- The baseline rent for the household (the previous highest rent previously calculated for the family, also known as a “floor rent”); or
- The HACSB minimum rent (currently \$125).

For this analysis, HACSB reviewed how the income and rent calculation modification would have affected participants admitted to the program in CY 2015 and CY 2016.

Under the current subsidy calculation, the subsidy for each household is set at 50% of the applicable Local Payment Standard for the unit chosen by the family. On average, the household’s rent burden is 43% of gross income. Tenant rent portions range from \$125 to \$1,410, with a median tenant rent portion of \$548.

Using the proposed rent calculation methodology, each household's rent burden would be fixed at 30% of gross income. Tenant rent portions would range from \$125 to \$1,654, with a median tenant rent portion of \$548.

Although this modification will increase the rent portion for some households, there is a significant benefit to those households with the lowest income. The rent burden for 75% of extremely low-income (ELI) households would have been an average of 45% (\$275) lower under this proposed modification. For those ELI households whose rent burden would have been greater, the average difference is 6% (\$101). In summary, the majority of lower rents (60%) would have applied to ELI households. By contrast, the majority of greater rent portions (53%) would have applied to households with income greater than 50% of the Area Median Income (AMI) adjusted for family size.

Over the past year, HACSB has received feedback from participants and landlords regarding the current rent and subsidy calculation methodology which indicates that the subsidy portion is too low, and that participants are unable to sustain their portion of the rent long-term. This proposed modification attempts to address that challenge by ensuring customized affordability for all households assisted under this program. Modifying the income and rent calculation to a portion of the household's income ensures that the tenant rent portion is set at an amount that is appropriate for each household.

Appendix H: Fact Sheets

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



HACSBFACTSHEET

Who We Are | OVERVIEW

Our Business

The Housing Authority of the County of San Bernardino (HACSB) is one of the most progressive housing authorities in the Country. As the largest provider of affordable housing in the County, we proudly serve an excess of 32,000 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. Former 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 philosophy 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 work to provide our families with the resources, skills, and motivation to transition out of government-assisted programs and into economic independence. 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, rent reform such as minimum rent increases and gradually increasing rent, and others. Initiatives such as these insure greater personal accountability for our families while providing meaningful services to help them achieve economic self-sufficiency.

As a strong business entity, the investment of taxpayer dollars into HACSB benefits the entire county and its residents. In fiscal year 2014-2015 we infused

\$108.2 million into the county's economy as a housing and service provider, developer, and employer. Our monetary contributions during the fiscal year included:

- \$71.9 million paid in housing assistance payments to almost 4,000 landlords
- \$9.1 million paid to 592 vendors for various programs and services
- \$4.4 million on rehab, construction and acquisition of housing units



Our agency's business success comes in spite of the 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 residents and communities of San Bernardino County.

TABLE 1: SAN BERNARDINO COUNTY STATS

- 6th in foreclosures statewide¹
- 6.3% unemployment rate compared to the 6.2% state level and 5.3% national level²
- County of San Bernardino is the 2nd poorest county in the United States, with 16% of families living in poverty²
- 28.5% of all children live in poverty³

¹ California Campaign for Affordable Homes 2010

² San Bernardino County Community Indicators Report 2015

³ Lucille Packard Foundation for Children's Health

⁴ Bureau of Labor Statistics – Occupational Employment Statistics - May 2014
Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Riverside-San Bernardino-Ontario, CA

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, the hourly wage needed to afford a one-bedroom apartment, is \$17.46¹.

Table 2 highlights how many common professions requiring vocational training and even Bachelor's degrees earn less than the wage needed to afford a one-bedroom apartment, indicating that, contrary to popular belief, educated professionals also need affordable housing.

| TABLE 2⁴ Very-Low Income Earners in San Bernardino County (below 50% median income) | Average Hourly Wage |
|---|----------------------------|
| Cashiers | \$11.12 |
| Child Care Workers | \$12.26 |
| Library Assistants | \$13.27 |
| Receptionist | \$13.45 |
| Medical Assistants | \$13.80 |
| Bank Tellers | \$14.22 |
| Paramedics and EMTS | \$14.45 |
| Pharmacy Aides | \$14.71 |
| Preschool Teacher | \$14.84 |
| Dental Assistants | \$15.56 |
| Medical Secretaries | \$15.64 |
| School Bus Driver | \$16.39 |
| Legal Secretaries | \$17.35 |

Housing Types and Development

We recognize that affordable housing is necessary for families of all income ranges, and we are committed to providing both traditional affordable housing assistance as well as affordable mixed-income housing that complements existing communities. Below are the three programs we manage/administer:

- Voucher Rental Assistance Program Units: 9,815
These units are privately owned, with rent subsidies paid directly to owners by the Housing Authority. These programs are managed by HACSB offices in San Bernardino, Ontario and Victorville.
- Public Housing Units: 1,163
These units are owned and managed by the Housing Authority through its offices in Barstow, Chino, Colton, Redlands, and two in San Bernardino.
- Authority-owned Units: 1,361
These units were either acquired or developed through a variety of partnerships with the State of California, San Bernardino County Department of Community Development and Housing, various cities throughout the county, and Housing Partners I, Inc., a non-profit public housing corporation.

Innovation at Work

Since 2008, HACSB has been one of a select few housing authorities to be designated as a Moving to Work (MTW) demonstration agency. This designation provides the flexibility to waive some current program requirements in order to develop local policies that are best suited to the community. In the past nine years, we have used this flexibility to transform our agency and tailor our programs to meet the unique challenges found in San Bernardino County. Building upon our proven 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.



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

- **Saving Taxpayers' Dollars:** We have continued to benefit from substantial operational efficiencies through developed MTW activities, 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 2015 the total staff time saved was over 30,000 hours.
- **Serving More Families:** The savings helped us assist 384 additional families in our Housing Choice Voucher Program, a 5% increase from the first year as an MTW agency; despite the on-going federal funding cuts to our programs. Currently our lease rate is over 103% in the HCV program, and 99% in the Affordable Housing program
- **Addressing Local Needs:** Given the vast geographic area and demographic differences in our 20,000 square mile county, HUD's previous payment standard did not accurately represent our rental market. To address this issue, HACSB contracted with an independent third party firm to conduct a detailed rental analysis and created nine rental submarkets with updated payment standards; the outcome is one of our Local Payment Standards MTW activity. Since the implementation of this activity, our per-unit costs have reduced from

\$730 to \$652. The cost savings help to mitigate funding cuts and allow us to ensure that we can continue to serve families. This activity also empowered our families to move to areas with better schools, access to transportation and/or job opportunities that may have been previously inaccessible. As an example, we have seen a 9% decrease in the number of families living in the two highest poverty areas of our county.

- **Limiting housing assistance to serve more families:** The Five Year Lease Assistance Program, implemented on January 1, 2012, is a five year term limit activity for all new individuals/families (except seniors and disabled individuals) pulled from the voucher program waiting list. Families in this program receive a flat rental subsidy which is equal to the lesser of 50% of the payment standard for the submarket, or the full contract rent. By limiting the number of years families can receive housing assistance, we hope to reduce the wait time for the more than 19,000 applicants on our waiting lists. The program also provides coaching, job search assistance, and other services to assist in families' self-sufficiency efforts. Our staff works closely with each adult to develop an Individual Training and Services Plan (ITSP) which serves as a guide for self-sufficiency goals. Nearly 1,400 households currently participate in the Five-Year Lease Assistance program.



- **Program Integrity:** The activities that promote administrative efficiency have enabled staff to focus on other areas. For example, 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.
- **Combining Administrative Efficiency with Economic Self-Sufficiency:** In 2015 HACSB began implementing one of its newest MTW initiatives, known as Streamlined Lease Assistance. This innovative program overhauls the complex and burdensome standard income calculation formulas for both the Affordable Housing and Voucher programs. The resulting streamlined calculation is much simpler to administer and easier for families to understand. Under the program, elderly and disabled families will pay a fixed 24% of their gross income toward rent, while non-elderly and non-disabled families will pay a fixed 30% of their gross income toward rent. The transparent rent calculation method will enable families to understand and budget for rental costs.
- **Targeting Assistance to Those Who Need it Most:** Another new MTW initiative to be implemented in 2015 is the Transition for Over-Income Families. Under this activity, any Affordable Housing or Voucher program family whose income exceeds 80% of the median income by family size will be given a six-month transition period. The family will continue to receive housing assistance during the transition period, allowing them time to locate new housing or make other arrangements. At the end of the transition period, the family's housing assistance will end. This activity is expected to reduce the wait for families on the waiting list as over-income households are transitioned and assistance becomes available to serve new families from the waiting list.

More Than Just Housing

As the number of families we serve increases we are also expanding the types of services we provide. We provide and leverage services that will help our families build a foundation for economic independence. Some of the services we provide in collaboration with our partners are:

- **College Scholarships:** For the past 21 years, we have provided 285 students with \$208,750 in scholarships using non-public funds.
- **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 on coordinating the delivery of services and resources from partners.
- **Homeownership Assistance:** Since 2001, the homeownership program has helped 211 families, 22 of which graduated from the Family Self-Sufficiency Program, reach their life goal of homeownership. Since 2009, this program has ranked among the top in the nation in creating new homeowners each year.



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OUR MISSION

The Housing Authority of the County of San Bernardino 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 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.



HACSBFACTSHEET

Five-Year Lease Assistance Program | OVERVIEW

The Housing Authority of the County of San Bernardino (HACSB) provides housing assistance to approximately 30,000 individuals from all income ranges, most of whom are seniors, children, and individuals with disabilities.

Our housing programs and assistance provides families a stepping stone through difficult economic times. Our mission is to provide more than just housing - **we strive to empower all individuals and families in need to achieve and enriched quality of life through housing opportunities, assistance, and resources throughout San Bernardino County.** 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 39 Housing Authorities of 3,200 nationally, designated as a Moving to Work demonstration site by Congress. Under this special designation, we implement new business practices and program services with three goals: 1) develop economically independent clients; 2) ensure freedom of housing choice; and 3) save tax payer dollars through operational efficiencies. This designation enhances our ability to fulfill our mission.

In alignment with our mission and service philosophy, HACSB has implemented a Five-Year Lease Assistance Program. The program is designed to help families achieve economic independence while they receive five years of housing assistance through the Housing Choice Voucher program. Beginning in January, 2012, individuals/families admitted from the Housing Choice Voucher Program waiting list receive housing assistance with a five year term limit through the Five Year Lease Assistance Program. All elderly¹ and disabled² applicants are exempt from this program and receive assistance under HACSB's other Moving to Work Housing Choice Voucher programs, such as the Streamlined Lease Assistance program. As of September 2014, nearly 800 families are participating in Five-Year Lease Assistance.

PROGRAM OBJECTIVES

The primary purpose of the Five Year Lease Assistance Program is to help families achieve economic independence. The program provides families and individuals the opportunity to pursue personal and professional goals, such as completing educational programs or securing better employment, while their housing is stable and secure. Through this term limit program, 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.

ASSISTING FAMILIES TO ACHIEVE SELF-SUFFICIENCY

HACSB's Community Development Initiatives team helps to connect and refer families to supportive services and various economic mobility resources throughout the County. Specifically, our team works with adult household members to: 1) assess individual strengths and barriers; 2) create a personalized education and/or professional action plan; and 3) leverage and access existing resources including HACSB's Career and Technology Centers and job placement services at our various affordable housing sites. Personal, educational, and professional target areas include:

- **Workforce Readiness/Attainment and Workshops:** Interviewing, professional etiquette, job search and retention skills, job advancement training, resume development, and job recruitment fairs;
- **Education Attainment:** GED/high school diploma completion, certification/vocational training, higher college education; and
- **Life Skills Workshops:** time management, self-esteem, motivation, and financial counseling (debt reduction, savings, banking services, etc.).

DETERMINING THE LEASE ASSISTANCE AMOUNT

HACSB contracted with an independent third party to initially identify the varying rental submarkets that exist within San Bernardino County. The payment standards that were developed out of this process reflect market rents by bedroom size within each of the nine submarkets. Families in this program receive a flat rental subsidy which is equal to either 50% of the applicable

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

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

payment standard, or the total contract rent for the unit selected by the family, whichever is lower. This fixed subsidy calculation benefits the family because, as the household's income increases, the rent portion does not increase. Families can retain 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. Additionally, the predictable rent subsidy allows families to more easily budget for rental costs.

OUTCOMES

HACSB is proud to report that the activity has resulted in positive outcomes since implementation:

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

HACSB anticipates that these positive outcomes will continue as our partnerships with community resource providers continue to expand and as families progress through their individual action plans.

FUTURE FIVE YEAR LEASE ASSISTANCE PROGRAM PARTICIPANTS

After a family/individual is selected from the waiting list, they must attend an eligibility briefing where they learn what it takes to be successful, including how to submit required paperwork, establish their personal action plan, and locate a housing unit.

MOVES AND PORTABILITY

HACSB participants moving (porting) out of San Bernardino County are also subject to the Five Year Lease Assistance Program's term limit, but not to the flat subsidy. Participants moving (porting) in are not subject to the Five Year Lease Assistance provisions or the flat subsidy.

Five-Year Lease Assistance Program participants are subject to HACSB's move restrictions, which limit voluntary moves to once every two years, only at the time of recertification, and upon verification of good standing with HACSB and the current landlord. HACSB does not restrict moves for mandatory reasons, such as when the unit fails to pass Housing Quality Standards inspections, and other reasons such as reasonable accommodation for a disabled family member or a threat to the health/safety of a family member.

LANDLORDS AND THE FIVE YEAR LEASE ASSISTANCE PROGRAM

Leasing 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 of the steps:

- A request for tenancy approval must be submitted to HACSB
- The unit will be inspected before occupancy is approved to ensure it meets housing quality standards and follows payment standard guidelines
- Once approved, the landlord will execute a lease with their future tenant
- A Lease Assistance Payment contract will be executed between HACSB and the landlord; specific details on the Five Year Lease Assistance Program are discussed at the various landlord briefings and orientation sessions.

For additional 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.

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HACCSBFACTSHEET

Streamlined Lease Assistance Program | OVERVIEW

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 and house more than 30,000 people, most of whom are seniors, veterans, individuals with disabilities, and children. We also work to provide our families with the resources, skills, and motivation to transition out of assisted programs into economic independence.

OVERVIEW

Implemented in February, 2015, the Streamlined Lease Assistance Program simplifies the cumbersome rent calculation for households in the Housing Choice Voucher and Public/Affordable Housing Programs (excluding households assisted under the Five Year Lease Assistance Program). Non-elderly/non-disabled households will use a tiered rent calculation while a fixed rent calculation applies to elderly/disabled households.

TIERED AND FIXED RENT SUBSIDIES

For currently assisted non-elderly and non-disabled families the tiered rent calculation applies at their next biennial recertification. The household's portion of the rent will start at 21% of their gross annual income and increase by 3% at every recertification (two years) to a final tier of 30% of annual income. For Housing Choice Voucher families that choose to rent a unit that is larger than their approved bedroom size, they will be responsible for the difference between their eligible payment standard and the contract rent. The table below illustrates the tiered schedule:

| TIERED SCHEDULE FOR NON ELDERLY AND NON DISABLED HOUSEHOLDS | | | | |
|---|----------------------|--------|--------|--------|
| Timeline | Next Recertification | Year 2 | Year 4 | Year 6 |
| Percentage | 21% | 24% | 27% | 30% |

The rental calculation for new non-elderly and non-disabled families joining the program will be set at 30% of their gross annual income and the percentage will not increase.

The fixed rent subsidy for all currently assisted elderly and disabled households will also be effective at their next biennial recertification and the household's portion of the rent will be fixed at 24% of their gross annual income. This percentage will be used to calculate the total tenant payment. These households are not subject to a tiered subsidy.

| FIXED PERCENTAGE FOR ELDERLY AND DISABLED HOUSEHOLDS | |
|--|----------------------|
| Timeline | Next Recertification |
| Percentage | 24% |

Both the tiered and fixed rent subsidy processes 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 family and the agency.

GOALS OF THE PROGRAM

Streamlined Lease Assistance addresses a Moving to Work requirement to implement changes that promote self-sufficiency and increase cost-effectiveness in our programs. This program provides a rent calculation that is easier for families to understand. The change enables families to budget and plan for housing costs, an important step on their path to economic independence. Additionally, family income changes between recertifications will not be used to adjust the tenant rent portion, which can allow families to

develop savings. The simplified rent calculation process is also expected to result in administrative efficiencies for HACSB.

HACSB staff will realize administrative efficiencies due to the simplification of the rent calculation process. Also, family income changes between recertifications will not be used to adjust the tenant rent portion, which can allow families to develop savings.

HARDSHIP POLICY

A hardship policy has been developed for currently-assisted families that see a significant increase in their rent portion as a result of converting to Streamlined Lease Assistance. 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 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, over housed situation, unforeseen medical expenses, etc. If approved, P.I.U. will determine the amount and effective timeline for the hardship request.

Additionally, existing families currently residing in a unit that is larger than their voucher size may apply for a hardship if they are unable to pay the difference in

rent between the payment standard for their voucher size and contract rent. If approved, the families will be required to move to a right-sized unit within 6 months, during which time HACSB will pay the difference between the payment standard for their voucher size and contract rent.



For additional detailed information on the Housing Authority's Streamlined Lease Assistance Program, please refer to the Administrative Plan located on our website at www.hacsb.com.

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Appendix I: Summary of MTW Activities

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