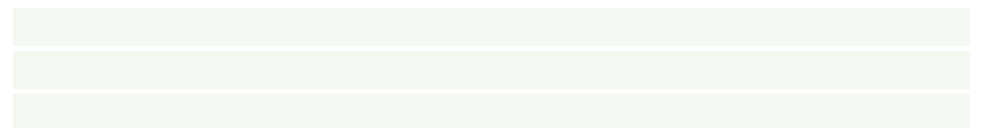


Housing Authority of the
County of San Bernardino
Building Opportunities Together

ANNUAL PLAN



BOARD OF COMMISSIONERS



BEAU COOPER
CHAIR



CASSIE MACDUFF
VICE CHAIR



SYLVIA MILLER



TIM JOHNSON



DAVID AVILA



SUNGMAN KIM

NOTE: ONE SEAT IS CURRENTLY VACANT ON THE HACSB BOARD OF COMMISSIONERS.



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 Vision

The Housing Authority of the County of San Bernardino 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 and seniors can enjoy a high quality of life.

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 to 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.

Innovation

We believe that improvement is the outcome of purposeful, collaborative effort that leverages talent, research, and technology to create solutions and enhance our potential to serve the community.

HACSB Leadership Team



MARIA RAZO
*EXECUTIVE
DIRECTOR*



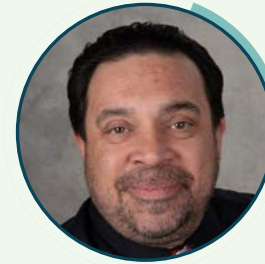
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I. Introduction

Who We Are

Our core work is to provide rental assistance to prevent homelessness among low-income households. As the largest provider of affordable housing in San Bernardino County, the Housing Authority of the County of San Bernardino (HACSB) proudly assists approximately 27,000 people, most of whom are seniors, individuals with disabilities, veterans, and children. Since 1941, we have helped low-income families attain safe and stable housing through a variety of rental assistance programs funded by the U.S. Department of Housing and Urban Development (HUD). As of June, 2024, more than 11,500 households are served through housing assistance payments made to landlords on behalf of the families or reside in units owned and managed by HACSB. The affordable rental housing programs we administer provide a critical safety net for households in San Bernardino County, where it takes nearly twice the minimum wage to afford rent for a two-bedroom apartment. We understand that housing a family is the first step on their path to self-sufficiency. Additionally, HACSB utilizes strong partnerships within San Bernardino County that provide opportunities and create a meaningful difference in the lives of families we serve, maximizing our resources by mobilizing the talents of our community partners.

We also assist households to move from renting to purchasing a home through our Homeownership Program, and, along with many partners, we help individuals who were formerly homeless through two Permanent Supportive Housing communities and special purpose voucher programs such as Veterans Affairs Supportive Housing (VASH) and the Emergency Housing Voucher (EHV) program.

Our service to the community is built upon our Vision, Mission, and Core Values. These principles direct our efforts and guide our interactions with every customer.

Our Vision

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

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 Core Values

Respect | Safety | Integrity | Service | Innovation



Rental Assistance Programs

11,500 households



Subsidized Homeownership

76 households



Supportive Housing

1,000 households

The Moving to Work Designation

Moving to Work (MTW) is a national demonstration program for housing authorities. Contrary to its name, the Moving to Work demonstration is not a work requirement program. Instead, the intent of the MTW demonstration is to provide policy and regulatory flexibility to housing agencies to design and test affordable housing strategies and related policies. MTW-designated agencies are required to develop local policies and programs targeting at least one of the three MTW Statutory Objectives:

1. Reduce program costs and increase cost efficiency

2. Encourage assisted families to pursue economic self-sufficiency

3. Increase housing choice for low-income families

Roughly 2% of housing authorities across the country are designated as MTW agencies. The lessons learned by these agencies can and do influence national housing policy to improve housing programs and services for all households.

As a testament to our high performance, HACSB was designated by Congress in 2008 as a MTW agency. The MTW designation allows HACSB to waive some HUD program regulations in order to target the three MTW Statutory Objectives. Since receiving the MTW designation, HACSB has developed and received approval for 30 MTW activities.

Contents of This Plan

This Annual Moving to Work Plan Amendment is a revision to HACSB's FY 2025 Annual MTW Plan pending HUD's review and approval. It includes all the same information in the FY 2025 Annual MTW Plan, as well as proposed modifications to two previously approved and ongoing MTW activities. Information is organized into the following sections following the format required by HUD as outlined in the current approved Form HUD-50900:

- *Section I: Introduction* provides information about HACSB's short-term and long-term goals and accomplishments.
- *Section II: General Housing Authority Operating Information* provides an overview of the agency's housing portfolio, leasing rates, and wait list information.
- *Section III: Proposed MTW Activities* contains proposed new MTW activities and/or proposed changes to previously approved MTW activities. Previously approved activities are included in this section if there is a proposed modification that requires new MTW authorization, while minor modifications to previously approved activities are included in Section IV.
 - This Plan includes proposed modifications to the following activities:
 - Activity 10: Minimum Rent
 - Activity 22: Streamlined Lease Assistance Program

- *Section IV: Approved MTW Activities* provides information on previously approved uses of MTW authority, including minor modifications not requiring new MTW authorization. This section also includes information about closed out activities.
- *Section V: Sources and Uses of MTW Funds* describes the agency's projected MTW revenues and expenditures for the fiscal year, planned use of the MTW single-fund flexibility, information about HACSB's local asset management program (LAMP), and participation in the Rental Assistance Demonstration (RAD) program.
- *Section VI: Administrative* provides required administrative information, including information about the approval process for this Plan.

Long-Term Goals

In 2023, HACSB adopted its agency-wide strategic plan. The strategic plan includes five Aspirational Statements that reflect the direction of the agency and align with the statutory objectives of the MTW designation. The Aspirational Statements are our long-term goals and guide our work. HACSB's Aspirational Statements are:

Aspirational Statement #1

To ensure our agency's culture empowers and values our team through effective communication, learning opportunities, work life balance, professional development, and a shared passion for the mission.

Aspirational Statement #2

To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3

To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

Aspirational Statement #4

To utilize research and technology to drive innovative programming and operational processes which allow us to be more responsive and result in the advancement of the families we serve.

Aspirational Statement #5

To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing our resources by mobilizing the talents of our community partners.

Short-Term Goals

Our short-term goals are designed to help us achieve progress toward achieving and sustaining our long-term goals:

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

- Research, implement and maintain technology to improve service delivery and enhance external communication.
- Use software systems to enhance, streamline, and increase productivity.
- Use Moving to Work flexibilities and research-informed policy decisions to drive and expand innovation.
- The work environment is collaborative, diverse, equitable, and inclusive, and offers opportunities for interaction.
- Identify, reorganize, and implement financial processes to assist in monitoring HACSB's major programs and portfolio.

In addition to implementing non-MTW activities to address this goal, we have implemented twelve MTW activities that address this goal.

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:*

- Create an internal partnership management structure that supports, strengthens, and evaluates partnerships to improve program outcomes.
- Work alongside customers and staff to identify resource needs, gaps, and priorities to focus our pursuit of partnerships that most effectively address our customers' needs.

In addition to implementing non-MTW activities to address this goal, we have implemented nine MTW activities that address this goal.

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:*

- Create a Road Map for real estate developments.
- Develop and implement an internal Repair and Replacement plan that assesses and prioritizes the needs of all properties and establish a finance plan to fund these needs.
- Ensure that leasing efforts align with voucher/funding utilization for all rental assistance programs.

In addition to implementing the above non-MTW activities to address this goal, we have developed or implemented nine MTW activities that address this goal.

II. 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.

A. Housing Stock Information

i. Planned New Public Housing Units

HACSB does not plan to add any new Public Housing units in FY 2024-2025.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE	# OF UNIFORM FEDERAL ACCESSIBILITY STANDARDS (UFAS) UNITS	
	0/1	2	3	4	5	6+			FULLY ACCESSIBLE	ADAPTABLE
N/A							0			
Total Public Housing Units to be Added in the Plan Year							0			

ii. Planned Public Housing Units to be Removed

HACSB has received approval under HUD's Rental Assistance Demonstration (RAD) program to convert our entire Public Housing portfolio. As of FY 2024, only one Public Housing single-family home remains. There are no plans to convert or remove this unit in FY 2024-2025.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
-	-	0
-Total Public Housing Units to be Removed in the Plan Year	0	

iii. Planned New Project-Based Vouchers

HACSB plans to allocate new project-based vouchers in FY 2024-2025 to Valencia Grove Phase II through the Faircloth to RAD program.

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
Valencia Grove Phase II	103	Yes	Faircloth to RAD, New Construction
Planned Total Vouchers to be Newly Project-Based	103		

*In a previous Plan, HACSB committed eight project-based vouchers to Valencia Grove Phase II, however, the development will now be converted through Faircloth to RAD.

iv. Planned Existing Project-Based Vouchers

This table shows the project-based vouchers, including Rental Assistance Demonstration (RAD) project-based vouchers, anticipated to be in place at the end of FYE 2025. This table includes project-based vouchers that have been awarded (committed) or are leased/issued.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR	RAD?	DESCRIPTION OF PROJECT
Andalusia	17	Leased/Issued	No	Family Community, Existing Development
Arrowhead Grove (Waterman Gardens Phase 4)	92	Committed	No	Faircloth to RAD, New Construction
Arrowhead Woods	51	Leased/Issued	No	Senior Community, Existing Development
Barstow (RAD)	217	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Bloomington (Related Phase I)	11	Leased/Issued	No	Family & Senior Community, New Development
Bloomington (Related Phase II)	20	Leased/Issued	No	Family Community, New Development
Bloomington (Related Phase III)	20	Leased/Issued	No	Family Community, New Development

Colton/Chino (RAD)	175	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Crestview Terrace (Waterman Gardens Phase 3)	116	Leased/Issued	Yes	Family Community, Existing Development
Day Creek Villas, Rancho Cucamonga	8	Leased/Issued	No	Senior Community, New Development
Desert Haven (Queens Motel), Victorville	31	Leased/Issued	No	Chronically Homeless, Existing Development
Desert Village	46	Leased/Issued	No	Senior Community, Existing Development
Golden Apartments, San Bernardino	38	Leased/Issued	No	Chronically Homeless, Existing Development
Grandview Towers	40	Leased/Issued	No	Senior Community, Existing Development
Horizons at Yucaipa	50	Leased/Issued	No	Senior Community, New Development
Ivy at College Park, Chino	8	Leased/Issued	No	Family Community, New Development
Los Olivos, Upland (RAD)	98	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Las Terrazas Apartments, Colton	9	Leased/Issued	No	Family Community, Existing Development
Maplewood Homes	296	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Meadowbrook	47	Leased/Issued	No	Senior Community, Existing Development
Mentone Clusters	33	Leased/Issued	No	Family Community, Existing Development
NCLU- Scattered Sites (Kingsley Patio, Stone Creek, Sunset Gardens, Hampton Court, Andalusia, and Mesa Gardens Apartments)	26	Leased/Issued	No	Project-Based Voucher Program
NCLU- Scattered Sites (Kendall Drive and Kendall Park Apartments)	10	Leased/Issued	No	Project-Based Voucher Program
NCLU- Scattered Sites (Summit Place)	4	Leased/Issued	No	Project-Based Voucher Program
Northport Apartments	29	Leased/Issued	No	Project-Based Voucher Program
Olive Meadow (Waterman Gardens Phase II)	61	Leased/Issued	Yes	Family Community, New Development

Redlands/Highland (RAD)	87	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Redwood Terrace	68	Leased/Issued	No	Senior Community, Existing Development
Rialto Metrolink, Rialto	8	Leased/Issued	No	Family Community, New Development
Robert O Townsend	47	Leased/Issued	No	Senior Community, Existing Development
Rosena Fountains, Fontana	8	Leased/Issued	No	Family Community, New Development
Scattered Site Units	221	Leased/Issued	No	Family Community, Section 18 Public Housing Disposition, Existing Development (HPI)
Scattered Stie Units	79	Leased/Issued	No	Family Community, Existing Development (HPI)
Scattered Sites (Waterman Gardens RAD)	97	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Scattered Sites (Maplewood Homes RAD)	34	Leased/Issued	Yes	RAD Conversion, Existing Public Housing Community
Sunrise Vista	79	Leased/Issued	No	Family Community, Existing Development
Sunset Pointe	70	Leased/Issued	No	Family Community, Existing Development
Valencia Grove, Redlands (Phase I)	85	Leased/Issued	No	Family Community, New Development
Valencia Vista (Waterman Gardens Phase 1)	75	Leased/Issued	Yes	Family Community, New Development
Victorville National CORE site – 17951 Dante St., Victorville	12	Leased/Issued	No	Family Community, Existing Development
Vista del Sol	53	Leased/Issued	No	Senior Community, Existing Development
Yucaipa Crest	45	Leased/Issued	No	Senior Community, Existing Development
Total	2,621			

Per approval from the U.S. Department of Housing and Urban Development (HUD), HACSB may convert up to 30% of its total MTW baseline units, a maximum of 2,981 units, from tenant-based voucher (TBV) to project-based voucher (PBV) units. The 30% PBV threshold limits the negative impact to HACSB customers and administration of the Housing Choice Voucher (HCV) program.

HACSB has already project-based nearly 30% of its portfolio at properties throughout San Bernardino County. Currently, a maximum of 360 vouchers may still be converted from TBV to PBV. These units are reserved to support the redevelopment of our aging public housing communities. Because HACSB receives no capital funding to support redevelopment efforts, the ability to leverage these remaining PBV units is vital to ensure that we can rehabilitate our oldest public housing communities to preserve affordable housing for future generations.

It is important to note that we are currently utilizing 100% of our budget authority for the HCV program, and utilization of reserves. As a result, we are not able to convert any additional TBV's to PBV, including the 360 that are reserved to help support our public housing redevelopment efforts. This is because the current per-unit cost (PUC) for the HCV program exceeds our per-unit funding amount. We anticipate our unit utilization rate to be 91% even though our funding utilization rate is expected to be 102%.

v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

Valencia Grove, Redlands - The completion of Phase II of rental housing (104 units) will be complete by April 2025. The third and final phase of development remains to complete the transition of the entire former Redlands-Lugonia Public Housing site (now known as Valencia Grove) from its original 115 housing units to a total of 238 units. Uncertain economic conditions, including rising interest rates, have delayed implementation of the third phase. HACSB development staff is evaluating different financing scenarios and continuing solicitation of a fee developer. Phase III at Valencia Grove will consist of the construction of 39 detached single-family homes for sale to buyers at or below 120% of the Area Median Income (AMI). Groundbreaking of this phase is optimistically projected for the end of CY 2025. More information will be provided as it is available.

Northport Apartments, Victorville – HACSB will deliver 29 affordable units (available to households at incomes of 80% AMI and below) as a result of its purchase of Northport Apartments in Victorville. 29 project-based voucher units will come online at the site by November 2024.

vi. General Description of All Planned Capital Expenditures

HACSB continues to work towards the development of the fourth phase of Arrowhead Grove. The financial structure to fund this phase is currently being developed. HACSB has secured funds from several partners and now is working towards a Low Income Housing Tax Credit application. As such, HACSB plans to use its Public Housing related MTW funds towards gap financing for this phase of development. The completion of this fourth phase will take the total unit count to 412 compared to the original 252 units on the site.

HACSB has also converted its entire Public Housing portfolio under the Rental Assistance Demonstration program. HACSB will continue to use the reserves established via this conversion to continue annual physical needs work at the properties.

FY 2024/2025:

While future increments of Capital Fund are no longer available, HACSB's major Public Housing redevelopment efforts continue in Redlands (AMP 150, sites 19-01, 8 & 9) where the second phase, Valencia Grove Phase II, new construction will add 104 units of affordable housing to the site to complement the 85 units completed in 2016. Construction of that project commenced in January 2023. We are utilizing an innovative financing structure to support this development, including a variable rate taxable bond issue leveraged with HACSB and Housing Partners I, Inc. (HPI) equity

secured through the refinancing of various portfolio properties. The financing structure provides us with a more flexible rent revenue stream with which we intend to fund future housing development. A copy of the Faircloth to RAD Conversion Plan is included as an exhibit in this Plan.

B. Leasing Information

i. Planned Number of Households Served

The following table presents projected voucher utilization for MTW vouchers and Public Housing occupancy for HACSB's single remaining Public Housing unit at the end of FY 2025.

Housing Assistance Payment (HAP) expenses have risen over the previous several years and are expected to increase further in FYE 2025, while funding has not kept pace with the rising costs. As a result, HACSB is planning to reduce leasing in the HCV program to align with program funding and avoid a shortfall situation.

The MTW Public Housing units anticipated to be leased include one single-family home in AMP 180 comprising twelve unit-months. A total of 1 family is expected to be served through Public Housing during FY 2025.

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

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED
MTW Public Housing Units Leased	12	1
MTW Housing Choice Voucher (HCV) Utilized	115,056	9,583
Local, Non-Traditional: Tenant-Based	0	0
Local, Non-Traditional: Property-Based	0	0
Local, Non-Traditional: Homeownership	0	0
Planned Total Households Served	115,056	9,584

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED
Tenant-Based	N/A	0	0
Property-Based	N/A	0	0
Homeownership	N/A	0	0

ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	None.
MTW Housing Choice Voucher	Market rents have continued to rise substantially over the past several years, resulting in per-unit costs (PUC) that exceeds per-unit funding (PUF). As a result, HACSB is planning to reduce leasing in the HCV program to align with program funding and avoid a shortfall situation. HACSB is also exploring several rent reform pathways using MTW flexibility to reduce the PUC in order to serve more households without exceeding funding levels.
Local, Non-Traditional	N/A.

C. Waiting List Information

HACSB anticipates that community need for affordable housing will remain high in FYE 2025. The following table shows the projected number of households on wait lists for Public Housing units and voucher programs as of the beginning of FYE 2025. HACSB does not currently envision organizational or policy changes to wait lists. Applicants may be, and often are, on multiple wait lists at the same time. This duplication is described in the following tables.

Housing Choice Vouchers

HACSB maintains a single tenant-based voucher (TBV) wait list. The TBV wait list was previously opened for 24 days in June 2022; 26,170 applications were received. The wait list is now closed. However, HACSB continues to accept Family Unification Program (FUP) referrals to the wait list as FUP referrals are available. We do not anticipate opening the TBV wait list in FYE 2025.

Separate site-specific wait lists are maintained for each project-based voucher (PBV) property and are opened and closed according to the needs of each site.

In January 2024, HACSB opened a new PBV waiting list for Northport apartments, an acquired development.

In May 2024, HACSB opened a new PBV waiting list for Valencia Grove, Phase II, a new development.

Public Housing and Rental Assistance Demonstration Units

Site-specific wait lists are offered by bedroom size for all HACSB Public Housing/RAD communities. All wait lists under this program are maintained centrally to maximize efficiencies and promote housing choice.

HACSB's application for conversion of a large portion of its portfolio under the Rental Assistance Demonstration (RAD) program was approved in December 2014, and the process of converting all sites (with the exception of one single-family home) was completed in calendar year 2022. As a result, HACSB moved all applications on the wait lists for the converted Public Housing sites to site-based RAD PBV wait lists. The applications retain their original date and time of application and are subject to the preferences that apply to the PBV wait lists. Applicants were notified of the change and offered the opportunity to opt out of placement on the HACSB PBV wait lists.

HACSB does not maintain a wait list for its single remaining Public Housing unit. Applications will be accepted at turnover for that unit.

i. Waiting List Information Anticipated

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN, OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Public Housing	Centrally managed, site-specific, by bedroom size	0	Closed	No
Rental Assistance Demonstration Sites - PBV	Centrally managed, site-specific, by bedroom size	35,661	Partially Open	Yes, by bedroom size as needed
Housing Choice Voucher – Project-Based	Centrally managed, site/region-specific, by bedroom size	37,503	Partially Open	Yes, by bedroom size as needed
Housing Choice Voucher – Tenant-Based	Community-wide	25,429	Closed	No

DESCRIPTION OF DUPLICATION OF APPLICANTS ACROSS WAITING LISTS
35.67% of applications are duplicates, representing families who have applied to two or more waiting lists. There are 63,426 unduplicated households on HACSB's waiting lists.

ii. Planned Changes to Waiting List in the Plan Year

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
Rental Assistance Demonstration Sites – PBV	Site-based waiting lists may be open or closed based on vacancies.
Housing Choice Voucher – Tenant-Based	Waiting list will remain closed.

III. Proposed Activities

HACSB has included in this section proposed modification to HACSB's MTW Activity 10: *Minimum Rent* and MTW Activity 22: *Streamlined Lease Assistance*.

Activity 10: Minimum Rent

A. Activity Description

- FY 2009: Initial Approval. The activity was implemented on October 1, 2009, for recertifications of currently served households and on January 1, 2010, for all new families.
- FY 2019: A non-significant modification was made to require households paying the minimum rent to participate in supportive services offered by HACSB. Authorization to apply this activity to participants of the Veterans Affairs Supportive Housing (VASH) program was received from HUD in September 2019. That approval, though not granted through the HUD MTW Office, was included in our FY 2019 Annual MTW Plan for informational purposes.
- FY 2022: Authorization to apply this activity to participants of the Emergency Housing Voucher (EHV) program was received from HUD in July 2021, through a waiver request. That approval, though not granted through the HUD MTW Office, was included in our FY 2022 Annual MTW Plan for informational purposes.
- FY 2023: Modification to reduce or postpone the minimum rent for HACSB developments or programs serving extremely vulnerable populations.
- FY 2025: This proposed modification.

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

This activity allows HACSB to increase the minimum rent from the current regulatory maximum of \$50 per month for all households in the Public Housing, Rental Assistance Demonstration (RAD), and Housing Choice Voucher (HCV) programs. The activity applies to all MTW households except as described below.

Exceptions to the Minimum Rent

The minimum rent may be reduced, waived, or postponed for HACSB developments or programs serving extremely vulnerable populations. The reduction, postponement, or waiver of the minimum rent may be short-term or permanent. Excepted programs/populations, and the nature of the exception (including the duration of the exception), are described in HACSB's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) documents. For example, HACSB reduced the minimum rent for all households residing at the Desert Haven and Golden Apartments permanent supportive housing sites for homeless and chronically homeless individuals and families to \$0. The household will pay the applicable Streamlined Lease Assistance (MTW Activity 22) rent with a minimum rent of \$0.

Proposed Modifications

Background

Over the past several years HACSB has experienced significant increases to Housing Assistance Payment (HAP) costs for families in the Housing Choice Voucher program. The increases are primarily driven by substantial and rapid increases in market rents. Market rent increases are illustrated by changes in our Local Payment Standards (LPS), which are updated annually based upon an analysis of current market rent data. Over the last five years, our LPS experienced an average increase of 11%. Notably, during the post-pandemic years of 2021 and 2022, the average LPS increase surged to 24%. Per-unit cost (PUC) has risen particularly rapidly in fiscal years ending (FYE) 2023 and 2024, from a FYE 2022 average PUC of \$873 to an average PUC of \$1,249 in FYE 2024. In this timespan, PUC has risen over 43% while per-unit funding has risen just over 24%. HACSB has taken proactive measures to reduce HAP expenses to better align with funding, including stopping selections from our wait list in mid-2023 and ending optional uses of HAP to promote leasing success such as incentives for landlords and housing navigation services for HCV customers. Despite these measures, HAP expenses continue to outpace funding. HACSB is currently drawing upon funding reserves to cover monthly HAP expenses that exceed our monthly funding amount. As of September 2024, this overage is more than \$900,000 per month. The overage is projected to continue rising despite a shrinking lease rate resulting from natural program attrition and not admitting new households from our wait list. Based on historical increases and a potential modest increase to funding in coming years, MTW leasing is projected to fall to below 93% utilization by FYE 2025 and approximately 86% by FYE 2026.

HACSB has determined that additional rent reform modifications are necessary to achieve significant decreases in PUC and HAP expense. We have evaluated potential rent reform options aimed to reduce expenses sufficiently to achieve two objectives: 1) to prevent a funding shortfall which will require HACSB to terminate assistance for assisted customers; and 2) to allow HACSB to increase leasing to achieve compliance with the MTW statutory requirement to serve substantially the same number of families. This proposed modification to the Minimum Rent activity is one of several changes HACSB is undertaking and/or proposing to mitigate the rising program costs without terminating assistance for families.

Description of Proposed Modification

Through this Plan, HACSB proposes to implement a new minimum rent of \$450 for most MTW households. The proposed increased minimum rent was calculated as 36% of gross monthly income for a household with one member earning California's current minimum wage (\$16/hour) and working part-time (20 hours/week).

This change will apply to current and new:

- Career-able households (as defined in HACSB's Administrative Plan and ACOP); and
- Elderly/disabled households (as defined in HACSB's Administrative Plan and ACOP) with one or more career-able household members.

This change will not apply to certain vulnerable populations. For these populations, the minimum rent will remain at \$125. Such populations include:

- Elderly/disabled households with no career-able household members;
- Households participating in HACSB's MTW Activity #23, No Child Left Unsheltered (NCLU); and

- Households participating in HACSB's MTW Activity #29, Moving On Strategy;
- Other populations/programs (current and future) identified in HACSB's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) documents as fixed \$125 minimum rent.

Implementation for Current Minimum Rent Households

HACSB recognizes that increasing the minimum rent will present a financial challenge for currently assisted households paying the current minimum rent of \$125. To provide time for current minimum rent households to adjust to the increased minimum rent, their tenant rent portion will be increased in tiers at regularly scheduled recertifications as described in section E. iv. below.

Implementation for Newly Admitted Households and Currently Assisted Households Whose Income-Based Rent Portion Currently Exceeds \$450

The minimum rent of \$450 will apply to new households admitted to HACSB programs (from our wait list or through portability) and to currently assisted households whose income-based tenant rent portion is currently greater than \$450 for whom a hardship exception rent decrease is processed. If the household's income-based tenant rent portion is less than \$450, the household's tenant rent portion will be set at the \$450 minimum rent. There will be no tiering of minimum rent for these households.

Implementation for Other Currently Assisted Households

The tenant rent portion for currently assisted households whose income-based tenant rent portion currently falls between \$125 and \$450 will be set at \$225, \$325, or \$450 based on the household's annual income level according to the income bands described in section E. iv. below.

B. Activity Metrics Information

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.

C. Cost Implications

The modification is proposed to address the significant current and projected funding deficit. Increasing the minimum rent from \$125 to \$450 is projected to reduce annual HAP costs by approximately \$2,547,125 after the first phase of implementation (moving all currently assisted households to the next minimum rent tier) is completed. This reduction in HAP expense is urgently needed to allow HACSB to continue providing rental assistance (prevent termination due to lack of funding) for approximately 164 assisted households at current PUC.

D. Applicable 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. The current applicable authorizations are the following:

- Attachment C, C.11 – Rent Policies and Term Limits – Waiving certain Sections of 3(a)(2), 3(a)(3)(A) and section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, and 960.255 and 966 Subpart A.
- Attachment C, D (2)a – Rent Policies and Term Limits – Waiving certain Sections 8(0)(1), 8(0)(2), 8(0)(3), 8(0)(10) and 8(0)(13)(H) -(I) of the 1937 Act and 24 CFR 982.508, 982.503, and 982.518.

E. Rent Reform

i. Impact Analysis

1. **How will the activity impact household/tenant rent share?**

This modification will increase the tenant rent share for currently assisted households whose income-based tenant rent portion is less than \$450. These households' tenant rent shares will be gradually increased by tiers at each recertification following implementation of this modification until all households have a tenant rent portion of no less than \$450. For career-able households, the average tenant rent portion increase is \$104 with an average tenant rent burden of 49% (net income), whereas for elderly/disabled households with one or more career-able household members has an average tenant rent portion increase of \$151, with an average tenant rent burden of 41% (net income).

2. **A description of how the MTW PHA will implement and track rent reform activity and how that process will enable the identification of any unintended consequences/impacts.**

This activity modification will be implemented as soon as possible after HUD approval and adoption of corresponding Administrative Plan and ACOP changes by HACSB's Board of Commissioners. Implementation will follow the transition schedules in section E. iv. below. HACSB will internally monitor a variety of performance indicators, including but not limited to: household rent burdens, housing subsidy costs (HAP), changes in household income, rent increases for assisted households, market rent values, leasing rates, hardship exemptions (requested, approved, and denied), and compliance with MTW statutory requirements.

3. A numerical analysis detailing the unintended/possible impacts of the rent reform activity (including changes to the amount of rent/tenant share, rent burden increases/decreases, households affected, etc.)

Total Current Households Impacted	1,888
Total Annual HAP Reduction (after households transition to the next tier of minimum rent)	\$2,547,125

This analysis considers tenant rent burden using both gross income and net income. Our analysis showed that the majority of households have additional income that is not included for purposes of calculating tenant rent portions. While not counted in the determination of rent, the additional income is a financial resource available to the household and therefore is a variable that is included in our consideration of tenant rent burden.

Career-Able Households											
		Current Tenant Rent Burden				Tenant Rent Portion Increase		New Tenant Rent Burden			
New Minimum Rent Tier	Total Households	Gross Income		Net Income				Gross Income		Net Income	
		Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
\$225	354	45%	30%	51%	31%	\$88	\$100	76%	50%	86%	53%
\$325	463	27%	30%	30%	30%	\$89	\$85	38%	38%	42%	40%
\$450	597	28%	30%	30%	30%	\$125	\$128	39%	40%	42%	42%
Total	1,414	31%	30%	34%	30%	\$104	\$100	46%	40%	49%	42%

Elderly/Disabled Households with One or More Career-Able Household Members											
		Current Tenant Rent Burden				Tenant Rent Portion Increase		New Tenant Rent Burden			
New Minimum Rent Tier	Total Households	Gross Income		Net Income				Gross Income		Net Income	
		Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
\$225	26	25%	26%	31%	29%	\$95	\$100	42%	40%	52%	45%
\$325	26	26%	24%	26%	25%	\$112	\$113	39%	38%	40%	38%
\$450	422	25%	24%	27%	24%	\$157	\$164	39%	40%	41%	40%
Total	474	25%	24%	27%	24%	\$151	\$161	39%	39%	41%	40%

4. **A plan for how the MTW PHA will weigh the consequences/benefits of the rent reform activity to determine whether it should be adjusted/terminated/reduced/continued/expanded.**

The primary objective of this modification is to reduce HAP expenses sufficiently to: 1) prevent a funding shortfall which will require HACSB to terminate assistance for assisted customers; and 2) allow HACSB to increase leasing to achieve compliance with the MTW statutory requirement to serve substantially the same number of families. HACSB will monitor changes in tenant rent portion, tenant rent burden, HAP expense, PUC, hardship requests, and other variables that will provide insight into impacts of the activity. Using this data, HACSB will evaluate whether further modifications are needed.

ii. **Hardship Case Criteria**

HACSB recognizes that while this modification is urgently needed in order to reduce HAP expenses, it will also have a significant impact on each household's rent portion. To minimize the impact on currently assisted households by increasing the minimum rent at one time, HACSB will gradually tier up their portion over time through the regular recertification process and will provide ample notice to the household with an effective date prior to the household's new rent portion applies for currently assisted customers. This will be applied only to currently assisted customers transitioning from their current income-based tenant rent portion to the new minimum rent tier at their biennial/triennial recertification following implementation of this modification. HACSB will continue to utilize the hardship policy already in place for the activity, of a temporary waiver of minimum rent.

iii. **Description of Annual Reevaluation**

HACSB will regularly review the performance of this activity using data from our tenant record database. This modification is projected to reduce monthly HAP expenses by approximately \$212,000. This projection does not take into account other variables that will affect actual HAP expenses,

such as tenant income changes, market rent changes and approved rent increases, etc. During and post-implementation, HACSB will monitor these variables as well as attempt to isolate the impacts of this modification. HACSB has implemented quarterly analysis of numerous variables related to our MTW and non-MTW rental assistance programs, and this modification will be monitored using that existing framework.

iv. Transition Period

Implementation will follow the transition schedules in the tables below:

Current households paying \$125 minimum rent will be transitioned to the new \$450 minimum rent according to the schedule reflected in the table below. Households will automatically move to the next minimum rent tier at subsequent recertifications until they reach the \$450 tier.			
Household Categories:	1 st recertification after approval	2 nd recertification after approval	3 rd recertification after approval
Extremely vulnerable populations as identified in HACSB's Administrative Plan and ACOP.	\$125 (no change)		
Elderly/disabled households with one or more career-able household members residing in the unit.	\$225 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater	\$325 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater	\$450 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater
Career-able households.			

All other current households whose current tenant rent portion falls between \$125 and \$450 will be placed into a minimum rent tier based on income bands. Households will automatically move to the next minimum rent tier at subsequent recertifications until they reach the \$450 tier.			
Career-able households and elderly/disabled households with career-able members residing in the unit in the following income bands:	Starting Minimum Rent at 1 st recertification after approval	2 nd recertification after approval	3 rd recertification after approval
\$4,168 - \$7,500	\$225	\$325 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater	\$450 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater
\$7,501 - \$10,833	\$325	\$450 OR income-based rent (percentage of income based on applicable SLA tier) – whichever is greater	
\$10,834 - \$15,000	\$450		

Activity 22: Streamlined Lease Assistance

A. Activity Description

- FY 2013: Initial approval.
- FY 2015: Implemented February 1, 2015.
- FY 2016: Modified to add “Streamlined Fixed Lease Assistance for New Non-Elderly/Non-Disabled Households”.
- FY 2017: Modified to add a unit size limitation for tenant-based voucher programs.
- FY2018: Modified the rent tiers for career-able families currently participating in the Streamlined Tiered Lease Assistance program from 21/24/27/30% to 30/33/36%.
- FY 2019: Modified the rent calculation for new elderly and disabled households admitted to the Streamlined Fixed Lease Assistance program on or after January 1, 2019 to 30% of their gross income.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.

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

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 current and new households, except those admitted to the Term-Limited Lease Assistance Program before November 1, 2017.

The household’s rent share, also called Total Tenant Payment (TTP) in the Streamlined Lease Assistance (SLA) program is calculated based on a percentage of annual income, a minimum rent, or baseline rent. The percentages were established based on analysis that included deductions and allowances permitted under traditional program regulations, therefore no deductions or allowances are applied to the TTP. Households participate in either fixed assistance or tiered assistance, based upon family type. Interim recertifications for changes in household income are not performed except under the hardship exemption procedures for this activity.

Fixed Assistance Program for Elderly/Disabled Households:

Households admitted prior to January 1, 2019: The household’s TTP is the greatest of 24% of their income, the minimum rent, or baseline rent (described below).

Households admitted through Activity #29: Moving On Strategy: The household's TTP is the greatest of 24% of their income, the minimum rent, or baseline bent (described below).

Households admitted on or after January 1, 2019: The household's TTP is the greatest of 30% of their income, the minimum rent, or baseline rent (described below).

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

This component utilizes a tiered schedule to calculate the household's TTP. Families enter at Tier 1 and move to the next tier at each subsequent biennial recertification.

Tier 1: The household's TTP is the greatest of 30% of their income, the HACSB minimum rent, or baseline rent.

Tier 2: The household's TTP is the greatest of 33% of their income, the HACSB minimum rent, or baseline rent.

Tier 3: The household's TTP is the greatest of 36% of their income, the HACSB minimum rent, or baseline rent. HACSB non-elderly/non-disabled households were tiered earlier to 36%, moving from 30% to 36%, due to ongoing funding challenges and as a necessity to ensure financial viability of the program without terminating assistance or serving fewer families, as approved HACSB's FY 2018 MTW Annual Plan.

The baseline rent for each household is the set at their highest household TTP during participation in this activity. Future TTP amounts may never fall below the baseline rent without a hardship exemption. For example:

At Admission

Household Monthly Income:	\$1,000
Tier 2 Calculated Rent (30%):	\$300 ← TTP
HACSB Minimum Rent:	\$125
Baseline Rent:	N/A

First Biennial Recertification

Household Monthly Income:	\$900
Tier 2 Calculated Rent (33%):	\$297
HACSB Minimum Rent:	\$125
Baseline Rent:	\$300 ← TTP

If the calculated rent amount exceeds the ceiling rent for Public Housing or the contract rent for Housing Choice Voucher households, the lesser of the calculated TTP or rent amount is applied as the household's rent share.

This component previously utilized four rent tiers which set the household's rent share at 21%/24%/27%/30% of income, the minimum rent, or baseline rent. The rent tier structure was changed to the current three-tier structure through our FY 2018 Annual MTW Plan. Beginning February 1, 2018, all households were moved from their current tier to the new Tier 1 (30%) and received an automatic six-month hardship exemption which delayed any change in their rent portion. All households in the program at the time of the revision and those admitted since that time have remained at the 30% rent tier. When the modification was approved, HACSB stated its intention to implement the additional rent tiers of 33% and 36% only if

internal analysis demonstrated that their implementation was necessary to ensure financial viability of the program without terminating assistance or serving fewer households. We have continued to monitor program costs and households rent burden, and determined that implementation of the additional rent tiers was appropriate and necessary. The 36% tier was implemented effective October 1, 2024, for all current SLA non-elderly/non-disabled households with an automatic six-month hardship exemption which delays any change in their rent portion to April 1, 2025. This adjustment is urgently needed to reduce housing assistance payment (HAP) expenses and per-unit costs (PUC) and avoid entering a shortfall situation.

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

HACSB may require households admitted to or moving to a new unit under the Term-Limited Assistance (TLA) Program to select a unit whose number of bedrooms is not greater than their voucher size. For example, a household with a two-bedroom voucher may not lease a three-bedroom or larger unit. The intent of this component is to ensure that households choose a unit that is appropriately sized and affordable for their income situation. Over-housed households are also more costly to house than households in right-sized units. HACSB implemented this requirement in July 2021, but has withdrawn the requirement due to scarcity of available housing units. We continue to monitor and balance program costs with leasing success to determine if re-implementation of the requirement is needed. We anticipate that we will re-implement the requirement in the future.

Subsidy Limitation:

This component is on hold and has not been implemented as of May 2024. HACSB is authorized to apply a subsidy limitation to households participating in the SLA activity. To encourage households to select units that are appropriately sized and most likely to be affordable to the family when coupled with the rental subsidy, HACSB intends to implement a subsidy limitation for over-housed households. These are households that have voluntarily selected and leased a unit that is larger than their voucher size. For example, a household with a two-bedroom voucher may choose to lease a three-bedroom unit. In these instances, the rental subsidy is capped by the HACSB Local Payment Standard. However, in many cases the contract rent for the larger unit exceeds the contract rent for a unit that is the same size as the voucher issued to the household, which results in a greater family rent share than if the household had selected a smaller unit. Additionally, this scenario increases the HAP subsidy, often to the maximum allowable amount of HACSB's Local Payment Standard. Through this component, HACSB will limit the maximum subsidy for over-housed households to the average subsidy rate for households that are not over-housed with the same size voucher.

HACSB intends to implement this flexibility only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer households. We continue to monitor and balance program costs with leasing success to determine if implementation of this component will be needed.

Rent Increase Limitation (voucher programs only):

This component is on hold and has not been implemented as of May 2024. HACSB is authorized to limit the value of approvable rent increases to an amount less than the average value of previously approved rent increases. For example, the average value of rent increases approved in FY 2016 was 10% of the previous contract rent. Through this activity HACSB would cap the rent increase at a value less than 10% of the previous contract rent.

HACSB intends to implement this component only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer households, and we continue to monitor leasing success and program costs to determine if implementation of this component is appropriate.

Hardship Exemptions:

HACSB recognizes that under some circumstances, households may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program and has developed permanent and temporary hardship exemptions.

Permanent Hardship Exemptions:

- Death of a household member with income;
- Any income-earning member of the assisted household no longer remains in the unit;
- An elderly or disabled household member experiences a permanent and complete loss of income;
- Unforeseen and involuntary permanent loss of income for a household member under the age of 18.

Temporary Hardship Exemptions:

- Unforeseen involuntary loss of employment; or unforeseen complete loss of income due to a major illness as determined by a medical professional.
- Significant medical expenses over \$2,500 for single medical even for Streamlined Fixed households only.
- Unforeseen involuntary permanent loss of income for an adult household member is attending high school.

If approved, the hardship's effective date is set at the first of the month following the submission of the request.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement the following temporary changes to this activity ("emergency operations") to ensure continuity of operations to the extent possible and practical.

These and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic has created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), "stay-at-home" Executive Orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB has taken steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. As a result, HACSB implemented the following emergency operations for this activity:

- SLA households experiencing a significant loss of income due to the current crisis may be approved for a hardship exemption. This new hardship exemption category will follow the application, review, and approval policies and procedures currently in place for other hardship categories;

- Processing of interim recertifications (to the extent that HACSB processes interim recertifications for households served through the Moving To Work demonstration), with the exception of interims processed for an approved hardship exemption, will be deferred to the earliest practical and feasible date.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

Proposed Modifications

Background

Over the past several years HACSB has experienced significant increases to Housing Assistance Payment (HAP) costs for families in the Housing Choice Voucher program. The increases are primarily driven by substantial and rapid increases in market rents. Market rent increases are illustrated by changes in our Local Payment Standards, which are updated annually based upon an analysis of current market rent data. Over the last five years, our LPS experienced an average increase of 11%. Notably, during the post-pandemic years of 2021 and 2022, the average LPS increase surged to 24%. Per-unit cost (PUC) has risen particularly rapidly in fiscal years ending (FYE) 2023 and 2024, from a FYE 2022 average PUC of \$873 to an average PUC of \$1,249 in FYE 2024. In this timespan, PUC has risen over 43% while per-unit funding has risen just over 24%. HACSB has taken proactive measures to reduce HAP expenses to better align with funding, including stopping selections from our wait list in mid-2023 and ending optional uses of HAP to promote leasing success such as incentives for landlords and housing navigation services for HCV customers. Despite these measures, HAP expenses continue to outpace funding. HACSB is currently drawing upon funding reserves to cover monthly HAP expenses that exceed our monthly funding amount. As of September 2024, this overage is more than \$900,000 per month. The overage is projected to continue rising despite a shrinking lease rate resulting from natural program attrition and not admitting new households from our wait list. Based on historical increases and a potential modest increase to funding in coming years, MTW leasing is projected to fall to below 93% utilization by FYE 2025 and approximately 86% by FYE 2026.

HACSB has determined that additional rent reform modifications are necessary to achieve significant decreases in PUC and HAP expense. We have evaluated potential rent reform options aimed to reduce expenses sufficiently to achieve two objectives: 1) to prevent a funding shortfall which will require HACSB to terminate assistance for assisted customers; and 2) to allow HACSB to increase leasing to achieve compliance with the MTW statutory requirement to serve substantially the same number of families. This proposed modification to the Streamlined Lease Assistance activity is one of several changes HACSB is undertaking and/or proposing to mitigate the rising program costs without terminating assistance for families.

Proposed Modification to Tenant Rent Portion Calculation:

Through this Plan, HACSB proposes to change the TTP calculation for the Fixed Assistance Program for Elderly/Disabled households to a Tiered Assistance Program for Elderly/Disabled households.

	Fixed Assistance Program for Elderly/Disabled Households admitted prior January 1, 2019	Fixed Assistance Program for Elderly/Disabled Households admitted on or after January 1, 2019
Current Calculation	24% of Income*	30% of Income*
Proposed Calculation	27/30% of Income * HACSB may implement an increase of the rent calculation up to 36% if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.	30% of Income * HACSB may implement an increase of the rent calculation up to 36% if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.

**Or HACSB's minimum rent or the Streamlined Lease Assistance baseline rent, whichever is greater.*

- This proposed modification will apply a TTP structure to all Elderly/Disabled households participating in the Streamlined Lease Assistance program, except for households participating in HACSB's Activity #29 Moving On Strategy.
- Elderly/Disabled households admitted to the program prior to January 1, 2019, with a current tenant TTP calculation of 24% will move up to the 30% tenant rent portion calculation, or HACSB's minimum rent, or baseline rent, whichever is greater. HACSB will gradually tier households up to the 30% TTP tier over the course of two years. The first year of implementation will increase to 27% TTP calculation, and in the second year will tier to 30% TTP calculation.
- Elderly/Disabled households admitted to the program on or after January 1, 2019, will remain at the 30% TTP calculation, or HACSB's minimum rent, or baseline rent, whichever is greater.

HACSB intends to implement an increase in the tenant rent portion of up to 36% to elderly/disabled households only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.

HACSB will apply the 36% TTP calculation to elderly/disabled households newly admitted to HACSB's program (from our wait list or through portability).

B. Activity Metrics Information

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

C. Cost Implications

The modification is proposed to address the significant current and projected funding deficit. Implementing the change from the current tenant rent portion calculations to the proposed calculations is projected to reduce annual HAP costs by approximately \$4,308,595 after implementation is completed. This reduction in HAP expense is urgently needed to allow HACSB to continue providing rental assistance (prevent termination due to lack of funding) for approximately 276 assisted households at current PUC.

D. Applicable 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. The current applicable authorizations are the following:

- Attachment C (C) - Rent Policies and Term Limits – Waiving certain sections of 1, 4, 11, and (D)1 (c) (g), 2(a)(b), 3(a)(b).

E. Rent Reform

v. Impact Analysis

1. **How will the activity impact household/tenant rent share?**

This modification will increase the tenant rent share for currently assisted elderly/disabled households admitted to the program prior to January 1, 2019, from 24% to 30% over a two-year period. Elderly/disabled households admitted to the program after January 1, 2019, will remain at 30% rent calculation. HACSB intends to implement an increase in rent calculation of up to 36% to elderly/disabled households only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance for existing customers or serving fewer households.

2. **A description of how the MTW PHA will implement and track rent reform activity and how that process will enable the identification of any unintended consequences/impacts.**

This activity modification will be implemented as soon as possible after HUD approval and adoption of corresponding Administrative Plan and ACOP changes by HACSB's Board of Commissioners. HACSB will move currently assisted SLA elderly/disabled program

customers (as described above) to the new 30% tenant rent portion over a two-year period. In the first year all impacted customers will tier to 27%, and in the second year all impacted customers will tier to 30%. HACSB intends to implement an increase rent calculation up to 36% for elderly/disabled households only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance for existing customers or serving fewer households. HACSB will internally monitor a variety of performance indicators, including but not limited to: household rent burdens, housing subsidy costs (HAP), changes in household income, rent increases for assisted households, market rent values, leasing rates, hardship exemptions (requested, approved, and denied), and compliance with MTW statutory requirements.

3. **A numerical analysis detailing the unintended/possible impacts of the rent reform activity (including changes to the amount of rent/tenant share, rent burden increases/decreases, households affected, etc.)**

By increasing the subsidy calculation to 30%, HACSB will have a HAP reduction of approximately \$4,308,595, which is equivalent to 276 households HACSB will be able to continue to house because of rising costs and decreased funding.

Total Current Households Impacted	3,114
Total HAP Reduction During Two-Year Implementation Period	\$4,488,120
Annual HAP Reduction Post-Implementation	\$4,308,595

24-30% SLA Modification Households											
		Current Tenant Rent Burden				Tenant Rent Portion Increase		New Tenant Rent Burden			
SLA Tier	Total Households	Gross Income		Net Income				Gross Income		Net Income	
		Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
24-27% (Year 1)	3,114	26%	24%	26%	24%	\$37.36	\$35.25	28%	27%	28%	27%
27-30% (Year 2)	3,114					\$88.04	\$70.88	31%	30%	31%	30%
Total	3,114	26%	24%	26%	24%	\$62.70	\$62.00	29%	30%	29%	30%

4. **A plan for how the MTW PHA will weigh the consequences/benefits of the rent reform activity to determine whether it should be adjusted/terminated/reduced/continued/expanded.**

The primary objective of this modification is to reduce HAP expenses sufficiently to: 1) prevent a funding shortfall which will require HACSB to terminate assistance for assisted customers; and 2) allow HACSB to increase leasing to achieve compliance with the MTW statutory requirement to serve substantially the same number of families. HACSB will monitor changes in tenant rent portion, tenant rent burden, HAP expense, PUC, hardship requests, and other variables that will provide insight into impacts of the activity. Using this data, HACSB will evaluate whether further modifications are needed.

vi. **Hardship Case Criteria**

HACSB recognizes that while this modification is urgently needed in order to reduce HAP expenses, it will also have a significant impact on each household's rent portion. To minimize the impact on currently assisted households, HACSB will apply the permanent and temporary hardship exemptions already in place for this activity. For SLA elderly/disabled households, we would modify the "loss of employment" to "loss of income" to allow loss of benefits (such as Social Security) to be considered in the determination of eligibility for a hardship exemption. Additionally, HACSB will consider other methods of minimizing the impact to families, such as using prior income information to process the reexamination. Please refer to the activity description above for the full description of permanent and temporary hardship exemptions currently in place for this activity.

vii. **Description of Annual Reevaluation**

HACSB will regularly review the performance of this activity using data from our tenant record database. This modification is projected to reduce monthly HAP expenses by approximately \$359,000 post-implementation. This projection does not take into account other variables that will affect actual HAP expenses, such as tenant income changes, market rent changes and approved rent increases, etc. During and post-implementation, HACSB will monitor these variables as well as attempt to isolate the impacts of this modification. HACSB has implemented quarterly analysis of numerous variables related to our MTW and non-MTW rental assistance programs, and this modification will be monitored using that existing framework.

viii. **Transition Period**

After HUD approval of this modification and adoption of corresponding Administrative Plan and ACOP changes by HACSB's Board of Commissioners, HACSB will implement the tiered rent structure through an annual increase over two years to reach 30%. In preparing this proposed modification, HACSB evaluated several potential implementation timelines and selected this option because it offers the greatest balance between minimizing the financial impact on assisted households and generating the urgently needed reduction in HAP expenses.

HACSB is requesting approval to implement the proposed modification to Elderly/Disabled households currently participating in the Streamlined Lease Assistance with a current tenant rent portion calculation of 24%. Under this proposal, HACSB will process an regular or interim reexamination once per year for all elderly/disabled households currently at the 24% calculation during this two-year period, irrespective of their regularly scheduled biennial or triennial reexamination date. At that reexamination in the first year, HACSB will apply a tenant rent portion calculation of 27% of gross income, or HACSB's minimum rent, or the Streamlined Lease Assistance baseline rent, whichever is greater. HACSB anticipates that using the household's most recently reported income information to process the reexamination, which will serve to minimize the financial impact to households when the new rent calculation is applied. Additionally, HACSB will provide an automatic six-month hardship exemption delaying the rent portion change for all households to whom this change applies. At the second annual interim reexamination, HACSB will apply the tenant rent portion calculation of 30% of gross income, or HACSB's minimum rent, or the Streamlined Lease Assistance baseline rent, whichever is greater. A six-month automatic hardship exemption will not apply to the second recertification.

Example: An Elderly/Disabled household participating in the Streamlined Lease Assistance tiered program has a regular triennial reexamination scheduled to be effective August 1, 2025. The household's most recent triennial reexamination was effective August 1, 2022. Under this proposal, HACSB will process an interim reexamination for this household effective February 1, 2025. The reexamination will use the household's income information from the August 1, 2022, reexamination, and the household's rent portion in the first year of implementation will be set at 27% of gross income or minimum rent or the baseline rent, whichever is greater. An automatic hardship exemption will be applied, and the household's new rent portion will not take effect until August 2025. HACSB will then process another interim reexamination for August 2026 to move the household to the next tenant rent portion tier. At that interim recertification the tenant rent portion will be calculated at 30% of gross income or minimum rent or the baseline rent, whichever is greater. The household then will remain at 30% unless HACSB implements an increase to the rent calculation up to 36% to support the financial viability of the program and prevent termination of assistance for existing customers.

Funding for FY 2025 is unknown at the time that this modification is proposed, and HACSB has developed the implementation schedule using a conservative estimation of future funding. Unless significant increases to program funding are made in the next two years, HACSB cannot delay implementation of the modification without entering into a shortfall scenario. However, HACSB intends to monitor funding and expenses to determine if a delay in implementation is possible after funding for 2025 and/or 2026 is announced. If funding permits, HACSB will delay implementation of the 30% tenant rent portion calculation to their first regularly scheduled biennial/triennial reexamination following the household's move to the 27% rent portion. If funding permits, HACSB will also offer a hardship exemption delaying the tenant rent portion increase to 30% by up to six months. This six-month hardship exemption may be automatically applied to all impacted households or available by application, depending on which option HACSB is able to implement based on availability of funding at that time.

IV. Approved Activities

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 4: Biennial and Triennial Recertifications

i. Plan Year Approved, Implemented, Amended

- FY 2009: Initial approval 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.
- FY 2012: Modified to expand the scope of the activity to apply to all families in both 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.
- FY 2014: The first complete cycle of biennial certifications was completed in 2014.
- FY 2019: Modified to add triennial recertifications for elderly-only fixed-income households. Authorization to apply this activity to participants of the Veterans Affairs Supportive Housing (VASH) program was received from HUD in September 2019. That approval, though not granted through the HUD MTW Office, was included in our FY 2019 Annual MTW Plan for informational purposes.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.
- FY 2022: Authorization to apply this activity to participants of the Emergency Housing Voucher (EHV) program was received from HUD in July 2021 through a waiver request. That approval, though not granted through the HUD MTW Office, was included in our FY 2022 Annual MTW Plan for informational purposes.

ii. Description/Update

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

Current regulations require annual income recertifications for most participants of the Public Housing and Housing Choice Voucher programs. This MTW activity allows HACSB to conduct recertifications of MTW, EHV and VASH households biennially or triennially. Elderly-only fixed-income households are recertified triennially; all other families are recertified biennially. Triennial recertifications for elderly-only fixed-income households began in September of 2019, with triennial recertifications for VASH households beginning in May 2020. EHV participants can request interim recertifications, should the household experience an income reduction.

Biennial/Triennial Recertification Process

- HACSB will perform a full recertification to examine household income and composition once every three years for elderly-only fixed-income household, and once every two years for all other households. No PHA-initiated updates will take place during the years between full recertifications.
 - An elderly-only fixed-income household is defined as having no members under the age of 57 AND having at least 90 percent of its income from fixed sources.

- This activity modifies the recertification schedule only. Households will continue to be subject to the interim reporting requirements, calculation of income and rent, and other components of their assigned program type (Term-Limited Lease Assistance, Streamlined Lease Assistance, etc.)

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement temporary change(s) to this activity (“emergency operations”) to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operations for this activity:

- HACSB will extend the validity of a family’s most recently completed biennial or triennial recertification by one year. The due date of the family’s next biennial or triennial recertification will be one year from the original due date, and future recertifications will follow the biennial/triennial schedule (taking place two/three years from the date of the extended recertification).

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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 MTW 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.

v. Planned Significant Changes

None.

Activity 5: Simplified Income Determination

i. Plan Year Approved, Implemented, Amended

- FY 2009: Initial approval as “Local Verification Policies”. Implemented on October 1, 2009.
- FY 2019: Modified to rename this activity and merge the functions of the following previously approved activities:
 - Activity 5 – Local Verification Policies (the original name of this activity)
 - Activity 6 – Elimination of Assets: Originally approved in our FY 2009 Annual MTW Plan and implemented on October 1, 2009. This component was closed out as a separate activity in FY 2019.
 - Activity 9 – Elimination of Earned Income Disallowance: Approved via FY 2009 Initial Annual MTW Plan and effective October 1, 2009, for participants in the Housing Choice Voucher and Public Housing programs. This component was closed out as a separate activity in FY 2019.
 - Activity 17 – Local Income Inclusions: Originally approved in our FY 2011 Annual MTW Plan and implemented on May 1, 2011. The activity was modified through HACSB’s FY 2015 Annual MTW Plan. This component was closed out as a separate activity in FY 2019.
- Authorization to apply this activity to participants of the Veterans Affairs Supportive Housing (VASH) program was received from HUD in September 2019. That approval, though not granted through the HUD MTW Office, was included in our FY 2019 Annual MTW Plan for informational purposes. All components of this activity except the elimination of the Earned Income Disallowance apply to VASH households.
- FY 2022: Authorization to apply this activity to participants of the Emergency Housing Voucher (EHV) program was received from HUD in July 2021, through a waiver request. That approval, though not granted through the HUD MTW Office, was included in our FY 2022 Annual MTW Plan for informational purposes. This activity applies to EHV customers, with the exception of the exclusion of Earned Income Disallowance.

ii. Description/Update

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

This activity includes four components: local verification policies, elimination of assets, elimination of the Earned Income Disallowance, and local policies for income inclusions and exclusions. All components of the activity, except the elimination of the Earned Income Disallowance component, apply to EHV and VASH households. For all MTW households, HACSB uses anticipated income (based on current information) to calculate the household’s annual income during eligibility and recertification for purposes of determining tenant rent and total tenant payment (TTP), where applicable, to be received by the family during the 12-month period following admission or recertification.

This activity has simplified the process for our households and the housing staff, reducing staff time spent on verifications, calculation of assets, processing the Earned Income Disallowance, and related agency costs.

Verification Policies

The verification standard used by HACSB was modified in FY 2011 to establish the following local 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.

Applicant verifications may not be more than 120 days old (from the date received) at the time of orientation. For participants, verifications remain valid for six months (180 days) from the date received.

Elimination of Assets

Assets are fully excluded from the calculation of annual income for the purpose of determining the tenant rent portion. Asset information is verified at initial eligibility for the purpose of determining income eligibility for assistance. Thereafter, information related to assets is not collected or verified and income from assets is not considered as part of the income/rent calculation formula or ongoing program participation.

Elimination of Earned Income Disallowance

HACSB has eliminated the HUD Mandatory Earned Income Disallowance (EID) from the calculation of total tenant payment. This component does not apply to VASH program participants.

Local Income Inclusions and Exclusions

HACSB has established local policies to include or exclude certain income sources that are currently excluded or included 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 household's first biennial recertification effective on or after October 1, 2015);
- 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); and
- Student Financial Assistance is fully excluded.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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
- CE #5: Increase in Tenant Rent Share

v. Planned Significant Changes

None.

Activity 8: Local Policies for Portability

i. Plan Year Approved, Implemented, Amended

- FY 2009: Initial Approval. The initial implementation of this activity began on October 1, 2009.
- FY 2010: Modified to add a work requirement for portability. The work requirement was implemented on August 1, 2010.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.

ii. Description/Update

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

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

This activity has resulted in significant staff time savings, achieving a reduction in staff hours to process ports-in each year since implementation. All benchmarks for this activity have been fully or partially met since FY 2010.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement temporary change(s) to this activity (“emergency operations”) to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic, which is ongoing at the time of this writing. The pandemic has created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB has taken steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operations change for this activity:

- HACSB temporarily suspended acceptance of Housing Choice Voucher Program ports-in from other housing authorities. HACSB maintained a contact list of the households who expressed interest in porting to San Bernardino County during the temporary suspension and those households were notified when the suspension was lifted effective December 1, 2020.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

v. Planned Significant Changes

None.

Activity 11: Local Project-Based Voucher Program

i. Plan Year Approved, Implemented, Amended

- FY 2009: Initial Approval.
- FY 2010: Clarified components of the activity through FY 2010 Annual MTW Plan, Amendment 3. Implemented September 2010.
- FY 2015: Modification proposed through our FY 2015 Plan, Amendment 1B, but not approved by HUD. Per HUD's request, the proposed modification was re-proposed and approved through HACSB's FY 2017 MTW Plan.
- FY 2018: Modification to expand unit types eligible for project-based vouchers and add a work and/or supportive services requirement.
- FY 2019: Authorization to apply this activity to participants of the Veterans Affairs Supportive Housing (VASH) program was received from HUD in September 2019. That approval, though not granted through the HUD MTW Office, was included in our FY 2019 Annual MTW Plan for informational purposes. A modification to allow HACSB to apply alternative occupancy standards in special circumstances was included in our FY 2019 Annual MTW Plan, Amendment 1.
- FY 2022: Modification to allow all project-based voucher (PBV) units included under a single contract to be grouped as a single building for the purpose of determining the number of inspections to be performed.
- FY 2023: Modification to allow all PBV units to remain on the PBV contract even if the unit is not leased or no housing assistance payment (HAP) is made for more than 180 days.

ii. Description/Update

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

HACSB has implemented a local 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 flexibilities included under this activity are:

- Project-based assistance at properties owned by HACSB or an affiliate of HACSB that are not Public Housing.
- A reasonable competitive process for project-basing leased housing assistance at units in which HACSB or a related affiliate has no ownership interest that meet existing Housing Quality Standards, or any standards developed by HACSB through a MTW activity, and that are owned by non-profit and for-profit housing entities.
- Alternate standards for determining the location of existing, newly constructed, or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of our MTW Agreement.
- Up to 100% percent of units in any development may be project-based.
- Up to 30% (including RAD-PBV units) of HACSB's total MTW baseline number of units may be allocated for PBV.

- PBV will be allocated to all Public Housing units approved for disposition other than 27 Shelter Plus Care 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 (this component does not apply to RAD PBV households).
- 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.
- HACSB will project-base assistance at properties owned by HACSB or HACSB affiliate that are not Public Housing without a competitive process.
- A reasonable competitive process for project-basing leased housing assistance at units in which HACSB or a related affiliate has no ownership interest, and that are owned by non-profit and/or for-profit housing entities. Such units must meet existing Housing Quality Standards (HQS) or HACSB-local HQS.
- Alternate standards for determining the location of existing newly constructed or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of our MTW Agreement.
- 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 wrong-sized 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. This flexibility is applied to the first two phases of the Waterman Gardens public housing revitalization project, where 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. This component does not apply to the third and final phase of the Waterman Gardens RAD conversion and redevelopment (please see Activity 27: Local Project-Based Voucher Subsidy for Tax Credit Developments for more information about the rent and subsidy calculations applicable to phase three).
- The rents for Rental Assistance Demonstration (RAD) units will equal the maximum specified under the RAD Notice. This component does not apply to the third and final phase of the Waterman Gardens RAD conversion and redevelopment (please see Activity 27: Local Project-Based Voucher Subsidy for Tax Credit Developments for more information about the rent and subsidy calculations applicable to phase three).

- HACSB may project-base vouchers for unit types which are not allowable under traditional regulatory PBV. The types of housing which may be assisted through PBV include the following:
 - Shared housing (up to one person per bedroom);
 - Units on the grounds of a penal, reformatory, medical, mental health, or similar public or private institution;
 - Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care;
 - Manufactured homes;
 - Transitional housing;
 - Single-room occupancy;
 - Congregate housing;
 - Other housing types as needed.
- Where appropriate, HACSB will partner with universities, state and local government, and other stakeholders to develop housing and service delivery programs which leverage HACSB and partner resources. Where appropriate and feasible, programs will include both housing and related health care, education, job preparedness, and/or other necessary supportive services for individuals assisted through the programs.
 - To ensure that assisted households 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 households will be notified at move-in whether they will be eligible to receive a tenant-based voucher.
- HACSB will allow all PBV units included under a single contract to be grouped as a single building for the purpose of determining the number of inspections to be performed. Currently, regulations require that 20% of the units in each building in a project be inspected annually or biennially. For scattered site projects and those that include multiple buildings on one site, the inspection requirement results in HACSB inspecting more than 20% of the total units under PBV contract. For example, a PBV contract that includes ten duplex buildings (20 total PBV units) would currently require one inspection per duplex (ten inspections). Under this modification, HACSB would instead inspect 20% of the 20 total units (4 inspections).
- HACSB may allow all PBV units to remain on the PBV contract even if the unit is not leased or no housing assistance payment (HAP) is made for more than 180 days. During the term of the HAP contract, HACSB will not temporarily remove units from the contract that are vacant for over 120 days or in which no HAP has been paid for 180 days. Unit substitutions may occur when possible. HACSB may permanently remove units during the term of the HAP contract if the owner has failed to make good faith efforts to fill vacancies or is in violation of Housing Quality Standards. Regulations currently require units to be removed from the PBV contract if no HAP has been paid for more than 180 days. This modification will allow an increase in accessibility to housing for some of our most vulnerable population, such as No Child Left Unsheltered (NCLU) customers, by allowing HACSB to keep units under PBV contract that will in turn allow rapid housing options for these customers, rather than removing and re-adding units numerous times through a time-consuming process and the PBV unit remaining vacant during that process.

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

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

Additional Requirements

Our approved FY 2018 Annual MTW Plan included the addition of a requirement for the PBV project developer/manager to administer a work requirement and/or supportive services program for some new project-based voucher contract awards. This component has not yet been implemented for any PBV site, but HACSB anticipates that it will be used for future PBV awards.

The work and/or supportive services requirement will apply only if the number of PBV units exceeds a reasonable number or percentage of the total units in the development. The requirement will not apply to developments where conflicting regulation or law exists. HACSB intends to apply this proposed modification only to new PBV awards. A work requirement and/or supportive services requirement would not be applied to existing PBV contracts unless agreed upon by the owner.

When a PBV award includes a work requirement, the work requirement will apply only to non-elderly and non-disabled households residing in PBV units. Adult household members will be required to participate in work-related activities for a minimum of fifteen hours per week. Work-related activities shall include activities removing barriers to gainful employment, activities leading to gainful employment, and employment. HACSB will require the developer/manager to provide supportive services to these households. Supportive services may include, but are not limited to, job skills/employment coaching and job search services, life skills classes, and other services designed to help households meet the work requirement.

For some PBV awards, HACSB may include a supportive services requirement only. Supportive services may include, but are not limited to, educational and employment services, life skills classes, assistance accessing community resources, and other services.

Per approval from the U.S. Department of Housing and Urban Development (HUD), HACSB may convert up to 30% of its total MTW baseline, a maximum of 2,981 units, from tenant-based voucher (TBV) to PBV units. This maximum was established to mitigate the disadvantages of project-basing a large percentage of vouchers, such as:

- Project-based vouchers do not offer the same freedom of housing choice as tenant-based vouchers. Because PBV units are, by definition, affiliated with specific properties, customers must reside at that location in order to receive the PBV rental assistance. By comparison, customers in the tenant-based voucher (TBV) program may live in any community of their choice.
- Moves from the PBV program to the TBV program reduce our ability to serve customers from our TBV wait list. Program regulations require housing authorities to give priority to PBV customers exercising their right to move under the TBV program. Moves from PBV to TBV therefore reduce the number of new applicants we can select from our TBV wait list. Additionally, in some cases, customers may choose to reside at a PBV community in order to avail themselves of the opportunity to quickly move to the TBV program and circumvent the years-long TBV wait list.

- Project-based vouchers require more resources than tenant-based vouchers. For example, PBV mobility requires the housing authority to administer both a new TBV issuance and lease-up and a PBV lease-up to back-fill the vacated unit. Additionally, for PBV units managed by HACSB, the cost and time associated with turning over the vacated unit increases the administrative burden of PBV.

The 30% PBV threshold limits the negative impact to HACSB customers and administration of the Housing Choice Voucher program.

HACSB has already project-based nearly 30% of its portfolio at properties throughout San Bernardino County. Currently, a maximum of 352 vouchers may still be converted from TBV to PBV. These units are reserved to support the redevelopment of our aging public housing communities. Because HACSB receives no capital funding to support redevelopment efforts, the ability to leverage these remaining PBV units is vital to ensure that we can rehabilitate our oldest public housing communities to preserve affordable housing for future generations.

It is important to note that currently, we are utilizing 100% of our budget authority for the HCV program, and utilization of reserves. As a result, we are not able to convert any additional TBV's to PBV, including the 352 that are reserved to help support our public housing redevelopment efforts. This is because the current per-unit cost (PUC) for the HCV program exceeds our per-unit funding (PUF) amount. We anticipate our unit utilization rate to be 91% even though our funding utilization rate is expected to be 102%.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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
- HC #4: Displacement Prevention
- Local Metric: Units of Project-Based Voucher Assistance Added to the HACSB Portfolio

v. Planned Significant Changes

None.

Activity 12: Local Payment Standards and Alternative Flat Rents

i. Plan Year Approved, Implemented, Amended

- FY 2009: Initial Approval.
- FY 2011: Implemented on July 1, 2011, for all new lease ups and recertifications.
- FY 2012: Modified to use the maximum subsidy as determined through HACSB's annual market rent study as the guideline in determining the contract rent for voucher units.
- FY 2015: Modification proposed but not approved via Amendment 1B to our FY 2015 Plan. Per HUD's request, the proposed modification was re-proposed and approved through HACSB's FY 2017 Annual MTW Plan.
- FY 2017: Modified to apply Local Payment Standards as the maximum flat rent for Public Housing units.
- FY 2019: Authorization to apply this activity to participants of the Veterans Affairs Supportive Housing (VASH) program was received from HUD in September 2019. That approval, though not granted through the HUD MTW Office, was included in our FY 2019 Annual MTW Plan for informational purposes.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.
- FY 2022: Authorization to apply this activity to participants of the Emergency Housing Voucher (EHV) program was received from HUD in July 2021, through a waiver request. That approval, though not granted through the HUD MTW Office, was included in our FY 2022 Annual MTW Plan for informational purposes.
- FY 2023: Authorization to conduct mid-year revisions to the Local Payment Standard (LPS) amounts, if necessary.

ii. Description/Update

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

The activity applies to MTW, EHV, and VASH households.

This MTW activity allows HACSB to conduct a market assessment to identify submarket areas and develop Local Payment Standards (LPS) for those submarket areas in lieu of the HUD-prescribed Fair Market Rents (FMR). HACSB may conduct mid-year revisions to the Local Payment Standard (LPS) amounts if internal analysis of rental market conditions indicates that a mid-year revision is necessary to support leasing goals. The LPS reflect the diverse rental submarkets that exist across the geographically vast and diverse San Bernardino County.

Our FY 2017 Annual MTW Plan expanded the use of LPS to replace the HUD-published FMRs as the indicator for establishing flat rents in the HACSB public housing portfolio. The annually established Local Payment Standards by submarket and bedroom size are used to determine the maximum flat rent that can be charged to Public Housing residents. The actual flat rent may fall below the LPS based on a comparison of like units in the same

area consistent with standard industry rent comparable practices. If an annual review of the LPS indicates an increase or decrease of more than 10% from the current rate, the 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.

Since implementation, this activity has shown a significant improvement in the number of households able to move to areas of opportunity. We have met or exceeded the benchmarks for our local metric, which measures the number of households residing in the two submarkets with the greatest poverty and minority concentration. This change reflects an increase in the number of households that have relocated out of these submarkets into other areas of greater opportunity. HACSB anticipates that the number of households relocating to areas of greater opportunity will continue as a result of this activity.

To eliminate barriers for EHV participants, we will use a combination of HACSB Local Payment Standards and Payment Standards for traditional regulatory assistance for EHV participants. HACSB will group the nine Local Payment Standard submarkets into three regions. Generally, payment standards for EHV are set between 90 – 120% of FMRs. However, if any of the MTW payment standards within the region exceed 120% of FMR, we will apply the highest MTW submarket Local Payment Standard to the entire region.

Payment standard increases will be applied to recertifications that are completed after the effective date of the latest Local Payment Standard schedule. However, an increase to the Local Payment Standards will not be automatically applied at recertification if the participant has leased a unit that is larger than their approved voucher subsidy size (“over-housed” participants). Increases to the Local Payment Standards will apply to over-housed participants during an interim or recertification only if a rent increase is requested by the landlord and approved in accordance with HACSB’s rent reasonableness policies.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement temporary change(s) to this activity (“emergency operations”) to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took the steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operations for this activity:

- The 2020 annual review and update to the Local Payment Standards was delayed due to the limited availability of a third-party consultant to perform the market assessment. Additionally, the availability of market data for vacant units was limited by the extremely low vacancy rates, which ranged from two to four percent in different areas of the County.
- On January 20, 2022, HACSB received authorization for a temporary waiver through Notice PIH 2021-34 to increase payment standards up to 120% of HUD published FMR to support HACSB's leasing efforts. Temporary Local Payment Standards were implemented using this waiver authority effective March 9, 2022, and expired December 1, 2022.

Emergency operations have ended, and normal operations have resumed. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

- CE #1: Agency Cost Savings
- CE #2: Staff Time Savings
- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #8: Households Transitioned to Self-Sufficiency
- HC #5: Increase in Resident Mobility
- Local Metric: Average HAP Cost
- Local Metric: Households Able to Move from Areas of Poverty and/or Minority Concentration.

v. Planned Significant Changes

None.

Activity 13: Local Inspection Policies

i. Plan Year Approved, Implemented, Amended

- FY 2010: Initial approval. Implemented on May 1, 2011.
- FY 2015: Modified to expand biennial inspections to all MTW units.
- FY 2016 and FY 2017: Expanded biennial inspections implemented across all MTW units.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.
- FY 2022: Authorization to apply this activity to participants of the Emergency Housing Voucher (EHV) program was received from HUD in July 2021, through a waiver request. That approval, though not granted through the HUD MTW Office, was included in our FY 2022 Annual MTW Plan for informational purposes.

ii. Description/Update

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

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 households. All MTW, VASH, and EHV units are inspected biennially through this activity.

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. We anticipate that the cost and time savings will continue in future years.

A modification to this activity was approved via our FY 2015 Annual MTW Plan. The percentage of units that met our quality standards to qualify for biennial inspections was well above the expected outcome. As a result, the property rating system used to determine the frequency of inspections for each unit was eliminated. Assisted units that were previously inspected annually were moved to a biennial inspection schedule, with 50% of those units inspected in FY 2016 and the remaining 50% inspected in FY 2017. No change was made to HACSB's enhanced local inspection standards.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement temporary change(s) to this activity ("emergency operations") to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operations for this activity:

- HACSB extended the validity of a household’s most recently completed biennial HQS inspection by one year. The due date of the household’s next biennial HQS inspection was reset to one year from the original due date.
- HACSB deferred in-person initial HQS inspections. While this modification was in place, HACSB accepted self-certification by the household and property owner/manager that the unit met all HQS requirements in order to allow the household to move in without delay. In some circumstances, HACSB required photographs to accompany the self-certification for some HQS components.
- Inspections were resumed effective March 15, 2021, and HACSB will conduct an in-person HQS inspection to confirm that units meets HQS requirements. Deferred initial HQS inspections are prioritized for processing. In the event the unit does not pass the in-person HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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.

v. Planned Significant Changes

None.

Activity 14: Local Asset Management Program

i. Plan Year Approved, Implemented, Amended

- FY 2010: Initial approval.

ii. Description/Update

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

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

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

None.

v. Planned Significant Changes

None.

Activity 18: Property Management Innovation

i. Plan Year Approved, Implemented, Amended

- FY 2011: Initial approval. Implemented on January 1, 2012.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.

ii. Description/Update

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

This activity allowed HACSB to develop a property management innovation program that reflects private sector property management principles. This activity applies to all Public Housing units, including units converted under the Rental Assistance Demonstration (RAD) program. The objective is to implement policies 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 through our FY 2011 plan:

- a. 3-Day Notice to Pay or Quit (previous policy was 14 days). This component was eliminated due to the RAD conversion of our Public Housing portfolio.
- 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% of 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 resolution of issues. This component was eliminated due to the RAD conversion of our Public Housing portfolio.

The activity has resulted in cost savings and administrative efficiencies gained from the streamlined grievance process as well as the reduction in arbitration costs.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement the following temporary change to this activity ("emergency operations") to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operation for this activity:

- HACSB will use remote meeting options whenever possible for actions within this activity which require a meeting between HACSB employees and assisted households, such as the modified grievance process (settlement conference).

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

v. Planned Significant Changes

None.

Activity 20: Term-Limited Lease Assistance

i. Plan Year Approved, Implemented, Amended

- FY 2011: Initial approval. Implemented on January 1, 2012. Note: This activity was originally proposed as activity 21 under the title “Term Limits”. It was renumbered as activity 20 with our FY 2012 Plan.
- FY 2013: Renamed from “Term Limits” to “Five-Year Lease Assistance.”
- FY 2015: Modified to include potential termination from the program for noncompliance with the household’s Supportive Services Agreement.
- FY 2016: Modified to include an intake hardship exemption for extremely low-income and Triage Step 3 households and to expand the end-of-term hardship exemption. This modification was not implemented.
- FY 2017: Modified to include income-based subsidy calculation for new households joining the program, requirement for families to lease a unit with no more than one bedroom more or less than their voucher size, a post-assistance tracking survey process, approval to implement incentives for families to move to areas of opportunity, and expanded applicability to include career-able ports-in, project-based households exercising mobility, and non-legacy RAD households exercising mobility.
- FY 2018: Modified to include right-size unit restriction, limitation on the approvable amount of rent increases, and a limitation on the amount of subsidy paid on behalf of over-housed households. Title changed to Term-Limited Lease Assistance.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.

ii. Description/Update

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.

The goal of this activity is to enable the households we serve to focus on self-sufficiency efforts while we assist them with their housing needs for a limited term. Households served through this activity are provided with up to five years of housing assistance and supportive services, with the possibility for extension through a hardship exception that may provide up to two years of additional assistance.

This activity applies to new non-elderly and non-disabled households admitted to the Housing Choice Voucher program from HACSB’s waiting list, porting in from another jurisdiction, or exercising mobility from HACSB project-based voucher units. Currently assisted households who are selected from the wait list during their term of participation in the TLA program may continue their current term of participation but will not be provided a new or extended term of assistance. In such circumstances, the application for that household will be removed from the wait list.

The activity is now in its thirteenth year. Since implementation, 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. In 2021, the longitudinal study report included more than 2,300 households and reported positive outcomes, including:

- Earned income for households in the program increases by an average of 45.5% during their five-year term of assistance, and the number of households with earned income nearly doubles from 48% at the start of the five-year term to 86% by the fifth year;
- Full-time employment increased by 25%;
- Households' assistance income tends to decrease in the second year of the program but is quickly replaced by increased earned income.

We continue to work with our Loma Linda University partners to evaluate the households' progress and challenges as well as residual impacts the program has on families after they exit housing assistance.

Subsidy Calculation:

Households joining the activity on or after November 1, 2017: the subsidy calculation mirrors the Streamlined Tiered Assistance Program for New Non-Elderly/Non-Disabled Households.

Subsidy Limitation:

This component has not been implemented as of May 2024, but may be implemented in the coming year to ensure financial viability of the program without terminating assistance or serving fewer households. . HACSB is authorized to apply a subsidy limitation to households participating in the TLA activity. To encourage households to select units that are appropriately sized and most likely to be affordable to the household when coupled with the rental subsidy, HACSB will apply a subsidy limitation to over-housed households. Over-housed households are those who have voluntarily selected and leased a unit that is larger than their voucher size. For example, a household with a two-bedroom voucher who has chosen to lease a three-bedroom unit. In these instances, the rental subsidy is capped by the applicable HACSB Local Payment Standard. However, in many cases the contract rent for the larger unit exceeds the contract rent for a unit that is the same size as the voucher issued to the household, which results in a greater household rent share than if the household had selected a smaller unit. Additionally, this scenario increases the HAP subsidy, often to the maximum allowable amount. Through this activity, HACSB will limit the maximum subsidy for over-housed households to the average subsidy rate for households that are not over-housed with the same size voucher.

Supportive Services:

During the term of assistance, HACSB also provides coaching services to the household through its Family Empowerment Services (FES) department (formerly known as Career Development Initiatives). Households are required to meet with their FES caseworker at least annually to review their action plan and progress. Services provided to households through the FES team include:

- Needs assessment at intake to identify barriers and areas of need, such as education, job training, childcare, transportation, and other areas;
- Development of an individualized action plan to overcome barriers and needs as identified;

- Access to other resources designed to provide the household with meaningful support and tools to enhance the household's chances for success.

Mobility:

For households 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 households 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.

Hardship Exemptions:

HACSB recognizes that the expiration of assistance may present a hardship for some households, and has developed hardship exemptions in four categories:

- **Completion of Self-Sufficiency Activity:** to allow the household to complete an educational, job training, or other approved self-sufficiency activity.
- **Unforeseen and Involuntary Loss of Income**
- **Near-Elderly Household:** if the head of household will reach age 62 no later than six (6) months after the end of term or any applicable extension, the household may request a transfer to HACSB's Streamlined Lease Assistance for Elderly/Disabled Families.
- **Other Reasons:** this category allows HACSB to approve an extension of assistance for rare or unusual circumstances, such as PHA error.

To be eligible for a hardship exemption, the household must have complied with all requirements of the program, including the Supportive Services Agreement. Any approved extension shall not exceed two years and shall be approved in increments of six or twelve months as determined by HACSB.

Total Term:

The total term of assistance under the program, including any approved hardship exemption, shall not exceed seven years. Note: This total term limit may have been exceeded for households whose end of term was scheduled to take place between April 1, 2020, and September 30, 2020, and who received an automatic six-month extension of assistance through HACSB's emergency operations in response to the COVID-19 pandemic.

Unit Size Limitation:

HACSB may require households admitted to or moving to a new unit under the Term-Limited Assistance (TLA) Program to select a unit whose number of bedrooms is not greater than their voucher size. For example, a household with a two-bedroom voucher may not lease a three-bedroom or larger unit. The intent of this component is to ensure that households choose a unit that is appropriately sized and affordable for their income situation. Over-housed households are also more costly to house than households in right-sized units. HACSB implemented this requirement in July 2021, but withdrew the requirement in 2022 due to scarcity of available housing units. We continue to monitor and balance program costs with leasing success to determine if re-implementation of the requirement is needed. We may implement the requirement again in the coming year to ensure the financial viability of the program without terminating assistance or serving fewer households.

Incentive to Move to Areas of High Opportunity:

HACSB may provide incentive to households in the term-limited lease assistance program to move to areas of high opportunity, as identified by HACSB. This component has not been implemented as of May 2024. We continue to monitor and balance program costs with leasing success to determine if implementation of this component is appropriate.

Post-Assistance Tracking Incentive:

HACSB has partnered with Loma Linda University (LLU) to evaluate Term-Limited Lease Assistance households at exit and annually for two years after assistance has concluded. Information is collected through a questionnaire that is returned directly to LLU. Although participation in the survey is voluntary, a monetary incentive is provided for households completing the survey. Households receive the incentive payment only upon completion of each survey. Feedback obtained through the exit study helps HACSB to understand the household perspective and experience in the TLA program.

Rent Increase Limitation:

Through its 2018 Annual MTW Plan HACSB was granted authorization to limit the value of approvable rent increases to an amount less than the average value of previously approved rent increases. For example: if the average value of approved rent increases is 10% of the previous contract rent, this modification would permit HACSB to cap the amount of any proposed rent increase to less than 10% of the previous contract rent. This modification provides HACSB with a mechanism to slow the HAP cost increases resulting from continued rent increases. However, this component was not previously implemented due to scarcity of available housing units and other reasons. HACSB may implement this component in the coming year to ensure financial viability of the program without terminating assistance or serving fewer households. We continue to monitor leasing success and program costs to determine if implementation of this component is appropriate.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement the following temporary changes to this activity (“emergency operations”) to ensure continuity of operations to the extent possible and practical.

These and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), “stay-at-home” orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in our offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. As a result, HACSB implemented the emergency operations for this activity:

- To the extent possible, HACSB will conduct annual meetings between TLA participants and their FES caseworker by telephone or using virtual meeting technology. If this is not possible, HACSB will defer the annual meetings until it is safe, feasible, and practical to conduct them in accordance with normal procedures;

- The end of term (EOT) for any TLA participant with an EOT scheduled to occur between April 1, 2020, and September 30, 2020, was delayed by six months.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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
- Local Metric: Increase in Household Income Over Time in Program
HACSB plans to measure household income from the first year of participation to the fourth year of participation.

v. Planned Significant Changes

None.

Activity 23: No Child Left Unsheltered

i. Plan Year Approved, Implemented, Amended

- FY 2014: Initial Approval through HACSB's FY 2014 Annual MTW Plan. Implemented on April 1, 2015.
- FY 2015: Modified to expand program eligibility criteria.
- FY 2018: Modified to add twenty tenant-based vouchers for the foster care component.
- FY 2019: Modified through HACSB's FY 2019 Annual MTW Plan, Amendment 1, to add an automatic transition to HACSB's TLA or SLA activity after two years of participation in NCLU for families newly participating in the activity.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.

ii. Description/Update

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.

The No Child Left Unsheltered (NCLU) initiative aims to end homelessness of unsheltered families with children in San Bernardino County, with special attention to the education and well-being of the children and overall stabilization of the family. NCLU will provide housing assistance through the Housing Choice Voucher program or Affordable Housing program coupled with supportive services.

- Through this activity, any combination of sixty (60) project-based vouchers and/or tenant-based vouchers are available to eligible low-income unsheltered families, in either of the following categories Families with children (under 18 years of age) who are unsheltered at the time of application but do not otherwise meet HUD's definition of chronically homeless.
- Young adults participating in the San Bernardino County Department of Children and Family Services Foster Care Aftercare program.

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. Families are referred to NCLU through the county-wide Coordinated Entry System (CES). Referred families may be admitted as a special admission or placed onto a waiting list with a preference specifically for this program. Participating families receive supportive services through HACSB partners, including the San Bernardino County Department of Behavioral Health (DBH).

Family Rent Portion and Rental Subsidy Calculation

The family rent portion and rental subsidy are calculated using the Streamlined Lease Assistance (activity 22) methodology.

Transition to Other HACSB Housing Programs

Our FY 2019 Annual MTW Plan, Amendment 1, included a modification to this activity to automatically transition eligible families to another HACSB housing program after two years of participation in NCLU. Career-able households will transition to the Term-Limited Lease Assistance (TLA) program and elderly/disabled households will transition to Streamlined Lease Assistance (SLA). This modification applies to new NCLU families admitted on or after October 1, 2019. This component of the activity was put on hold due to the COVID-19 pandemic. NCLU families who were admitted to the program between January 1, 2020, and December 31, 2022, will transition to another HACSB program after four years of NCLU program participation. All households admitted to the program after December 31, 2022, will transition to another HACSB program after two years of NCLU program participation.

Through this plan, HACSB is proposing to transition existing NCLU households, admitted to the program before October 1, 2019, residing in units where the PBV contract is expiring, to a tenant-based voucher. This will not have an impact on the household as they will not be required to move from the unit and their rent portion will continue to be calculated using the SLA methodology.

Foster Care Component

Through our FY 2018 Annual MTW Plan, we modified this activity to add twenty (20) units to allow participation by young adults participating in the Department of Children and Family Services Foster Care Aftercare program. Services will target low-income young adults age 18-21 in the Aftercare program who are in need of housing support to transition to stable independent living. Individuals in the Aftercare program receive only limited services through the Foster Care program and are ineligible for housing support through the Foster Care program. Assistance under this component will be subject to the availability of funds. To be eligible for housing support through this component of the NCLU program, the household must:

- Be referred by the San Bernardino County department of Children and Family Services; and
- Be a low-income family as defined by HUD; and
- Meet HACSB's criminal history background screening requirements; and
- Be an active participant in the Aftercare program.

HACSB anticipates that the individuals served through this program will be primarily single individuals but may also include families with one or more dependent children.

Through this component, HACSB will provide each eligible family up to three years of housing support through the Housing Choice Voucher program. The term of support will coincide with the family's enrollment in the Aftercare program. Additionally, the family will be required to engage in supportive services through HACSB's Family Empowerment Services (FES) department and to complete an Individual Training and Services Plan. To ensure that services provided by the Foster Care program and HACSB's FES department continue to be accessed during the term of assistance, the family may not exercise portability or mobility.

The family may request an extension of assistance of up to one year beyond their participation in the Foster Care Aftercare program. HACSB will apply the same hardship eligibility criteria and approval procedures as established for the Term-Limited Lease Assistance program.

HACSB is currently focusing on leasing households in this demographic category into the Family Unification program. While households are not being enrolled into this component at this time, we will keep the component active for future use.

PBV Unit Designation

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. These contracts were awarded through a non-competitive process authorized under HACSB's Local Project-Based Voucher program (activity #11). 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 NCLU families more quickly and with more flexibility than in the traditional tenant-based voucher program.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement the following temporary change to this activity ("emergency operations") to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), "stay-at-home" Executive Orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in offices through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. As a result, HACSB implemented the following emergency operations change for this activity:

- Supportive services provided to NCLU families may be reduced and/or deferred based on the availability and ability of HACSB staff and partners to provide those services.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

Through this plan, HACSB is proposing to transition existing NCLU households, admitted to the program before October 1, 2019, residing in units where the PBV contract is expiring, to a tenant-based voucher. This will not have an impact on the household as they will not be required to move from the unit and their rent portion will continue to be calculated using the SLA methodology.

iv. Planned Changes to Metrics/Data Collection

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

v. Planned Significant Changes

None.

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

i. Plan Year Approved, Implemented, Amended

- FY 2014: Initial approval. Implemented on April 1, 2015.
- FY 2015: Modified to exclude current participants of our Family Self-Sufficiency program.
- FY 2020: Modified through FY 2020 Annual MTW Plan, Amendment 2, to add Emergency Operations in response to the coronavirus/COVID-19 pandemic.
- FY 2022: Modified to exclude Term-Limited Lease Assistance participants.

ii. Description/Update

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.

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

Elderly/disabled households and participants of the Family Self-Sufficiency (FSS) and Homeownership programs are exempt from this activity. The transition period begins for existing households identified as over-income on April 1, 2015, and at interim or recertification for households that become over-income after April 1, 2015. TLA participant households are also exempted from this activity. TLA households have a similar anticipated self-sufficiency trajectory to families participating in the HACSB Homeownership program and Family Self-Sufficiency programs.

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

Households 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 household member with income if the change in income results in the household's income falling below 80% of AMI. If a hardship exemption is approved for such situations, the household will be removed from the six-month transition period and will not transition off the program.

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 no longer be over-income. This activity is ongoing and we will report further outcomes via our FY 2024 Annual MTW Report.

Notices to Over-Income Households

HACSB issues a total of four notices to over-income households under this activity:

- Thirty (30) days prior to the beginning of the six-month transition period HACSB will issue the household a Notice of Transition along with a summary of Frequently Asked Questions (FAQ) about the transition.
- At least ninety (90) days prior to the end of the transition period HACSB will issue a reminder notice to the household.
- Sixty (60) days prior to the end of the transition period HACSB will issue a reminder notice to the household, including a 60-Day Notice to Quit.
- Thirty (30) days prior to the end of the transition period HACSB will issue a final reminder notice to the household.

Emergency Operations

In the event of a local disaster, emergency, or other situation which affects the health and/or safety of HACSB customers, employees, and/or the general public, HACSB may implement the following temporary change to this activity ("emergency operations") to ensure continuity of operations to the extent possible and practical.

This and other emergency operations modifications were developed and implemented in early spring 2020 in response to the coronavirus/COVID-19 pandemic. The pandemic created a need for social distancing and other precautions to protect against the spread of the disease. In compliance with the recommendations of the Center for Disease Control (CDC), "stay-at-home" Executive Orders issued by California Governor Newsom, and other guidance from local, state, and federal agencies, HACSB took steps to reduce contact between individuals, including reducing the number of employees in the office through telework and alternative work schedules, expanding remote and virtual service options, and using prescheduled appointments for in-person customer service. HACSB implemented the following emergency operations change for this activity:

- HACSB delayed by six months the termination of assistance for any household whose six-month transition period was scheduled to end between April 1 and September 30, 2020.

Emergency operations have ended and have returned to normal operations. Emergency operations may be reenacted in the future in response to a resurgence of the current pandemic or another local disaster, emergency, or other crisis situation.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

None.

v. Planned Significant Changes

None.

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

i. Plan Year Approved, Implemented, Amended

- FY 2016: Initial approval.

ii. Description/Update

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

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

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

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

Phase I contains 50 units. 10 of the 50 units in Phase I are reserved as Mental Health Services Act (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.

In 2015 HPI broke ground on the Horizons at Yucaipa development, and construction of Phase I was completed in the spring of 2017. The phase achieved full lease-up and full occupancy by May 2017. HPI is currently looking at financing options to begin construction of phase II, 27 additional senior units, at the end of 2024.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

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

v. Planned Significant Changes

None.

Activity 26: Local Disaster Short-Term Rental Assistance Program

i. Plan Year Approved, Implemented, Amended

- FY 2017: Initial approval through FY 2017 Annual MTW Plan, Amendment 1.

ii. Description/Update

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

In August 2016 the massive Blue Cut Fire burned more than 36,000 acres in the Cajon pass area of San Bernardino County. The fire caused the complete shutdown of the Interstate 15 freeway and railroad lines, mandatory evacuations of an estimated 82,000 persons in at least six cities, and destroyed 105 homes and 216 minor structures. In the immediate aftermath, approximately seventy households displaced by the fire needed temporary assistance to stabilize their housing situation. The Blue Cut Fire illustrated the need for HACSB to have a mechanism in place to provide temporary housing assistance to families in the event of certain local disasters. This activity is designed to meet that need.

This activity is a short-term rental assistance program to provide temporary housing choice voucher assistance to households displaced as the result of a local disaster. Except as noted below, HACSB's policies and Moving to Work activities for the Housing Choice Voucher Program shall apply to the Local Disaster Short-Term Rental Assistance Program.

This activity has been fully incorporated into HACSB's policies and procedures. However, HACSB will only house households through this activity in the event of a locally declared disaster.

Determination of Local Disaster

A local disaster is an event that occurs within the County of San Bernardino and may include a natural disaster such as an earthquake, fire, flood, or storm, an act of terrorism, or other event as determined by HACSB. The qualification of a local disaster will be declared by HACSB through a resolution of its governing board.

Wait List

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

This program is not a set-aside and no vouchers will be reserved for this activity.

Eligibility

Assistance in this program will be limited to households displaced as the direct result of a local disaster. Households assisted through this activity will be subject to eligibility screening. At a minimum, each household must qualify as low-income (having gross annual income at or below the HUD-published Area Median Income adjusted for family size) and pass HACSB's criminal history background screening.

Term of Assistance

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

Subsidy Calculation and Reexamination

The rental subsidy and tenant rent portions shall be determined using the formulas established through HACSB's MTW Activity 22: Streamlined Lease Assistance Program. No reexamination of income will be conducted during the term of assistance, regardless of the length of the term.

Leveraging of Resources

HACSB will attempt to engage community partners to provide additional funding, housing stabilization services, and related supportive services to the households assisted through this activity.

HAP Contract and Lease

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

Portability

Households assisted through this activity may not exercise portability to another jurisdiction unless the receiving PHA will absorb the household.

Subject to Availability

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

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

- HC #3: Decrease in Wait List Time
- Local Metric: Number of Households Served through the Activity

v. Planned Significant Changes

None.

Activity 27: Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents

i. Plan Year Approved, Implemented, Amended

- FY 2019: Initial approval through FY 2019 Annual MTW Plan, Amendment 2.
- FY 2020: Modified to include a type two subsidy and income band TTP calculation through FY 2020 Annual MTW Plan, Amendment 3.

ii. Description/Update

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

Through this activity, HACSB is authorized to change the total tenant portion (TTP) calculation to create one that is based upon income bands, applying a flat TTP within each income band instead of basing the calculation of TTP on gross or adjusted income. Additionally, HACSB is authorized to modify the housing authority subsidy calculation as specified below. The activity applies to:

- 116 RAD-PBV units at the Waterman Gardens Phase III development, Crestview Terrace, excluding any RAD household exercising right of first return to those units. These units use the HACSB Subsidy and Income Band TTP Calculation – Type One.
- Eight PBV units located at the Daycreek Villas community in Rancho Cucamonga, California. These units use the HACSB Subsidy and Income Band TTP Calculation – Type Two.
- Future PBV units on a case-by-case basis. These units may use either the Type One or Type Two HACSB Subsidy and Income Band TTP Calculation.

Implementation – Crestview Terrace

This third RAD conversion phase at the Waterman Gardens site in San Bernardino (AMP 120, site 19-02) added 182 family rental units to complete the one-for-one replacement of the original 252 Public Housing units formerly located there while also adding market rate units to create a mixed-income community. The development utilizes Demolition/Disposition Transition Fund (DDTF) leveraged with City and County of San Bernardino HOME funds, state of California Affordable Housing and Sustainable Communities funds, private healthcare organization (Dignity Health) funds, and 4% Low Income Housing Tax Credits (LIHTC) coupled with tax-exempt private activity bonds. The unit breakdown is:

- 116 RAD project-based voucher (PBV) units with tax credits.
- 31 tax credit affordable units.
- 35 market rate units with no RAD, PBV, or tax credits.

The following table contains the breakdown of the 147 affordable units by size and tax-credit income bracket:

30% AMI TARGET		50% AMI TARGET		60% AMI TARGET		TOTAL
UNIT SIZE	NUMBER OF UNITS	UNIT SIZE	NUMBER OF UNITS	UNIT SIZE	NUMBER OF UNITS	
1 Bedroom	6	1 Bedroom	6	1 Bedroom	10	22
2 Bedroom	21	2 Bedroom	21	2 Bedroom	39	81
3 Bedroom	9	3 Bedroom	9	3 Bedroom	14	32
4 Bedroom	1	4 Bedroom	2	4 Bedroom	7	10
5 Bedroom	2	5 Bedroom	0	5 Bedroom	0	2
Total	39	Total	38	Total	70	147

HACSB Subsidy and Income Band TTP Calculation – Type One

Through this activity, the TTP and contract rents for the Crestview Terrace, 116 RAD-PBV tax credit units are set as follows:

- TTP (tenant rent) will be set at the applicable tax credit rent based on the unit size and target AMI for the unit.
- Contract rents will be set below 110% of the HUD-published Fair Market Rent (FMR) based on bedroom size. At this time, the contract rents are anticipated to be set at 91.247% of 110% of the FMR. Contract rents may be increased through an increase to the TCAC-published Tax Credit rents.
- The Housing Assistance Payment (HAP) subsidy will be the difference between the contract rent and the TTP. Payment of the HAP subsidy shall be subject to the availability of federal funding. The HAP contract will otherwise be the same as a standard RAD-PBV HAP contract.
- The contract rent will not be permitted to exceed 110% of the FMR.

Through these modifications, HACSB is able to apply a simplified rent and subsidy structure without changing the total amount of subsidy provided to support the development.

HACSB plans to apply Type One of this activity to new developments Arrowhead Grove Phase IV, and Valencia Grove Phase II.

HACSB Subsidy and Income Band TTP Calculation – Type Two

The eight PBV units located at the Daycreek Villas community in Rancho Cucamonga, which began occupancy in the fall of 2020, utilizes this Type Two calculation.

The TTP and HAP subsidy are set as follows:

- TTP (tenant rent) is set at the applicable tax credit rent based on the unit size and target AMI for the unit.
- Contract rents will equal the TTP plus the fixed HAP subsidy, and shall not exceed 110% of the HUD-published Fair Market Rent (FMR) based on bedroom size. Contract rents may be increased through an increase to the TCAC-published Tax Credit rents.
- The Housing Assistance Payment (HAP) subsidy is fixed at \$700. Payment of the HAP subsidy shall be subject to the availability of federal funding. The HAP contract will otherwise be the same as a standard PBV HAP contract.
- The contract rent will not be permitted to exceed 110% of the FMR.

Hardship Case Criteria

HACSB recognizes that under some circumstances, households may experience a hardship that makes it challenging to pay the applicable rent under this activity. Hardship exemption criteria have been developed for households whose rent burden exceeds 40% while participating in this program.

To be eligible for a hardship exemption, the household must:

1. Have a rent burden greater than 40%. Rent burden is calculated as the household's monthly rent portion (the applicable tax credit rent) divided by the household's gross monthly income; and
2. Request a hardship exemption in writing in accordance with HACSB's policies; and
3. Be in compliance with HACSB's policies, program rules, and regulations.

A hardship exemption may be approved for the following reasons:

1. The household experiences a death of a household member with income;
2. Any income-earning member of the assisted household no longer remains in the unit;
3. An elderly or disabled household experiences a permanent loss of income;
4. Unforeseen and involuntary permanent loss of income for a household member under the age of 18;
5. Unforeseen involuntary loss of employment or unforeseen loss of income due to major illness as determined by a medical professional; or
6. Unforeseen involuntary permanent loss of income for an adult household member who is attending high school.

If a hardship exemption has been approved, HACSB will reduce the household's TTP to 40% of gross income for a period of six months. During the hardship exemption period, HACSB will continue to pay the HAP subsidy plus the difference between the household's reduced TTP and the tax credit rent ("Hardship HAP" – the difference between 40% of the household's gross income and the applicable tax credit rent). At the end of the hardship exemption period, the household's TTP will return to the tax credit rent and the HACSB subsidy will return to the previous HAP subsidy. For example:

A 3-person household is residing in a 2-bedroom 50% tax credit unit. They pay the tax credit rent of \$758 per month. Their income is \$27,315 per year and their rent burden is 33.3%. HACSB pays a HAP subsidy of \$564 per month based on the subsidy and income band calculation.

A 17-year-old member of the household experiences an unforeseen and involuntary permanent loss of income. The household's new income is \$21,000 per year. Their rent burden under the base income band TTP calculation is now 43.3%.

HACSB approves a hardship exemption for the household based upon the unforeseen and involuntary permanent loss of income for a family member under the age of 18. For six months, the household's TTP will be set at 40% of their gross income, or \$700. During the hardship exemption period HACSB will continue to pay to the owner the HAP subsidy of \$564 per month, plus the difference between the TTP and the tax credit rent, or \$58.

At the end of the hardship exemption period, the household's TTP will return to the tax credit rent. The HACSB subsidy will return to \$564.

No more than one hardship exemption per household may be approved within a 12-month period. Approval will be subject to the availability of funds.

Crestview Terrace Units: HACSB will apply MTW funding flexibility to create a "Tenant Rent Burden Protection Fund" from which the Hardship HAP will be paid. HACSB and its developer partner will both contribute to this fund to ensure the availability of hardship exemptions for rent-burdened households. **All Other Units:** Hardship HAP shall be paid using MTW Single Fund Flexibility in the same manner as HAP.

iii. Planned Non-Significant Changes

In FY 2025, HACSB plans to apply this activity to new development, Arrowhead Grove Phase IV, and Valencia Grove Phase II, and has added this update in the narrative section of this activity.

iv. Planned Changes to Metrics/Data Collection

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

- HC #1: Additional Units of Housing Made Available

v. Planned Significant Changes

None.

Activity 28: Leasing Success Strategies

i. Plan Year Approved, Implemented, Amended

- FY 2022: Initial approval through FY 2022 Annual MTW Plan.
- FY 2022, Amendment 1: Reproposed activity to include housing navigation services and other supportive services.

ii. Description/Update

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

Through this activity, HACSB implements strategies designed to increase the leasing success rate of households participating in HACSB MTW voucher programs. All components of this activity are subject to availability of funding.

Signing Bonus

HACSB provides a one-time \$1,000 signing bonus for each new HAP Contract signed after the program goes into effect. HACSB has established the following criteria for the incentive:

- The assisted unit must be located in HACSB's service area which is the entire County of San Bernardino excluding the City of Needles.
- The voucher holder must be a new program participant or existing program participant who is new to the rental property.
- Executed lease and contract with all required addendums will be required before the signing bonus will be made.

The following properties are not eligible for the signing bonus:

- Tax credit properties
- Units under a project-based voucher (PBV) HAP contract
- HACSB and HACSB affiliate owned units

The following situations do not qualify for a signing bonus:

- An existing program participant is signing a new lease to remain in their current subsidized unit.
- An existing voucher participant is moving from one unit to another in the same apartment complex, such as a tenant moving from upstairs to downstairs.

Housing Navigation and Other Supportive Services

HACSB uses MTW single-fund flexibility to fund housing navigation and other supportive services to tenant-based voucher program customers to support leasing success. This strategy is a temporary service and is anticipated to be in place for no more than 1-2 years to support leasing efforts during this extremely challenging time. Housing navigation and supportive services will be offered only to households newly entering HACSB's tenant-

based voucher program (initial tenancy); some exceptions may be made to offer housing navigation and supportive services to existing (currently assisted/previously leased) families for extenuating circumstances, such as situations covered by the Violence Against Women Act (VAWA) or when an assisted household experiences homelessness after vacating their previous unit. Housing navigation and supportive services will be made available to each household for the duration of the household's voucher search and will end when the household successfully leases a unit. All services are voluntary; HACSB will offer the services at the time of voucher issuance, but the household is not required to accept or participate in any or all services. Housing navigation and supportive services offered include the following: available unit identification, landlord-tenant connection and negotiation, coordination and case management with referral partners, financial assistance, tenant damage mitigation fund and/or a tenant education program, and transportation services (if applicable).

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

- **Local Metric: Average Number of Days from Voucher Issuance to Lease Start**
HACSB will compare the baseline (pre-implementation) and post-implementation number of days from voucher issuance to lease start to help determine if the activity is shortening the search time for voucher holders.
- **Local Metric: Successful Lease Rate**
HACSB will compare the baseline (pre-implementation) and post-implementation percentages of voucher holders who successfully lease a unit to help determine if the activity is improving voucher holders' ability to lease a unit.

v. Planned Significant Changes

None.

Activity 29: Moving On Strategy

i. Plan Year Approved, Implemented, Amended

- FY 2023: Initial approval through FY 2023 MTW Annual Plan

ii. Description/Update

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

This activity was developed in alignment with HUD's encouragement of housing agencies and communities to explore strategies to promote the transition of households in permanent supportive housing (PSH) programs who no longer need or want the intensive services of those programs into housing assistance programs that do not include those services, such as the Housing Choice Voucher and Public Housing programs. Through this activity, HACSB allows households participating in the Continuum of Care (CoC) programs administered by HACSB to voluntarily transfer into HACSB's tenant-based MTW voucher program. Households are evaluated for readiness to transition from the CoC program, which includes supportive services such as case management, employment assistance and job training, housing search and counseling services, life skills training, mental health services, outpatient health services, and other services provided by the San Bernardino County Department of Behavioral Health (DBH), into tenant-based MTW housing assistance without those services. This activity allows HACSB to ensure housing stability while also providing households the opportunity to take their next step toward housing independence. Additionally, HACSB will be able to serve new chronically homeless households in need of the supportive services and housing assistance offered through the CoC program as other households voluntarily transition into the tenant-based MTW voucher program.

Household Selection and Transition

Households participating in the CoC program are evaluated by DBH using the Supportive Service Level of Care Assessment (LCA) developed by DBH. The LCA evaluates housing, mental health, and physical health domains to determine readiness to transition. Households identified by DBH as ready to transition are referred to HACSB for the Moving On program. HACSB reviews the household's potential post-transition rent burden and confirms the household's readiness to transition using the transition assessment developed in partnership with Loma Linda University. The transition assessment is based upon the self-sufficiency matrix and evaluates life skills, income, education, and other domains. Once HACSB confirms readiness, the household will be invited to voluntarily transition to the HACSB tenant-based MTW voucher program.

Transition from the CoC program into HACSB's tenant-based MTW voucher program is voluntary. Invited households may elect to remain in the CoC program without penalty. Households who elect to voluntarily transition will be formally exited as participants of the CoC program and admitted into HACSB's tenant-based MTW voucher program as a special admission under Moving On. Once admitted to HACSB's tenant-based MTW voucher program, DBH will provide aftercare services to participants for at least 24 months following the transition from the CoC program. As outlined in the each of Memorandum of Understanding for the CoC programs with DBH, aftercare services may include, but are not limited to, a variety of supports

around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.

Rent and Subsidy Determination

The housing assistance subsidy calculation for Moving On households mirrors the Streamlined Fixed Assistance Program for Elderly/Disabled Households as established through HACSB's MTW Activity 22 - Streamlined Lease Assistance (SLA), except that the household's rent share (TTP) is the greatest of 24% (not 30%) of their gross income, the minimum rent, or baseline rent. All other components of the SLA activity apply to Moving On households.

Other Applicable MTW Activities

All other active HACSB MTW activities applicable to tenant-based voucher households also apply to Moving On families, except:

- 20 - Term-Limited Lease Assistance; and
- 23 - No Child Left Unsheltered.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

None. In accordance with the 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 #6: Reducing Per Unit Subsidy Costs for Participating Households
- SS#7: Increase in Tenant Rent Share
- SS#8: Households Transitioned to Self-Sufficiency

v. Planned Significant Changes

None.

Activity 30: Valencia Grove Phase II, Affordable Rent Strategy

i. Plan Year Approved, Implemented, Amended

- FY 2024: Initial approval through FY 2024 MTW Annual Plan

ii. Description/Update

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

Constructed in 1943, the original Public Housing community located in the city of Redlands was the first affordable housing community built by HACSB after its formation in 1941. The original site consisted of 115 Public Housing units. Despite several upgrades throughout the years, the site was in need of infrastructure improvements. In partnership with HUD, HACSB, and its developer partner, Housing Partners I, Inc. (HPI), began the process of revitalizing the community in three phases in 2010. Phase I was completed and fully occupied in 2016. Phase II will include 104 affordable rental units, and Phase III is planned to include 39 single-family townhomes available to first-time homebuyers. When completed, the fully redeveloped community will include 238 units. The 104 units of Phase II will be affordable multifamily rental units, including eight 4-bedroom project-based voucher (PBV) units. The rent structure will be established using the Low-Income Housing Tax Credit (LIHTC) rent schedule for individuals with incomes at or below 80% of Area Median Income (AMI). This will ensure the rents for the community are affordable to low-income households.

Through this activity, HACSB will approve a higher contract rent for PBV units and TBV units than for other affordable non-voucher units at Valencia Grove Phase II. This modification will increase rent revenue for the development without impact to tenants. Of the 104 affordable multifamily unit development, the contract rent for the eight 4-bedroom PBV units will be set at \$3,625 for applicants with incomes under 50% of the Area Median Income (AMI), as established in HACSB's Agreement to Enter into Housing Assistance Payments Contract Agreement (AHAP) for the site. For any tenant-based voucher units, the contract rent will be lower of the reasonable rent (based on existing rent reasonableness determination procedures) or HACSB's Local Payment Standard (LPS). For all other affordable non-voucher units at the development, the contract rent will be established using the LIHTC rent schedule for individuals with incomes at or below 80% of the AMI, minus the utility allowance.

iii. Planned Non-Significant Changes

None.

iv. Planned Changes to Metrics/Data Collection

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

- HC #1: Additional Units of Housing Made Available

v. Planned Significant Changes

None.

B. Not Yet Implemented Activities

HACSB does not have any activities that are approved and not yet implemented.

C. Activities on Hold

Activity 3: Alternate Assessment Programs

i. Description

This activity was approved through HACSB's FY 2009 Annual MTW Plan and has not yet been implemented. The activity was placed on hold via HACSB's FY 2010 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.

ii. Reactivation Plan Update

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. An update on the assessment system was provided at the MTW Conferences in 2019 and 2021, and testing by current MTW agencies is ongoing. 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. This activity remains on hold pending approval and implementation of that system.

iii. Planned Non-Significant Changes

None.

D. Closed Out Activities

Activity 2: Strategic Investment Policies

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved through our FY 2009 Initial Annual MTW Plan and implemented in November 2010. The activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity was closed out in response to HUD's comments regarding the HACSB FY 2019 Annual MTW Plan, wherein HUD stated that Notice PIH 2011-67 (Implementation of New Cash Management Requirements for the Housing Choice Voucher Program) effectively nullifies the activity and requested that the activity be moved to the Closed Out Activities section of HACSB's Annual MTW Plan.

Activity 6: Elimination of Assets

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved in our FY 2009 Annual MTW Plan and was implemented on October 1, 2009. The activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity was closed out due to the merge of activities 5 (Local Verification Policies), 6 (this activity), 9 (Elimination of Earned Income Disallowance), and 17 (Local Income Inclusions) through HACSB's FY 2019 Annual MTW Plan. This activity is now closed out as a separate activity. However, the modifications originally included through this activity are now incorporated into activity 5, which was re-titled "Simplified Income Determination" through HACSB's FY 2019 Annual MTW Plan.

Activity 7: Controlled Program Moves

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved in our FY 2009 Annual MTW Plan and implemented on February 1, 2010. The activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity resulted in a significant decrease in agency costs and staff time spent related to processing voluntary moves. In FY 2017, both costs and time spent reflected approximately a 64% decrease over the baselines. The staff time spent per move was 42% lower in FY 2017 than the baseline value. However, because the total number of moves did not decrease as much as was anticipated, the benchmarks for staff time and cost savings were not reached.

As with all of our MTW activities, HACSB performed internal monitoring of aspects of the Controlled Program Moves activity beyond what was reported through our annual MTW reports. We found that, while this activity resulted in cost and time savings related directly to a reduction in the number of moves processed annually, it also resulted in additional administrative burden in other areas. For example, we identified an increase in the number of moves requested as a reasonable accommodation and/or under the provisions of the Violence Against Women Act (VAWA) after implementation of this activity. Additionally, the two-year lease requirement caused other challenges, especially for families nearing the end of their participation in the Term-Limited Lease Assistance Program. As a result, we eliminated the two-year lease requirement and closed out this activity through our FY 2019 Annual MTW Report.

Activity 9: Elimination of Earned Income Disallowance

i. Plan Year Approved, Implemented, Amended, and Closed Out

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. The activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity was closed out due to the merge of activities 5 (Local Verification Policies), 6 (Elimination of Assets), 9 (this activity), and 17 (Local Income Inclusions) through HACSB's FY 2019 Annual MTW Plan. This activity is now closed out as a separate activity. However, the modifications originally included through this activity are now incorporated into activity 5, which was re-titled "Simplified Income Determination" through HACSB's FY 2019 Annual MTW Plan.

Activity 15: Pilot Work Requirement

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved in the FY 2010 Annual MTW Plan. The work requirement was implemented on January 1, 2013, for the Maplewood Homes Public Housing community, and expanded to include all inbound portability families effective August 1, 2010. The work requirement at Maplewood Homes was ended in FY 2016 as a result of the RAD conversion of that site. The work requirement for portability families was ended and this activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity was closed out as a result of internal analysis which identified certain challenges in administering the work requirement, as well as advantages of ending the requirement. Ending the work requirement will reduce administrative burden, streamline HACSB's processes, and increase housing choice for families who desire to exercise portability to San Bernardino County. Additionally, ending the work requirement will empower families to make decisions about their housing and employment that are best for their unique family circumstances.

Activity 16: Operating Subsidy for Vista del Sol

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved through the second amendment to our FY 2010 Annual MTW Plan and implemented on April 23, 2010. This activity was closed out via HACSB's FY12 Annual MTW Plan.

ii. Reason(s) for Close-Out

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

Activity 17: Local Income Inclusions

i. Plan Year Approved, Implemented, Amended, and Closed Out

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 Annual MTW Plan. The activity was closed out through HACSB's FY 2019 Annual MTW Plan.

ii. Reason(s) for Close-Out

This activity was closed out due to the merge of activities 5 (Local Verification Policies), 6 (Elimination of Assets), 9 (Elimination of Earned Income Disallowance), and 17 (this activity) through HACSB's FY 2019 Annual MTW Plan. This activity is now closed out as a separate activity. However, the modifications originally included through this activity are now incorporated into activity 5, which was re-titled "Simplified Income Determination" through HACSB's FY 2019 Annual MTW Plan.

Activity 19: Local Family Self-Sufficiency Program

i. Plan Year Approved, Implemented, Amended, and Closed Out

This activity was approved in our FY 2011 MTW Annual Plan and implemented on July 1, 2012. This activity was closed out through HACSB's FY 2024 MTW Annual Plan.

ii. Reason(s) for Close-Out

This activity allowed HACSB to develop a local pilot Family Self-Sufficiency (FSS) program that allowed program participants who were eligible to receive the balance of their escrow account at the end of their FSS contract if they voluntarily terminated their assistance from the Housing Choice Voucher or Public Housing program due to self-sufficiency efforts. Families were also allowed to withdraw a portion of their FSS escrow savings balance during participation in the Local FSS program for certain self-sufficiency-related activities. However, this program experienced low enrollment year after year as interested participants opted to instead enroll in HACSB's traditional FSS program. HACSB plans to develop and propose a revised Local FSS MTW activity in the future.

Activity 21: Utility Allowance Reform

i. Plan Year Approved, Implemented, Amended, and Closed Out

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

ii. 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 Term-Limited 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 Term-Limited Lease Assistance programs but at this time, the Agency has postponed utility allowance reform indefinitely.

V. Sources and Uses of MTW Funds

A. Estimated Sources and Uses of MTW Funds

The following tables reflect anticipated MTW funding and expenses based upon information available to HACSB at the time of this writing. Additional information may be made available after this Plan is posted for public comment and the values reported below may change when this Plan is presented to HACSB's Board of Commissioners for approval and/or when the Plan is submitted to HUD for approval.

i. Estimated Sources of MTW Funds

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	6,564
70600	HUD PHA Operating Grants	152,589,024
70610	Capital Grants	-
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	14,810,065
71100+72000	Investment Income	278,530
71600	Gain or Loss on Sale of Capital Assets	-
71200+71300+71310+71400+71500	Other Income	418,000
70000	TOTAL REVENUE	168,072,183

ii. Estimated Uses of MTW Funds

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	12,704,860
91300+91310+92000	Management Fee Expense	1,185
91810	Allocated Overhead	-
92500 (92100+92200+92300+92400)	Total Tenant Services	60,950
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	159,064
93500+93700	Labor	-
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	966,837
95000 (95100+95200+95300+95500)	Total Protective Services	-
96100 (96110+96120+96130+96140)	Total insurance Premiums	181,706
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	710
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	-
97100+97200	Total Extraordinary Maintenance	169,750
97300+97350	Housing Assistance Payments + HAP Portability-In	153,827,042
97400	Depreciation Expense	-
97500+97600+97700+97800	All Other Expenses	-
90000	TOTAL EXPENSES	168,072,183

DESCRIPTION OF VARIANCE BETWEEN ESTIMATED TOTAL REVENUE AND ESTIMATED TOTAL EXPENSE
N/A.

iii. Description of Planned Use of MTW Single Fund Flexibility

DESCRIPTION OF PLANNED USE OF MTW SINGLE FUND FLEXIBILITY

1. HACSB's Family Empowerment Services department (FES) and its services, which are not a separate MTW activity, are funded using single fund flexibility. This department was previously called Career Development Initiatives (CDI).
2. HACSB's post-assistance tracking survey for Term-Limited Lease Assistance families, implemented in FY 2018, includes a financial incentive for survey participants which is funded through the single fund flexibility.
3. HACSB is authorized to use Section 9 (Public Housing) funds defined as Public Housing operating reserves, Capital Fund Grants, Replacement Housing Factor Funds, and Demolition and Disposition Transitional Funds at former Public Housing properties that have been converted to Project-Based Voucher (PBV) properties through the Rental Assistance Demonstration. This authorization applies to accumulated reserves, including MTW reserves, and any future allocation of the funds specified in this authorization. The funds will be used for capital needs rehabilitation, operating expenses, and redevelopment costs.
4. In December 2014 HACSB was approved for conversion of its entire Public Housing portfolio under the Rental Assistance Demonstration (RAD) program. As units are converted the existing Public Housing funding is 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.
5. Single-fund flexibility may be utilized to support expenses for RAD-converted developments, including, but not limited to, mandated reserve contributions.
6. Single-fund flexibility is crucial to HACSB's affordable housing development efforts. By leveraging multiple internal sources (Capital Fund, RHF, Voucher funding), HACSB maximizes 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.
7. HACSB will utilize single-fund flexibility to support the acquisition of rental housing properties, in conjunction with commitment of project-based vouchers (PBV) to the site.
8. HACSB will utilize single-fund flexibility to contribute to a retirement trust fund. Doing so will decrease the current unfunded liability and reduce future expenses.
9. In FYE 2025 HACSB anticipates beginning construction of a community resource center (CRC) in the city of San Bernardino. The CRC will provide customers access to HACSB services, including assistance with housing-related needs, self-sufficiency resources, and other services offered by community partners. HACSB will use single-fund flexibility to support the development of the CRC.
10. HACSB's Activity 28: Leasing Success Strategies is funded through single-fund flexibility.

iv. Planned Application of Unspent Operating Fund and HCV Funding

Original Funding Source	Beginning of FY – Unspent Balances	Planned Application of Unspent Funds during FY
HCV HAP	\$34,534,000	\$34,534,000
HCV Admin Fee	\$0.00	\$0.00
PH Operating Subsidy	\$4,716,388	\$4,716,388
Total:	\$39,250,388	\$39,250,388

Description of Planned Expenditures of Unspent Operating Fund and HCV Funding

HACSB plans to utilize 100% of the unspent Housing Choice Voucher (HCV) Housing Assistance Payments (HAP) balances on HAP for FY 2024-2025. Over the past several years HACSB has experienced significant increases in HAP costs for families in the HCV program. The increases are primarily driven by substantial and rapid increases in market rents and, consequently, HAP expenses continue to outpace funding. HACSB is currently drawing upon funding reserves to cover monthly HAP expenses that exceed our monthly funding amount. HACSB also plans to apply the unspent Public Housing Operating Subsidy on rehab of properties.

B. Local Asset Management Plan

i. Is the MTW PHA allocating costs within statute?

No.

ii. Is the MTW PHA implementing a local asset management plan (LAMP)?

Yes.

iii. Has the MTW PHA provided a LAMP in the appendix?

Yes.

iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

No changes to the LAMP are anticipated during the Plan Year.

C. Rental Assistance Demonstration (RAD) Participation

i. Description of RAD Participation

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION
HACSB has converted its entire Public Housing portfolio under the RAD program in accordance with HUD approvals. All units save one single family home have been converted to RAD project-based vouchers (PBV).

ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

Yes. A RAD Conversion Plan for the conversion of Valencia Grove Phase II is submitted with this Plan as Exhibit 1, and a RAD Significant Amendment is included as Appendix D to this Plan.

iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment.

The RAD Conversion Plan included as Exhibit #1 to this Plan and RAD Significant Amendment included as Appendix I to the Plan include the proposed RAD-PBV conversion of Valencia Grove Phase II housing development.

VI. Administrative

A. Board Resolution and Certification of Compliance

The following items are (or will be, upon approval by the HACSB Board of Commissioners) included with this Plan:

1. Resolution of the HACSB Board of Commissioners adopting this Annual MTW Plan and the Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan
2. Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan (from Form HUD 50900)
3. Documentation of Public Process
4. Lobbying Disclosures
5. Exhibit 1 – RAD Conversion Plan for Valencia Grove II

HOUSING AUTHORITY RESOLUTION NO. 2024-204

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S FISCAL YEAR 2024-2025 ANNUAL MOVING TO WORK PLAN, AMENDMENT 1

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (HACSB) is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction; and

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

WHEREAS, as a 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 develop a new MTW activity and modify certain previously approved MTW activities; and

WHEREAS, the HACSB has developed its Fiscal Year 2024-2025 Annual MTW Plan, Amendment 1, to include the proposed modifications to those MTW activities and in accordance with HUD requirements.

OPERATIVE PROVISIONS

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

Section 1. The Board of Commissioners 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 Commissioners hereby approves the proposed Fiscal Year 2024-2025 HACSB Annual MTW Plan, Amendment 1, on November 12, 2024.

Section 3. A complete copy of the 2024-2025 Annual MTW Plan, Amendment 1, can be found at <https://hacsb.com/moving-to-work/>.

Section 4. This resolution shall take effect immediately upon its adoption.

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


AYES: Commissioners Cooper, MacDuff, Avila, Johnson, Miller

NOES:

ABSENT:

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

I, **Maria Razo**, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, November 12, 2024.

DocuSigned by:

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Secretary

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 Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (10/01/2024), 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 MTW 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 MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW 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 MTW 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 (or successor form as required by HUD).
- (4) The MTW 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.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW 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.
- (11) The MTW 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 75.

form **HUD 50900: Certifications of Compliance (3/2021)**

- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW 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.
- (14) The MTW 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.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW 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 MTW 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.
- (17) With respect to public housing and applicable local, non-traditional development the MTW 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.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW 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.
- (23) 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 MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the County of San Bernardino

CA019

MTW PHA NAME**MTW PHA NUMBER/HA CODE**

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Beau Cooper

Board Chair

NAME OF AUTHORIZED OFFICIAL**TITLE****SIGNATURE****DATE**

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

B. Documentation of Public Process

This section includes a detailed timeline of the public process for this Annual Moving to Work (MTW) Plan Amendment and a summary transcript of any public comment(s) received during the public process. A copy of the Notice of Public Hearing for this Annual MTW Plan will be included.

The Housing Authority of the County of San Bernardino (HACSB) held two public hearings for the Fiscal Year 2024-2025 Annual MTW Plan, Amendment No. 1, at the Housing Authority's Administrative Office at 715 E. Brier Dr., San Bernardino, CA 92408 on Tuesday, October 15, 2024, at 10:00 a.m., and Thursday October 17, 2024, at 1:00 p.m.

Housing Authority Attendees

- Renee Kangas, Senior Management Analyst
- Justin Post, Management Analyst
- Shamira Shirley, Management Analyst
- Armando Salazar, Management Analyst

Purpose of the Public Hearing

The purpose of the hearing is to provide interested parties with an opportunity to present questions and/or comments regarding HACSB's Fiscal Year 2024-2025 Annual Moving to Work Plan, Amendment No. 1 before submission to the Housing Authority's Board of Commissioners and HUD for approval.

The proposed Plan is available for public viewing for 30 days beginning October 7, 2024. The plan was advertised in seven local newspapers, on the HACSB website, and copies were available at all HACSB offices located throughout the county.

SUMMARY OF PUBLIC PROCESS

DATE	ACTION
October 7, 2024	Public comment period opened. This Annual MTW Plan Amendment was posted on the HACSB website and made available for review at all HACSB offices.
October 7, 2024	<p>A Notice of Public Hearing regarding this Annual MTW Plan, including the dates/times of public hearing(s) and the public comment period, was published in the following local newspapers:</p> <ol style="list-style-type: none"> 1. San Bernardino County Sun 2. Black Voice 3. El Chicano 4. Inland Valley Daily Bulletin 5. Precinct Reporter 6. Daily Press 7. The Press Enterprise
October 15, 2024, and October 17, 2024	Public hearings held in-person.
November 6, 2024	Public comment period closed.
November 12, 2024	Presentation of this Annual MTW Plan to the HACSB Board of Commissioners for recommended approval.

SUMMARY OF PUBLIC COMMENTS

DATE RECEIVED FORMAT RECEIVED FROM	COMMENT AND/OR NOTES
-	No comments received.

**HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
RESIDENT ADVISORY BOARD MEETING
OCTOBER 29, 2024**

HACSB's Resident Advisory Board was presented with a summary of the proposed FY 2024-2025 Annual Moving to Work Plan, Amendment 1, at their regular meeting on Tuesday, October 29, 2024. A list of attendees and their comments follows.

List of Attendees:

Resident Advisory Board Members:

1. Tanisha Bradley
2. Deandra Chandler
3. Mohammad Khan
4. Patricia Lankford
5. Erik Shannon
6. Angelica Barrera

HACSB Staff:

1. George Silva
2. Renee Kangas
3. Nicole Beydler
4. Shamira Shirley

Summary of Proposed 2024-2025 Annual MTW Plan, Amendment 1

A presentation explaining the Moving to Work program, annual plan process, and details of the FY 2024-2025 MTW Plan, Amendment 1, proposed modifications to approved MTW activities was made by Renee Kangas, Senior Management Analyst, at the meeting.

Comments

The Resident Advisory Board expressed their approval of the MTW plan amendment. The following comments were made by RAB members at the meeting:

- A RAB member asked for clarification on Activity #22 Streamlined Lease Assistance modification of the rent tiered structure for elderly/disabled households.
- A RAB member asked a general question if there were "rent to own" programs offered to households.

NOTICE OF PUBLIC HEARING

On March 14, 2008, the U.S. Department of Housing and Urban Development (HUD) executed a ten-year Moving to Work (MTW) Agreement with the Housing Authority of the County of San Bernardino (HACSB) and in April 2016 that agreement was extended through 2028. In March 2024, the agreement received a second extension through 2038. As an MTW agency, HACSB is provided with more flexibility and authorization to develop policies and programs that are outside the limitations of certain HUD regulations. This allows HACSB to more successfully achieve its mission, 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 customer needs, HACSB has prepared its Fiscal Year 2024-25 Annual MTW Plan, Amendment 1 (Plan). The Plan will be made available to the public for review for 30 days starting Monday, October 7, 2024, at the following location:

Housing Authority of the County of San Bernardino
Administrative Office
715 E Brier Dr.
San Bernardino, CA 92408

The Plan is available on HACSB's website at <https://hacsb.com> click "About HACSB" then from the drop-down menu, "Moving to Work". The Plan is also available at any HACSB satellite office.

Notice is hereby given that HACSB will conduct a public hearing regarding the proposed Plan on the following days:

- Tuesday, October 15, 2024, at 10:00 a.m. at 715 E Brier Dr, San Bernardino, CA 92408, and
- Thursday, October 17, 2024, at 1:00 p.m. at 715 E Brier Dr, San Bernardino, CA 92408

If a citizen wishes to challenge the nature of the above action(s) in court, they may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the HACSB office located at 715 E Brier Dr, San Bernardino, CA 92408 prior to the close of the public comment period on November 6, 2024.

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.

C. Planned and Ongoing Evaluations

HACSB has contracted with Loma Linda University (LLU) for third-party evaluation of several MTW initiatives and families served through our MTW programs. This section provides a brief summary of those evaluations.

1. **Term-Limited Lease Assistance Program (Activity 20):** The LLU longitudinal study of this initiative began in 2012 and is ongoing. The study follows participating families through their progress from initial lease-up through their end of term, tracking their goals and accomplishments. In FY 2017, HACSB implemented an additional component to monitor the self-sufficiency related progress of families for up to two years after commencement of housing assistance through a voluntary survey process. In FY 2023 the study was updated to incorporate the assessment and outcome measurements of the Self-Sufficiency Matrix (SSM). This tool was utilized for several evaluations conducted by LLU of HACSB MTW activities. In FY 2024, LLU used the SSM matrix to measure family outcomes during the program and for up to two years after a family left the program.
2. **No Child Left Unsheltered (Activity 23):** A longitudinal study of this activity began in 2015 to identify its effects on participating families. The evaluation is ongoing, and focuses on family safety and stability, physical and mental health of adults and children, school attendance of children, employment, income, education advancement, self-sufficiency activities, financial choices, use of resources, and other effects on children. The reports and recommendations provided by LLU based upon the evaluation have informed HACSB's policy decisions regarding the NCLU activity, especially the enhancements and modifications made through HACSB's FY 2019 MTW Annual Plan. The reports indicated that the activity has had strong positive effects on the mental health and well-being of children participating in the program. The evaluation of the program continued in FY 2024. In the most recent study, LLU analyzed how cross agency partnerships impacted families' outcomes.
3. **Permanent Supportive Housing:** HACSB has partnered with LLU for evaluation of our two permanent supportive housing (PSH) developments for homeless and chronically homeless individuals and families: Golden Apartments in San Bernardino and Desert Haven Apartments in Victorville. Families in these two developments are served through MTW project-based vouchers. Since Golden Apartments opened in early 2020, LLU has provided a baseline/benchmark report of the first families to reside there. In FY 2024, the LLU report utilized the Self-Sufficiency Matrix (SSM) assessment tool and HACSB administrative data to assess residents' needs in eighteen domains, including education, employment, housing, health care, mental health, transportation, family relations, substance abuse, and others. The study found that residents' areas of highest need were related to physiological needs and safety, such as food and housing, and mental/physical healthcare and employment. The study also found that the supportive services provided to residents through community partners to augment the housing assistance and help ensure a successful transition to stable, long-term housing, has been vital to the success of the development. The report provided recommendations to HACSB, including: continuing to focus on meeting residents' basic needs; continuing to provide access to mental health and substance abuse services and evaluating whether additional supports in these areas are needed; and focusing on the overall stabilization of the Golden Apartments and Desert Haven Apartments residents and communities before expanding PSH efforts so that lessons learned from these two sites may be applied to future developments. Evaluation will continue for these two sites.

4. **Emergency Housing Voucher (EHV) Program:** HACSB is working with LLU to evaluate outcomes of the Emergency Housing Voucher program administered by HACSB. The evaluation will seek to identify factors that influence a EHV customer's success in 1) locating suitable housing and becoming housed, and 2) remaining stably housed. A preliminary report of the first customers to join the HACSB EHV program was prepared in 2022 and identified common barriers of EHV customers searching for housing. In FY 2025, LLU evaluated the EHV program further by analyzing barriers and others factors that influence housing success.
5. **Other Activities:** HACSB also intends to partner with LLU for evaluations of future MTW activities that are in development. We anticipate that a new study will be conducted by LLU for the Moving on Strategy in Spring of 2025.

D. Lobbying Disclosures

Copies of the Disclosure of Lobbying Activities (SF-LLL) and the related Certification of Payments (HUD-50071) are (or will be, upon approval by the HACSB Board of Commissioners) included here.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input checked="checked" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input checked="checked" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 8, 27, 31, 35, 39			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:		
6. Federal Department/Agency: U.S. Department of Housing and Urban Development			7. Federal Program Name/Description: Moving to Work CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): Potomac Partners DC 700 Pennsylvania Ave SE, Suite 320 Washington, DC 20003			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): Alcalde, Rick; Feliz, Dan		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: <u>Maria Razo</u> Print Name: <u>Maria Razo</u> Title: <u>Executive Director</u> Telephone No.: <u>(909) 332-6305</u> Date: <u>7/9/24</u>		
Federal Use Only:			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		

Certification of Payments to Influence Federal Transactions

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

Public reporting burden for this information collection is estimated to average 30 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The information requested is required to obtain a benefit. This form is used to ensure federal funds are not used to influence members of Congress. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, Office of Policy Development and Research, REE, Department of Housing and Urban Development, 451 7th St SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0157.

Applicant Name

Housing Authority of the County of San Bernardino

Program/Activity Receiving Federal Grant Funding

Moving to Work

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

Name of Authorized Official

Maria Razo

Title

Executive Director

Signature



Date (mm/dd/yyyy)

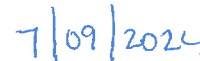


Exhibit 1: RAD Conversion Plan

The Housing Authority of the County of San Bernardino (HACSB) is planning to convert new development, Valencia Grove Phase II, through the Faircloth to RAD program.

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 has converted all public housing units except one single family home in its portfolio to Project Based Vouchers under the guidelines of PIH Notice 2019-23, REV-4 and any successor Notices. By conversion to Project Based Vouchers, HACSB has adopted the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2019-23, REV-4 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.

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. The Authority's Capital Fund budget related to converted properties is provided to the property via the Housing Assistance Payment subsidy.

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

Site Selection and Neighborhood Standards Review

TBD (Not applicable at this time).

Relocation Plans

There is no anticipated relocation of residents for the RAD conversion.

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 § 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.

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

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.¹
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.²
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.

¹For 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.

² Applicable to projects with nine or more units.

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

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.

Attachment 2

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

Project Based Voucher Requirements (Section 1.6.C of PIH Notice 2012-32)	Project Based Rental Assistance Requirements (Section 1.7.D of PIH Notice 2012-32)
<ol style="list-style-type: none"> 1. No re-screening of tenants upon 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; 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. 6. Termination notification: PHA must provide written notification of termination of lease within a reasonable time: <ol 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. 7. Grievance process - See PIH Notice 2012-32 Section 1.6.C.7 8. Establishment of Waiting List - See PIH Notice 2012-32 Section 1.6D 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.) 10. Resident Participation and Funding - See PIH Notice 2012-32 Attachment 1B.2 11. Renewal of Lease - PHA's are required to renew the lease at expiration unless good cause exists for non-renewal. 	<ol style="list-style-type: none"> 1. No re-screening of tenants upon 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; 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. 6. Termination notification: PHA must provide written notification of termination of lease within a reasonable time: <ol 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 1.7.B.6 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 §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.) N/A N/A

Attachment 3

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

Currently Approved RAD Application:

Development Name	Valencia Grove II
PIC Development ID #	CA019000150
Conversion Type	PBV (Tentative)
Total Current Units	104
Pre-RAD Unit Type	Family
Post-RAD Unit Type	Family
Capital Fund Grant to Project	TBD
Pre-Conversion Bedroom Type	24 One-Bedroom Units 51 Two-Bedroom Units 18 Three-Bedroom Units 11 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	RAD Application has been approved and the Commitment to Enter into Housing Assistance Payments (CHAP) has been issued.

Appendices

Appendix A. Annual Statement/Performance and Evaluation Report (Form HUD-50075.1)

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. 2577-0157
 Expires 1/31/2027

"Public reporting burden for this collection of information is estimated to average 2.2 hours including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.. The information requested is required to obtain a benefit. This form is used to verify allowable and reasonableness of grant expenses. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, Office of Policy Development and Research, REE, Department of Housing and Urban Development, 451 7th St SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0157.

PHA Name Housing Authority of the County of San Bernardino	Grant Type and Number Capital Fund Program Grant No: CA16P019501-24) Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: FFY of Grant Approval: 2024
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Type of Grant

- ☒ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:
- ☐ Performance and Evaluation Report for Period Ending:
 ☐ 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 15) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 15)				
5	1480 General Capital Activity				
6	1492 Moving to Work Demonstration	\$ 3,352.00			
7	1501 Collateralization Expense / Debt Service Paid by PHA				
8	1503 RAD-CFP				
9	1504 RAD Investment Activity				
10	1505 RAD-CPT				
11	9000 Debt Reserves				
12	9001 Bond Debt Obligation paid Via System of Direct Payment				
13	9002 Loan Debt Obligation paid Via System of Direct Payment				
14	9900 Post Audit Adjustment				


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.

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. 2577-0157
 Expires 1/31/2027

Part I: Summary					
PHA Name: Housing Authority of the County of San Bernardino	Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: Date of CFFP:	<div style="font-size: 1.2em; font-weight: bold;">CA16P019501-24</div>			
		FFY of Grant: FFY of Grant Approval: <div style="font-size: 1.2em; font-weight: bold;">2024</div>			
Type of Grant <input 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
15	Amount of Annual Grant:: (sum of lines 2 - 14)	\$ 3,352.00			
16	Amount of line 15 Related to LBP Activities				
17	Amount of line 15 Related Sect. 504, ADA, and Fair Housing Act Activities.				
18	Amount of line 15 Related to Security - Soft Costs				
19	Amount of line 15 Related to Security - Hard Costs				
20	Amount of line 15 Related to Energy Conservation Measures				
Signature of Executive Director		Date	Signature of Public Housing Director		Date
		<div style="font-size: 1.2em;">7/9/24</div>			

* I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. § 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 5802)

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.

Appendix B. Local Asset Management Plan (LAMP)

The First Amendment to the Standard MTW agreement executed on May 21, 2009, allowed HACSB to design and implement a Local Asset Management Program (LAMP). The LAMP describes how HACSB 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 LAMP and amended it through our FY 2010 MTW Plan – Amendment 3 approved on September 15, 2010. Prior to our designation as a MTW agency, HACSB developed a comprehensive 30-year strategic plan in 2008 that has served 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. We feel that the indirect cost rate methodology will best serve our mission, versus the previously used fee-for-service methodology. In accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), we elected 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 performed a detailed examination of our agency structure, including our Central Office Cost Center (COCC) structure, and confirmed how intertwined our Administrative Office was to the agency as a whole. The work done by various departments resulted in agency-wide solutions and our combined efforts help us achieve our goals. This reinforces the need for an indirect cost rate methodology that allows the flexibility to combine resources and achieve inter-department solutions that represent a simple unified solution for the families that we serve and our agency. We 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 services, community affairs, administrative services, waiting list, and development. Details on some of our departments are provided below.

Information Technology (IT) – Formerly referred to as Information Services, our centralized IT department is responsible for the network and server administration, database and software administration, telecommunications and software and report developments for the entire agency. This is done with a dedicated team of five individuals that support 327 agency computers in 41 locations throughout our county. They respond to an average of 160 help desk tickets per month that result in around 20 site visits per month.

Policy and Public Relations – Our centralized Policy and Public Relations department is responsible for outreach and education efforts to partners, stakeholders, elected representatives, and HUD. This team also coordinates our Moving to Work efforts, including planning and reporting, communication with HUD teams, and analysis and evaluation efforts. The Policy and Public Relations team oversees all research efforts under our partnership with Loma Linda University for third-party evaluation of various HACSB programs and services. The partnership, which has been in place since 2010, has included a longitudinal evaluation of our Term-Limited Lease Assistance and No Child Left Unsheltered activities, needs assessments to help identify areas of need and appropriate supportive services, and evaluations of our first two permanent-supportive housing sites for homeless

and chronically individuals and families. Additionally, the Policy and Public Relations team coordinates the processes for submission of items to our Board of Commissioners for review and approval.

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, the Fair Housing Act, and Americans with Disabilities Act (ADA).

Development – Our centralized 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 HACSB’s in-house property management teams as a technical, as well as planning and implementation resource for non-routine maintenance and emergency rehabilitation projects. The Development department also assists property management in the completion of all Physical Needs Assessments and due diligence reports for the entire portfolio of HACSB residential developments. This department also either directly oversees or assists in all of the Capital Fund improvement and rehabilitation projects within the public housing or RAD converted housing portfolios and administers all grant funding and debt financing that can be associated. The development team led the implementation of HACSB’s first Permanent Supportive Housing sites for homeless and chronically homeless individuals and families. They also continue overseeing the ongoing major revitalization of HACSB’s oldest public housing sites in Redlands (Formerly Redlands-Lugonia, now known as Valencia Grove) and San Bernardino (formerly Waterman Gardens, now known as Arrowhead Grove). Finally, HACSB administers a very successful homeownership program that has helped over 266 low-income families overcome barriers and achieve homeownership. The Homeownership program utilizes a variety of methods to aid participants on their path to homeownership, 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. Centralized duties include the oversight of the contract needs of our housing sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with procurement staff to define scopes of work, and ensuring the work is done properly.

Local Asset Management Implementation

Leadership - Our local asset management program is led by a team consisting of representatives from the following departments: housing services, development, affordable housing, finance, administrative services, human resources, information technology, procurement, and policy and public relations.

Project-based Management - We expect all our programs, regardless of funding source, to be accountable for project-based management, budgeting, and financial reporting.

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 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 “Omni Circular” 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 tenant 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 “Omni Circular” 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 three fees are:

- Asset Management Fees
- Management Fees
- Bookkeeping 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 \$98.71 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.

Per the requirements of OMB “Omni Circular”, 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 C. Non-Moving to Work Information

Special Purpose Programs

In addition to the MTW Voucher Program, HACSB administers other non-Moving to Work affordable housing programs such as Housing Opportunities for Persons with AIDS (HOPWA), Veteran's Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) Program and Continuum of Care.

PROGRAM TITLE	POPULATION SERVED	FAMILIES SERVED AS OF APRIL 2024
Housing Opportunities for Persons with AIDS (HOPWA)	HACSB has partnered with Foothill Aids Project to offer tenant-based and project-based 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.	69
Veteran's Affairs Supportive Housing (VASH)	HACSB and Veterans Administration Medical Center have partnered to provide tenant-based and project-based vouchers and supportive services to eligible homeless veterans with severe psychiatric or substance abuse disorders. The program goals include promoting Veteran recovery and independence to sustain permanent housing.	493
Master Leasing Program	This program is funded through the State of California Mental Health Services Act and serves mentally ill or developmentally disabled families with emergency shelter housing. Case management and comprehensive supportive services are provided for program participants.	8
Emergency Housing Voucher (EHV) Program	The EHV program is a federal rental assistance program serving low-income households across the country. EHV helps individuals and families locate rental housing and provides financial assistance to make their rent affordable. HACSB is authorized to serve up to 455 households in this program.	447* *As of 4/29/24

Continuum of Care Programs

The Continuum of Care Program (formerly Shelter Plus Care) provides rental assistance for hard-to-serve chronically homeless persons with disabilities in connection with supportive services funded from sources outside the program.

PROGRAM TITLE	POPULATION SERVED	FAMILIES SERVED AS OF APRIL 2024
Laurelbrook Estates	This program assists individuals or families who are chronically homeless and is a Continuum of Care project-based voucher subsidy tied to designated scattered sites throughout the County of San Bernardino. The supportive services are offered through the Department of Behavioral Health.	23
Project Gateway	HACSB formed a partnership with Ontario Housing Authority, Mercy House Living Centers Inc., and the San Bernardino County 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 individuals and families who are chronically homeless in our community.	12
Cornerstone	This program was initially implemented in 2012 and provides rental assistance for hard to serve chronically homeless individuals and families with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). As of March 1, 2023, three existing tenant-based Continuum of Care programs (New Horizons, Whispering Pines and Stepping Stones) have all been consolidated into the Cornerstone Program. This is an ongoing program, and all turnover vouchers focus on providing housing to chronically homeless households. HACSB provides the housing services based on eligible referrals from the CES and the DBH, matches housing funds by providing supportive services.	207
Lantern Woods	This program was implemented in 2012 and is a Continuum of Care project-based voucher subsidy tied to designated sites in the County of San Bernardino. The supportive services are offered through the DBH for chronically homeless individuals and families.	16

HACSB Scholarship Program

Since 1991, the Housing Authority has been proud to assist eligible participants in achieving their higher educational goals through scholarships. To date, HACSB has awarded 334 students with \$255,250 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 college and technical/vocational school students receive a \$750 scholarship. The Housing Authority uses non-public funds to support this program promoting educational success. During the spring of 2024 HACSB began accepting applications for the HACSB Scholarship Program and anticipates awarding scholarships to several current participants/residents from our various programs in the summer of 2024.

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-Public Housing Authority funding sources to assist HACSB participants in the No Child Left Unsheltered program as well as expanding services to non-HACSB residents by providing homeless and prevention resources, which aligns with HACSB 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. KEYS is committed to a community where individuals and families can lead meaningful and empowered lives and pass that legacy to future generations.

Over the past fiscal year, KEYS has focused on some of the county's families in greatest need. Since January 2015, in partnership with HACSB and the San Bernardino County Transitional Assistance Department (TAD), KEYS has administered 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. The Housing Support program was followed by the launch of two additional Rapid Rehousing programs called Keys for Success (KFS) and Keys for Life (KFL) through the U.S. Department of Housing and Urban Development's Continuum of Care aimed at serving homeless individuals and families that need housing and intensive case management up to 24 months. KEYS has utilized its experience with the Supportive Services for Veterans and their Families (SSVF) program and housing navigation to rapidly identify and secure permanent housing for families in the KFS and KFL programs. As part of the ongoing support of the families (up to 24 months) and to help ensure family 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.

Together, HACSB and KEYS continue to focus on community impact strategies that address community members experiencing or at risk of homelessness. This is achieved by connecting vulnerable populations to services throughout our county's homeless service network, resulting in community outcomes related to an increase number of individuals and families achieving housing stability and self-sufficiency.

Other Affordable Rental Housing

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 30 years of housing development experience behind it, HPI, Inc. provides HACSB the means to leverage a variety of public and private funding sources to continue to increase the supply of affordable housing throughout the county of San Bernardino.

In 2017 HPI completed the Horizons at Yucaipa development, a new construction affordable senior project that provides 50 units of affordable senior housing. HPI also acquired a 25-unit development in the City of Loma Linda for homeless and affordable Veteran Housing, providing much-needed supportive services to Veterans living on site. In 2018 HPI completed Loma Linda Veteran's Village, a project in partnership with Meta Housing that provides 87 affordable housing units for veterans and their families. In 2018 HPI and HACSB began construction on two Permanent Supportive Housing projects to provide 68 units of affordable housing, with onsite services, to homeless individuals within the County of San Bernardino. The first site, Golden Apartments, opened in early 2020 and has provided affordable housing coupled with supportive services for residents. The second project, Desert Haven apartments, opened in September of 2021 with both developments now fully leased and operational. In January 2023, HPI, in partnership with HACSB, broke ground on Valencia Grove Phase II, a 104-unit affordable housing development which is part of the three phased redevelopment of Valencia Grove, a former public housing site. Construction on Valencia Grove Phase II is scheduled for completion and lease up/stabilization in Spring of 2025.

HPI Property Acquisitions LLC is an HPI/HACSB controlled entity that owns 241 units throughout the County of San Bernardino. HPI Inc. and its affiliates own a total of 1,343 units.

Appendix D: RAD Significant Amendment

The following items related to the planned RAD conversion of a PHA property are required to be submitted via a RAD Significant Amendment to the MTW Plan, and are included in this plan as follows:

1. A description of the units to be converted. The description should include the following:
 - a. The number of units;
 - b. The bedroom distribution of units, and
 - c. The type of units (e.g., family, elderly/disabled, or elderly-only);

These items are included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

2. Any change in the number of units that is proposed as part of the conversion, including:
 - a. De minimis unit reductions and
 - b. Unit reductions that are exempt from the de minimis cap;
 - c. Any change in the bedroom distribution of units that is proposed as part of the conversion;

These items are included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

3. Changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted.
 - a. If Converting to PBV: This includes any waiting list preferences that will be adopted for the Covered Project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.6, Attachment 1B of this Notice and the RAD Fair Housing, Civil Rights, and Relocation Notice - Notice H 2019-09, PIH 2019-23 (HA) . (See Table 1 below for more specific guidance).
 - b. If Converting to PBRA: This includes any waiting list preferences that will be adopted for the Covered Project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.7 and Attachment 1B of this Notice and RAD Fair Housing, Civil Rights, and Relocation Notice - Notice H 2019-09, PIH 2019-23 (HA) . (see Table 1 below for more specific guidance).

These items are included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

4. If there will be a transfer of assistance at the time of conversion, the significant amendment must include:
 - a. The location to where the assistance is being transferred
 - b. The number of units to be transferred;
 - c. The bedroom distribution of the units in the new building(s), and

- d. The type of units, if changed (e.g., family, elderly/disabled, or elderly-only); and
- e. Any reduction or change in the number of units and what reduction category they fall under (i.e. de minimis)
- f. How the waiting list will be transferred and how households will be selected for the transfer, where applicable (please see Table 2 below for more specific guidance).
- g. What the PHA plans to do with the original site following the transfer of assistance, consistent with allowable uses described in Section 2.4.J.

These items are included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

5. An indication of whether the PHA is currently under a voluntary compliance agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and an assurance that compliance will not be negatively impacted by conversion activities.

This item is included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

6. A statement that meets the requirements of Section 1.5(a) of the RAD Fair Housing, Civil Rights, and Relocation Notice (Notice H 2019-09/PIH 2019-23 (HA)) certifying that the RAD conversion complies with all applicable site selection and neighborhood reviews and that all appropriate procedures have been followed.

7. All other required information and certifications necessary to submit a Significant Amendment to the PHA Plan, including Resident Advisory Board comments and responses, challenged elements, and all required certifications.

8. For MTW PHAs augmenting the RAD rents using voucher reserves as described in Section 1.6 or 1.7, as applicable, a statement explaining how the PHA will be able to maintain continued service level requirements. Additionally, in accordance with 24 CFR Part 903, during the PHA Plan submission and/or significant amendment stage, a PHA shall notify the public that the current and future Capital Fund Program Grants Budgets will be reduced as a result of any projects converting to RAD.

- a. The PHA should provide an estimate of the amount of the current Capital Fund grant that is associated with the proposed project(s) and the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Fund Action Plan.
- b. If the RAD conversion will impact an existing CFFP or EPC, or it proposes to utilize RHF funds to facilitate conversion, the PHA should also indicate the estimated impact of those activities.

Finally, to avoid the need for a possible subsequent significant amendment, the PHA should examine its definition of "Substantial Deviation". The PHA may want to redefine its definition of Substantial Deviation in Section 10 of the PHA Plan to exclude the following items:

1. The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
2. 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;
3. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
4. Changes to the financing structure for each approved RAD conversion.

The definition of “Substantial Deviation” is included in the RAD Conversion Plan included as Exhibit 1 to this Plan.

Appendix E. Fact Sheets

This section includes a sample of HACSB Fact Sheets which we developed to help us communicate with our customers about the variety of housing programs and services we administer. These Fact Sheets are one tool we use to help educate our team, participants, residents, landlords, and community about who we are as an agency, and our work toward our mission.

HACSB Fact Sheets are posted online at <http://hacsb.com/publications/>.

WHO WE ARE



Housing Authority of the
County of San Bernardino
Building Opportunities Together

As one of the most progressive housing authorities in the country and the largest provider of affordable housing in San Bernardino County, the Housing Authority of the County of San Bernardino (HACSB) proudly assists approximately 27,000 people, most of whom are seniors, individuals with disabilities, veterans, and children.

OUR MISSION

HACSB empowers all individuals and households 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.



Moving to Work

In 2008, Congress designated HACSB as a Moving to Work public housing agency. As a testament to our high performance, this designation allows HACSB to waive some Department of Housing and Urban Development (HUD) requirements, permitting us to target the statutory objectives of the Moving to Work Demonstration: 1) Increase cost efficiency; 2) Promote self-sufficiency; and 3) Increase housing choice.



Housing Families

We help low-income households attain safe and stable housing through a variety of rental assistance programs funded by the U.S. Department of Housing and Urban Development (HUD). More than 11,400 households are served through housing assistance payments made to landlords on behalf of the families or by leasing housing owned and managed by HACSB. These programs provide a critical safety net for households in San Bernardino County, where they would need to earn over three times the minimum wage to afford rent for a two-bedroom apartment.

Housing Authority of the County of San Bernardino, by the numbers:



92,838

applications on
various waiting
lists



4,395

seniors 62
years & older
housed



1.1%

27,088

residents/participants
housed, making up
1.1% of the county's
population



266

clients who have
become new
homeowners since
2000



6,156

individuals
with disabilities
housed



2,517

homeless
individuals
& families
served



11,416

families
housed



334

scholarship
recipients
since 1991



MOVING TO WORK DESIGNATION



Housing Authority of the
County of San Bernardino
Building Opportunities Together

HACSB MOVING TO WORK

In 2008, Congress designated the Housing Authority of the County of San Bernardino (HACSB) as a Moving to Work (MTW) public housing agency. This designation allows HACSB to waive some HUD program regulations in order to target the statutory requirements of the Moving to Work Designation:

- 1) Increase cost efficiency;
- 2) Promote self-sufficiency;
- 3) Increase housing choice.

WHAT IS IT?

Also known as America's Housing Policy Lab, MTW is a national demonstration program for public housing authorities to design and test affordable housing strategies. Lessons learned by MTW agencies can influence national housing policy to improve programs and services for all families. MTW agencies can waive some program regulations to design innovative initiatives which target at least one of the three statutory objectives of the MTW demonstration. Using MTW flexibilities, we have executed 29 innovative initiatives based on the three statutory objectives of the MTW demonstration:



Save taxpayer dollars through efficient work



Help our families achieve economic independence



Ensure a family's freedom of housing choice



SPOTLIGHT ON SUCCESS: PARTICIPANT PROFILE

After almost 10 months of searching for a home to fit their needs, Ms. A. and her family moved into their new home at the end of 2022. Ms. A. transitioned from the HACSB Term-Limited Lease Assistance Program and is one of the almost 300 participants who have become homeowners through HACSB's Homeownership Assistance Program. HACSB's Homeownership Assistance Program provides guidance and resources to help participants become homeowners. When asked what advice she would offer to other participants considering HACSB's Homeownership Program, Ms. A. shared: "If you can dream it, you can do it." Congratulations to Ms. A. and her family on their new home!



ANNIVERSARY

CELEBRATING 15 YEARS!!

In 2023, HACSB proudly celebrates its 15-year anniversary as an MTW Agency. Reaching this milestone would not be possible without the support and collaboration of the Department of Housing and Urban Development, HACSB's dedicated staff, Board of Commissioners and numerous partners.

Some cumulative outcomes of our MTW initiatives include:

- \$2.09 million in administrative cost savings attained through our biennial and triennial recertifications initiative
- 1,273 households who transitioned out of assisted housing to self-sufficiency

MOVING TO WORK ACHIEVEMENTS

We are proud to report the results from some of our
Moving to Work initiatives during FYE 2022:



Saving Taxpayer Dollars

Saved \$241,661 through streamlining the
income and rent process.



Ensuring Housing Choice

1,765 families leased units that would have been
out of reach under traditional program regulations.
Leasing in areas of opportunity increased by 15%.



Assisting Families to Achieve Self-Sufficiency

Using savings through other MTW initiatives,
HACSB has created two full-time positions to
work with Term-Limited Lease Assistance families,
coaching them to set and achieve their
self-sufficiency goals.



Partnerships

On the average, HACSB partners with over 196
local agencies to help support the goals of its MTW
program participants.

For over 13 years, HACSB has also partnered with
Loma Linda University to conduct in depth research
and analysis of its MTW initiatives and programs to
guide the future development of our policy
decisions.

Promoting Economic Independence

-50% 0 50%



18% decrease in the number of
families receiving assistance income

64% average increase in earned
income among families served



Housing Authority of the
County of San Bernardino
Building Opportunities Together

hacsb.com



Appendix F. Summary of HACSB Moving to Work Activities

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

25	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing	Expanding Housing Opportunities	FY 2016	Implemented
26	Local Disaster Short-Term Rental Assistance	Expanding Housing Opportunities	FY 2017 Amendment 1	Implemented
27	Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents	Expanding Housing Opportunities	FY 2019 Amendment 2	Implemented
28	Leasing Success Strategies	Expanding Housing Opportunities	FY 2022 Amendment 1	Implemented
29	Moving On Strategy	Expanding Housing Opportunities	FY 2023	Implemented
30	Valencia Grove Phase II, Affordable Rent Strategy	Expanding Housing Opportunities	FY 2024	Implemented