Housing Authority
OF THE COUNTY OF SAN BERNARDINO

July 1, 2008

FILE 9/30

Mr. Ivan Pour
MTW Team Leader
U.S. Department of Housing and Urban Development
451 Seventh Street SW, Suite 4130
Washington, DC 20410

Subject: Final Submittals: Moving to Work (MTW) Plan and Agreement

Dear Mr. Pour:

We are enclosing the following submittals for your review:

- Moving to Work Plan. As approved by the Board on 6/11/08 after a proper public review period and after the "Public Hearing" wherein no comments were received.

- Another copy of the executed MTW Agreement. Previously submitted on 4/30/08, no changes but also includes final attachments A, B, and C. (Note that these attachments are exactly as prescribed by your office). Board Resolution included.

Note that we are already working on an amended MTW Plan that will include more extensive initiatives and changes to our programs. We welcome any further input and thank you again for your proactive guidance on these exciting yet complex issues.

Sincerely,

Daniel J. Nackerman
Executive Director

c K J Brockington, HUD Los Angeles

DANIEL NACKERMAN
Executive Director

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2008-2009 'Moving to Work' Initial Plan

THE HOUSING AUTHORITY OF THE COUNTYOF SAN BERNARDINO (HACSB)

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1 ONE
1/1/08-9/30/09

SECTION I. INTRODUCTION

In January 2008, the U.S. Department of Housing and Urban Development (HUD) signed a 10 year Moving to Work (MTW) Demonstration Agreement with the Housing Authority of the County of San Bernardino (HACSB). This document represents HACSB's initial MTW Plan, covering the period from January 1, 2008 through September 30, 2009.

The purpose of this initial MTW Plan is to establish HACSB's long-term vision, goals and objectives, and to seek HUD approval where appropriate. The first year plan also changes the way HASCB conducts business in the areas of base funding, investment strategy, performance assessment and planning for the future of housing stock.

Under the MTW Agreement, HACSB is given budget flexibility and the authorization to develop policies that are outside the limitations of certain HUD regulations and provisions of the Housing Act of 1937. The additional flexibility offered by MTW will allow HACSB to more successfully achieve its mission and program goals, as well as enhance its ability to serve the needs of low-income people and communities in the County of San Bernardino.

EXECUTIVE SUMMARY – INITIAL MTW PLAN

The three major goals for the MTW program are to increase cost effectiveness, promote self-sufficiency and to expand housing options for program participants. HACSB's initial MTW plan addresses changes the agency is proposing to implement in the period of the MTW demonstration, from January 1, 2008 through September 30, 2009. These changes will support the expended transition to creating more efficient programs for the following 2009 MTW Plan and beyond.

HACSB proposes to use its MTW flexibility as follows for this initial period to accomplish the following:

1. **Single Fund Budget with Full Flexibility**

   HACSB will combine resources (Public Housing/Capital Fund and Housing Choice Voucher (HCV) funding) under one block grant MTW program to better use the funding stream to address local program and administrative needs.

2. **Adopt Strategic Investment Policies**

   HACSB will adopt investment policies consistent with California Government Code to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSB shall invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely.

→ cite CA code
? Should we develop our Att D.

→ provide something similar to Charlotte's proposal that we can approve

3. Participation in Section 8 Management Assessment Program (SEMAP) and Public Housing Assessment System (PHAS)

HACSB will opt out of the HUD management tools SEMAP and PHAS as provided in Section II.G of the MTW Agreement and will establish its own quality control system designed to measure the quality and timeliness of work performed for this initial period. Note that HACSB has been deemed a 'High Performer' agency for most years under these existing assessments and this designation will continue unless HUD specifically decides to remove the designation under MTW measurements. Further measurement metrics will be proposed in 2009 for the remaining MTW participation period (ten (10) years total).

By taking immediate advantage of MTW flexibility during the first months of the program while developing new benchmarks for performance, HACSB strives to achieve the goal of increased cost effectiveness and to incorporate the financial fungibility authorizations that will lay the groundwork for 2009 and beyond

4. Facilitation of Transfer/Demolition/Disposition of Public Housing Units

In 2008 HACSB will apply for the various Transfer/Demolition Disposition of approximately 697 Public Housing units, with plans to transition these units to replacement units or HCV Project-based units under HACSB or its affiliated non-profit entities. All 697 affordable units would ultimately be retained under differing programs and conditions

For many years and on an increasing basis, Capital Funds and subsidy from HUD have been insufficient to maintain and upgrade certain Public Housing units to provide safe and attractive properties over the long-term. Also, the location of smaller sites within the largest county in the contiguous U.S. makes efficient management and asset management goals of these scattered sites unachievable.

The Authority proposes disposition and demolition - then redevelopment of two larger sites in San Bernardino and Redlands, California respectively. Also, the Authority proposes transferring many smaller scattered sites to an affiliated non-profit utilizing HCV Project-based assistance from the pool of tenant-based vouchers (or from additional allocations by HUD if available). MTW budget flexibility and leveraging other sources of financing will enable HACSB to assure the residents and community that these units will be part of viable, attractive properties for years to come.

To initiate this transfer process, HACSB may begin HCV Project-basing, without a competitive bid process, each Public Housing development as it completes its 'Disposition' from Public Housing status. Further, a waiver is requested to remove the 25% per building cap on the number of Project based voucher units that can be put in a building under present regulations. Other waivers requested include extending limits of

HCV contract beyond 10 years to 15. It is also anticipated that approximately 71 units being developed by an affiliate in Redlands, California would also be Project-based without a competitive process.

A. HACSB MISSION

HACSB's mission is to: *EMPOWER ALL INDIVIDUALS AND FAMILIES IN NEED TO ACHIEVE AN ENRICHED QUALITY OF LIFE BY PROVIDING HOUSING OPPORTUNITIES AND RESOURCES THROUGHOUT SAN BERNARDINO COUNTY.*

HACSB has worked closely with community stakeholders to promote its mission while maintaining a high level of customer and stakeholder satisfaction. Through its website and other formats such as periodic newsletters and regular participation in community forums, HACSB is widely and consistently communicating the services and opportunities it provides throughout the County of San Bernardino.

In recent years, HACSB has renewed its efforts to attract and retain the highest caliber employees who are dedicated to carrying out the HACSB mission. These efforts have positioned HACSB and the community to fully embrace the goals of MTW and to quickly benefit from the advantages and opportunities available through this program.

B. MTW GOALS AND OBJECTIVES

Participation in the MTW Demonstration gives HACSB the flexibility to make positive program changes, and to better respond to local housing needs and realities. HACSB's goals for its MTW Demonstration are aligned with the three major goals established in the 1996 Appropriations Act when the MTW Demonstration program was first established. Accomplishment of these goals together with HACSB's specific objectives is outlined below:

1. **Increase Cost Effectiveness.** Reduce costs and achieve greater cost effectiveness in Federal expenditures.

   To meet this goal, HACSB will:

   - Develop a more efficient and effective operation by simplifying and streamlining administrative regulatory requirements
   - Enhance the agency's financial stability and ability to achieve its mission by maintaining balanced budgets and appropriate reserves over time.
   - Improve HACSB's policies and procedures so that they better support program integrity, process efficiency, reduce bureaucracy and promote fiscal responsibility
   - Simplify funding resource management.
   - Improve investment strategies

2. **Promote Self-Sufficiency**: Give incentives to families with children where the head of household is working, seeking work, or is preparing for work, by encouraging participation in job training, educational programs or programs that assist people to obtain employment and become economically self-sufficient.

   To meet this goal, HACSB will:
   - Promote self-sufficiency and asset development to the maximum extent possible among participants by expanding current programs and developing new tools in order to enhance life skills.
   - Improve the quality of life for low-income families by providing direct access to educational, social and economic development services and opportunities.
   - Work in partnership with local community organizations to develop a comprehensive approach to promote self-sufficiency and also help end homelessness.
   - Increase the number of low-income families participating in HACSB's homeownership program.

3. **Expand Housing Options for Low-income Families**:

   To meet this goal, HACSB will:
   - Enhance HACSB's ability to increase and preserve the supply of affordable, high quality housing.
   - Capitalize on housing opportunities to improve the vitality of HACSB-owned developments as well as increase the supply of affordable housing through future developments.
   - Take affirmative measures to support equal opportunity in housing for all families participating in HACSB programs.

HACSB's philosophy in creating and carrying out its MTW goals and its Plan addresses two core values. The first core value is to work collaboratively with all the stakeholders, owners, community constituencies, and other potential partners, and to be sensitive and highly responsive to the diverse needs. Special consideration will be given to the needs of low, very low and extremely low-income families who are current or prospective residents.

The second core value under HACSB's MTW planning process is to create a superior business model for its operations with a consistent focus on enhancing financial sustainability and housing more families, while ensuring and expanding the resources available for its programs that will support the affordable housing needs of low-income residents of the County of San Bernardino over the long term.

The ultimate measure of program success will be rising household income.

measure

C. MTW ACTIVITIES

HACSB will be pursuing only a few inter-related initiatives during this initial Plan period. HACSB's philosophy in launching the MTW demonstration is to implement its MTW activities gradually over the first few years of the demonstration which will allow time for a planning process that is inclusive and an implementation process that allows for necessary adjustments. The MTW activities to be implemented during this initial period will be centered on aspects of funding - while planning aspects of long-term activities over time. These initial activities include simplifying budget sources through fungibility, changing investment policies, altering program performance measurement and beginning the replacement of older or hard-to-manage Public Housing.

SECTION II. GENERAL HACSB OPERATION INFORMATION

This section provides information about the types and number of units in HACSB programs, as well as the characteristics of the families served. HACSB administers almost 11,000 units of housing assistance consisting of Public Housing, Section 8 HCV, Shelter + Care, VASH and a variety of other similar program units throughout the county of San Bernardino.

A. HOUSING STOCK INFORMATION

1. **Public Housing Units:** HACSB currently owns and operates seven larger public housing projects that include 1,673 Public Housing units. During 2008, HACSB plans to remove approximately 697 of these units from existing 'Public Housing' and either transition them to new Public Housing or to non-public housing owned by HACSB or affiliated non-profit entities.

   HACSB will apply for this Demolition/Disposition/Transfer in 2008 because Public Housing operating and capital funding have been inadequate to meet costs for more than five years and these funding deficits are projected to further increase in the coming years. Further, the geographical challenges of managing these properties in the largest County in the contiguous U.S. are now insurmountable.

   Once the Demolition/Disposition/Transfer is complete, these developments will likely utilize HCV Project-based voucher assistance or new one-for-one replacement units with no permanent displacement of currently assisted families. HACSB will be taking all necessary steps to accomplish this transition and to fulfill relevant HUD requirements, including applying for replacement vouchers, holding participant meetings at each development and submitting projects for subsidy layering review with HUD.

   Note: A waiver for 'preservation' of the existing Date of Funding Availability (DOFA) will be required for this successful transition. See description of units to be transferred/replaced, Table 1 below for more information. No additional Public Housing units are planned to be added.

ok

Plan goals are not the specific purpose of MTW

Vash

(?) demolition/disposition/transfer

good

(?) replacement vouchers & DOFA

ask for clarity if disposing of units would not need DOFA → why preserve DOFA

? what about racial demographics ? what about ethnicity

Table 1: List of Public Housing properties units to be transferred or replaced through Demolition Disposition.

Development(s)	Type	Number of Units
CA16P019-001 (Redlands-Lugonia)	Rental - Family	50
CA16P019-002 (San Bernardino-Waterman)	Rental - Family	252
CA16P019-008 (Redlands-Lugonia)	Rental - Family	45
CA16P019-009 (Redlands-Lugonia)	Rental - Elderly	20
CA16P019-017 (Scattered - AMP 16 - Bloom O/F)	Rental - Family	24
CA16P019-020 (Scattered - AMP 16 - Montclair)	Rental - Family	8
CA16P019-021 (Scattered – AMP 16 - Ontario)	Rental - Family	2
CA16P019-022 (Scattered – AMP 18 - Victorville)	Rental - Family	8
CA16P019-023 (Scattered - AMP 16 - Fontana)	Rental - Family	9
CA16P019-024 (Scattered - AMP 15 - Redlands)	Rental - Family	8
CA16P019-025 (Scattered - AMP 19 - 29 Palms)	Rental - Family	10
CA16P019-026 (Scattered - AMP 16 - Ontario)	Rental - Family	8
CA16P019-028 (Scattered - AMP 19 - Yucca Valley)	Rental - Family	10
CA16P019-029 (Scattered - AMP 19 - 29 Palms)	Rental - Family	10
CA16P019-030 (Scattered - AMP 16 – Ontario)	Rental - Family	10
CA16P019-031 (Scattered - AMP 16, 18, 19)	Rental - Family	45
CA16P019-032 (Scattered - AMP 15, 16)	Rental - Family	63
CA16P019-034 (Scattered - AMP 18 -Hesp/Ad/AV)	Rental - Family	32
CA16P019-035 (Scattered - AMP 15, 16, 18)	Rental - Family	49
CA16P019-036 (Scattered - AMP 15, 16 - Red/O/F)	Rental - Family	19
CA16P019-042 (Scattered - AMP 15, 18-Yucai/AV)	Rental - Family	15
Total		**697**

Note that an affiliate-owned senior community being developed in Redlands, California will likely utilize 71 HCV Project-based vouchers converted without competition from the regular HUD HCV allocation.

During 2008 and 2009, prior to Demolition/Disposition/Transfer, HACSB will be performing normal maintenance and upgrades at the developments utilizing FY2006 and FY2007 Capital Improvement Program grants and Public Housing subsidy.

After disposition HACSB will continue performing maintenance, upgrades and improvements using funds from the increased flexibility in program subsidy. Non-Federal funds will also be utilized.

2. **Section 8 HCV Program, Shelter Plus Care and Related Programs:** HACSB currently serves 8,059 households throughout the County of San Bernardino. These include the following programs.
   - 7,460 Housing Choice Vouchers
   - 297 Project Based Voucher units
   - 117 Tenant Based Assistance (County of San Bernardino funded)
   - 59 Shelter Plus Care units serving homeless and disabled households
   - 78 Mainstream Vouchers
   - 48 HOPWA

No major changes to these programs are planned for 2008 except the discontinuance of the Section Eight Management Assessment Program (SEMAP) and the planning for the non-competitive transfer of regular vouchers to Project-based (and/or the application to HUD for additional vouchers)

3. **Other Housing-Owned or Planned:** The following properties are owned by or through HACSB and its affiliates but will only become a part of MTW when connected to Section 8 programs directly:

Project	City	Some Project-Based/ Seniors	PHA Total
Chehalis	Apple Valley		30
Baker (Desert View)	Baker		24
9th St	Colton		3
Cahuilla (Canyon Villas)	Colton		46
Acacia	Fontana		28
Date St (Las Palmas)	Fontana		16
Fontana (Redwood Terrace)	Fontana	PB / S	68
A Ave	Hesperia		4
Sunnyside	Hesperia		30
G Ave (Mesa Gardens)	Hesperia		29
Sequoia/Muni	Hesperia / AV		42
Van Leuven 20 (Stone Creek)	Loma Linda		20
Van Leuven 14 + 8	Loma Linda		22
Mentone (State)	Mentone		34
Robert O Townsend	Montclair	PB / S	48
Poulson (Kingsley Patio)	Montclair		34
Bahia	Ontario		3
Brockton/Crafton/3rd	Redlands		32
Hampton Court	Redlands		24
Stillman/Lombard	Redlands		13
Merrill	Rialto		24
Arrowhead Woods	San Bernardino	PB / S	51
Kendall	San Bernardino		37
Yucca	San Bernardino		14
Twin Peaks	Twin Peaks	PB / S	40
Desert Village	Victorville	PB / S	46
Yucaipa Crest	Yucaipa	PB / S	45
Yucaipa Terrace	Yucaipa	PB / S	51
Sunset Gardens	Yucaipa		39
		Total	897

B. LEASE-UP INFORMATION

1. Public Housing: HACSB is currently 96% leased-up in all of its Public Housing developments. As described in the Table in Section 2 (A) (1), during 2008 and 2009, HACSB plans to transition some of these units from Public Housing to non-Public Housing, HCV Project-based units or to replacement units. Since most Public Housing units are fully occupied at this time, only turnover units will need leasing activity

2. Section 8 Housing Choice Voucher (HCV) Program: The Section 8 HCV Program anticipates being 100% leased-up throughout the period covered by this Plan Existing households on the waiting list may have to wait longer for vouchers as Public Housing residents are converted to HCV Project-based assistance

C. WAIT LIST INFORMATION

HACSB currently maintains the following wait lists:

- Housing Choice Voucher
- Project-Based Section 8
- Public Housing Site-Based
- Special Programs

1. Section 8 HCV Program: In 2007, HACSB opened the wait list for the HCV Program, including Tenant-Based Assistance, Project Based Voucher assistance and other programs. Currently HACSB's Section 8 HCV wait list includes:

- 27,822 eligible applicants for the HCV wait list; and
- 4,130 eligible applicants for special programs

HACSB will continue to maintain the lease-up rate by processing approximately 2,000 applicants per year from the current wait list. HACSB does not anticipate opening the Housing Choice Voucher waiting list to new applicants in 2008 or 2009

HACSB updates its waiting list periodically in increments of 500 applicants at a time. Applicants are mailed a Wait List Update form to indicate their continued interest in remaining on the waiting list. Applicants who do not respond to the questionnaire within the required time frame are mailed a notice of withdrawal and are then removed from the waiting list unless a request for appeal is submitted.

Table 2: Demographics of the current applicants on the Section 8 HCV wait list

Applicant Income Levels by Family Type

	Extremely Low Income	Very Low Income	Low Income
Elderly	1,227	396	47
Disabled	191	74	12
Not Elderly Disabled	19,969	4,947	949
Total	**21,387**	**5,417**	**1,018**

2. **Public Housing:** HACSB maintains a separate waiting list for its public housing, which currently consists of 9,522 applicants or households including:

- 8,427 families
- 1,095 seniors

HACSB plans to transition some Public Housing properties (approximately 697 units) to non-public housing, HCV Project-based units or to new Public Housing units. These public housing site based waiting lists will be closed in 2008. Each list will be updated or purged prior to Disposition (see time line below in Table 3) and the remaining eligible households will be given an opportunity to lease a unit when a vacancy occurs. After a Project-based contract has been executed for a particular development and its waiting list has been exhausted, vacancies will be filled from new site-based waiting lists.

Table 3

TIMELINES FOR DISPOSITION DEMOLITION/TRANSFER

SITE	UNITS	DATE	NOTES
Scattered (many)	320	2008/09	Subject to Disposition Appvl.
Redlands (3)	115	2009/10	Subject to Disposition Appvl.
San Bernardino	252	2010/11	Subject to Disposition Appvl.
Total	697		

(Note: A minimum of 697 affordable units will ultimately be retained)

D. COMMUNITY SERVICES

HACSB has long partnered with the community to improve the quality of life for our families. However, funds to support the provision of services have been dwindling due to the community, State and Federal budget shortfalls. Using its limited funding, HACSB has been providing access to an array of supportive services to residents of both its Public Housing and non-public housing sites, to participants in the Family Self-

Sufficiency (FSS) Program, and to a limited number of Section 8 participants. Currently, these services are provided through a combination of HACSB staff, partnerships with community service agencies, and small grants. They include:

On-site household assistance, after-school programs, computer learning centers, field trips, social events, guest speakers, job training and other such services. Special programs targeting economic advancement and possible homeownership also exist. (The HUD Family Self-Sufficiency (FSS) Program is also now Launched at Public Housing sites)

Services also include linkages and referrals to job training, child care, transportation services, homeownership counseling, and others services determined to assist each household need it possible.

In 2008 and beyond, HACSB proposes a new, focused approach to all community and supportive services. This new concept will key on household case management for all (similar to FSS) and employment-training/education for all appropriate households (seniors and some disabled households may not choose to participate).

SECTION III. LONG TERM MTW PLAN

Full plans for long-term MTW activities will be proposed in 2009 with full input from program participants, community members and other stake-holders. Initial plans in 2008 will enable HACSB to combine resources it previously could not, allowing use of HUD funding to better address local program priorities and needs. HACSB envisions the remaining years of the MTW Demonstration Program as focusing primarily on implementation activities designed to:

- Achieve a wide range of operational efficiencies and excellence in housing management to focus and make the best possible use of limited resources
- Reform the Section 8 Housing Choice Voucher and Public Housing programs.
- Enhance support and services to promote participant self-sufficiency and choice.
- Pursue housing development, rehabilitation and neighborhood revitalization.

Each of these four long-term initiatives is described in the corresponding sections below.

1. **Operational Efficiencies and Excellence:**

To ensure optimal program administration, HACSB will develop and pursue the following initiatives

- Streamline operational processes for rent calculation, income determination, inspections and related program administration.
- Implementation of revised software systems tailored to support MTW needs including flexible reporting that allows for program tracking and evaluation.
- Revision of written policies and procedures in support of MTW activities and other changes supportive of streamlining.

- Exploration and revision of organizational structural changes, training and job redesign to support new approaches.
- Establishment of new quality control plans.

2. **Reforms to Section 8 HCV and Public Housing Programs:**

HACSB will consider and assess a range of potential options in subsequent phases of MTW, with a goal of structuring its assistance in ways that will assist families to achieve financial self-sufficiency over time:

- Broad changes to income determination and rent structures
- Broad changes to community and supportive services
- Time limits for certain programs
- Incentives for economic advancement
- Incentives and resources for participant education and training
- Faster advancement through programs

3. **Participant Support and Services to Promote Self-Sufficiency:**

HACSB will develop plans to establish a comprehensive service program that will serve residents of HACSB-owned properties and HACSB-managed programs. To meet the goals of its MTW Program, HACSB plans to use funds made available through its efforts to run more efficient programs under MTW, leveraged with outside funding sources and increased flexibility in funding utilization. Elements of these community and supportive services may include the following:

- Case management of most households similar to present FSS programs
- Access to educational and training resources provided through HACSB
- Greater utilization of outside service providers
- Increased choices for participants

4. **Housing Development, Rehabilitation and Neighborhood Revitalization Activities:**

Building on HACSB's proven tract record of creating attractive, cost-efficient and sustainable affordable housing, HACSB will explore potential future development activities including acquisition, rehabilitation and/or new construction. These activities will include expanding current partnerships and/or forgoing new ones with non-profit and community organizations as well as local government or redevelopment agencies, to ensure that the affordable housing created meets the highest possible quality standards for its residents and for the community at large. Homeownership will continue to be a major element of these efforts.

Key proposals include the following:

- Utilize HCV Project-based vouchers to subsidize new developments
- Continue a 'Community Land Trust' in order to create a below-market homeownership program
- Acquire or develop new mixed-income communities

SECTION IV. PROPOSED MTW ACTIVITIES

During this initial phase of its MTW Demonstration HACSB is focusing on the financial fungibility (described in Section V) and administrative authorizations (described in Section VI) to be implemented as described herein. Additional MTW activities will be proposed in the subsequent 2009 plan

ACTIVITY #1: SINGLE FUND BUDGET WITH FULL FLEXIBILITY

A. Description of MTW Activity

HACSB will combine resources (Public Housing Capital Fund and Housing Choice Voucher funding) under the block grant MTW program to better use the funding stream to address local program and administrative needs

B. How the Proposed Activity Relates to at Least One of Three Statutory Objectives

A single fund budget with full flexibility will allow HACSB to carry out the purposes of the MTW demonstration program by more flexibly targeting resources to a priority of needs and thereby achieving greater cost effectiveness in Federal expenditures.

C. Baselines and Proposed Benchmarks Used to Measure the Performance and Progress of the Proposed Activity Data Collection and Proposed Metrics

HACSB will compare prior costs and resource distribution with MTW program budgets and review against program actuals on a monthly basis.

✓ - interesting

D. Data Collection and Proposed Metrics

Metrics will include a comparison of FY2007, FY 2008 and FY2009 budgets and conduct an analysis of various financial reports to measure success of the single fund budget

- elaborate

E. Authorization for Proposed Activity

This proposed activity is authorized in HACSB's Moving-to-Work Agreement, Attachment C, Section B.1 which waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 CFR 982 and 990.

→ perhaps use Charlotte as model for benchmarks/metrics

@ Delaware

ACTIVITY #2: ADOPT STRATEGIC INVESTMENT POLICIES

A. Description of MTW Activity

HACSB will adopt investment policies consistent with California Government Code to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSB shall invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely.

B. How the Proposed Activity Relates to at Least One of Three Statutory Objectives

HACSB will invest using discretion in a manner which will provide maximum safety, liquidity and reasonable return on investments. Any potential higher rate of return will achieve greater cost effectiveness in federal expenditures.

C. Baselines and Proposed Benchmarks Used to Measure the Performance and Progress of the Proposed Activity Data Collection and Proposed Metrics

HACSB will review current interest rates earned on investments utilized under the current HUD eligible investments and explore compare alternative investment strategies consistent with adopted policy and applicable guidelines and regulations.

D. Data Collection and Proposed Metrics

Data will be collected after reviewing the HUD eligible investments interest rate data for the past year and the current plan year. Metrics will include a comparison of FY2008 and FY2009 investment strategies and conducting an analysis of various financial reports to measure success of the investment plan.

E. Authorization for Proposed Activity

This proposed activity is authorized in HACSB's Moving-to-Work Agreement, Attachment C, Section B, 5 which waives certain provisions of Section 6 (c) (4) of the 1937 Act and 24 CFR 982.156.

ACTIVITY #3: OPT OUT OF THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) AND PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

A. Description of MTW Activity

HACSB will opt out of SEMAP and PHAS as provided in Section II.G of the MTW Agreement and will establish its own quality control system designed to measure the quality and timeliness of work performed for this initial period and beyond. The designation of 'High Performer Agency' will remain in place unless HUD specifically removes it based on new performance measures.

B. How the proposed activities relate to at least one of the three statutory objectives

By taking immediate advantage of MTW flexibility during the first months of the program while developing new benchmarks for performance, HACSB strives to achieve the goal of increased cost effectiveness and to incorporate the financial fungibility authorizations that will lay the groundwork for 2009 and beyond.

C. Baselines and proposed benchmarks used to measure the performance and Progress of the proposed activity

HACSB will continue to utilize current PHAS and SEMAP measurement design internally while developing performance standards as outlined herein.

D. Data collection and proposed metrics

Data collection and proposed metrics will continue to be guided internally by SEMAP and PHAS models while new measurements are formed as described.

E. Authorization for proposed activity

Under Part II, Section G. of HACSB's MTW Agreement, HUD will not score HACSB under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems if HACSB elects not to be scored

ACTIVITY #4: SELECT HACSB-OWNED PUBLIC HOUSING PROJECTS FOR DISPOSITION/DEMOLITION/TRANSFER

A. Description of MTW Activity

HACSB proposes that selected HACSB-owned Public Housing is transformed through HCV Project-based units, replacement HCV units or newly reconstructed units. Any Project-based units would be assigned without competition.

As a long-time developer of affordable housing, and as an administrator for Project-based vouchers, HACSB has first-hand knowledge of the value of Project-basing units in order to create a stable, long-term subsidy scenario.

B. How the proposed activities relate to at least one of the three statutory objectives and what is the anticipated impact on those objectives?

The proposed MTW activity will reduce costs and increase cost effectiveness by reducing the administrative burden, providing a sound fiscal basis for property management and thereby increasing the effectiveness of Federal funding.

Cost effectiveness will also be achieved with respect to HACSB's impending Disposition/Demolition/Transfer of certain Public Housing properties, as the proposed activity will be critical in helping HACSB create stable and reliable financial outlook for these units that will provide timely maintenance and upgrades while preserving the affordability of these units for many years.

The activity will also increase housing choices for low-income families by accelerating the unusually lengthy processing time that typically elapses when bringing HACSB owned project based units under contract.

C. Baselines and proposed benchmarks used to measure the performance and Progress of the proposed activity.

The baseline for this activity is the known physical needs; subsidy; tenant rent versus the revenue and expenditures projected for transformed properties.
The proposed benchmarks may also include:

- Reduction in the average processing time for Project-basing units in HACSB-owned projects.
- Preservation of affordable housing units and creation of a more reliable financial plan for the maintenance and upgrade of those units.

D. Data collection and proposed metrics

Data will be collected from the following:

- Associated administrative costs for time spent on the activity.
- Proforma comparisons of prior Public Housing versus transformed property.

E. Authorization for proposed activity

This proposed activity is authorized in HACSB's Moving To Work Agreement Attachment C, Paragraph D.7a, and waives certain provisions of Section 8 (o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983, as necessary to implement HACSB's MTW Plan.

SECTION V. SOURCES AND USES OF FUNDING

A. FY 2008 Consolidated MTW Budget and Other Programs Budget

Following is the FY 2008 budget adopted by the Board of Commissioners on September 12, 2007. The table below shows planned revenues and expenditures by line item for FY 2008.

Consolidated MTW Budget

Revenue	
HCV- HAP	$59,924,331
HCV - Administrative Fees	5,574,352
Public Housing Subsidy[1]	4,755,731
Rental Income	6,054,606
Capital Fund Grants	5,193,143
Investment Income	201,166
Miscellaneous Income	725,563
Total Revenue	**$82,428,892**

Expenses	
Administration & General	$12,323,695
Utilities	1,434,455
Operations & Maintenance	6,965,705
Extraordinary Maintenance	0
Housing Assistance Payments	59,924,331
Development & Capital Projects	2,598,198
Total Expenses	**$83,246,384**

[1] Block Grant Funding

Other Programs (Non MTW) Budget

Revenue:	
Grants	$3,040,731
Rental Income	7,393,166
Capital Fund Grants	0
Investment Income	744,131
Miscellaneous Income	1,549,054
Total Revenue	**$12,727,682**

Expenses	
Administration & General	$5,130,259
Utilities	592,381
Operations & Maintenance	1,849,425
Extraordinary Maintenance	88,700
Housing Assistance Payments	2,153,389
Development & Capital Projects	0
Total Expenses	**$9,814,154**

B. FY 2008 Planned Capital Sources and Expenditures by Development

This section lists planned capital expenditures (for all remaining open capital funds) for FY 2008.

Capital Sources	
2005 CF Grant	$1,704,121
2006 CF Grant	2,124,750
2007 CF Grant	1,364,272
Total Capital Sources	**$5,193,143**

Expenses	
Operations	$1,252,846
Management Improvements	1,127,287
Administration	205,656
Audit	9,155
Fees & Costs	282,666
Site Improvements	1,481,369
Dwelling Structures	759,164
Nondwelling Equipment	75,000
Total Capital Expenditures	**$5,193,143**

good

C. DESCRIPTION OF CHANGES IN SOURCES AND USES OF MTW FUNDING FROM PREVIOUSLY APPROVED PLAN

This section does not apply to this plan as HACSB is newly enrolled in MTW.

D. FUNDING FUNGIBILITY PLAN

Funding fungibility under block grant MTW programs allows agencies to combine resources they previously could not combine in order to better utilize their funding streams to address local program, administrative and operational needs.

Under the MTW Plan, HACSB's public housing operating subsidy, public housing, capital funds and Section 8 HCV funds may all be used for both programs and other eligible activity permissible in Section 8(s), (d)(1) of the 1937 Housing Act. It should be noted that during this fiscal year, as described in the preceding sections, HACSB plans to remove approximately 697 units of Public Housing thereby eliminating certain public housing operating subsidy and capital funds from its budget.

HACSB intends to combine funding awarded by HUD into a single agency-wide funding source ("MTW Funds") in accordance with authorizations described in Attachment C of HACSB's MTW agreement. HACSB will use these funds to carry out the purposes of the MTW Demonstration program including those described in Section B of Attachment C. These activities may be carried out by HACSB or by an entity, agent, or instrumentality of HACSB, and will comply with OMB Circular A-87, and with its MTW Agreement.

clarify! only Sec 8 & 9 funds can be combined not. Funds [illegible] -S+C

Partial 2008 activities anticipated by HACSB may include, but are not limited to:

1. Provisions of capital funds and or operating funds assistance to housing previously designated as public housing and undergoing conversion through Demolition/Disposition authorization

2. Funding substantial rehabilitation of housing units under Demolition Disposition, including administration and planning costs, relocation and other related activities.

3. Provision of housing and employment-related services and case management activities in connection with the program

4. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of rental assistance and management of other facilities and operations developed under MTW

5. The provision of safety, security, and law enforcement measure and activities appropriate to protect residents from crime.

6. The provision of HCV assistance and HCV Project-based rental assistance

7. The acquisition and/or development of new units for people of low-income.

8. The use of Housing Assistance Payments for purposes other than payments to owner so long as the purposes are consistent with other eligible uses of Section 8 and Section 9 funds.

9. The use of funds for other operating and administrative activities as approved by the HACSB Board of Commissioners

E. PARTNERSHIPS WITH FOR PROFIT AND NON-PROFIT ENTITIES

As described in Section B.2 of Attachment C of the MTW Agreement, HACSB may engage in MTW eligible activities in partnering with for profit and non-profit entities using less restrictive regulatory requirements.

SECTION VI. ADMINISTRATIVE

HACSB will opt out of Section 8 Management Assessment Program (SEMAP) and the Public Housing Assessment System (PHAS) and design a method of evaluating the MTW Demonstration to monitor and refine the effective use of funding related to goals and objectives. The evaluation will also provide measurable and comparable results on the activities under MTW. Progress and outcomes of tasks and objectives will be tracked and reviewed on a routine basis. It is requested that the several years of designation as 'High Performer' be preserved during the 10 year implementation of the program unless HUD specifically chooses to remove the designation as a result of future MTW Assessment results not supporting the designation.

END OF INITIAL 2008-2009 MOVING TO WORK PLAN

Appendix One: Board Resolution

Appendix Two: Documentation of Public Review

Appendix Three: HACSB MTW Agreement

RESOLUTION NO. 2203

WHEREAS, on January 4, 2008, The Department of Housing and Urban Development (HUD) submitted to, and the Housing Authority of the County of San Bernardino (HACSB) received a Moving to Work (MTW) Agreement which also extends said program until 2018; and

WHEREAS, HUD and the Housing Authority of the County of San Bernardino agree to execute this MTW Agreement, and

WHEREAS, the Housing Authority of the County of San Bernardino gave full consideration to all comments received regarding the MTW Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the County of San Bernardino approves the Moving to Work Agreement and authorizes the Executive Director to execute the MTW Agreement and return both copies to the U.S. Department of Housing and Urban Development along with any other documents.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino, California, on March 12, 2008, by the following vote.

AYES: Commissioners McCray, Saucedo, Fricke, Guerrero, Munoz, and Guillen

NOES None

ABSENT Commissioner Lamson

Certificate of Resolution Approval
Moving to Work Agreement

I, Daniel J. Nackerman, Executive Director of the Housing Authority of the County of San Bernardino, do hereby certify that the attached Resolution No. 2203 was presented to the Board of Commissioners of the Housing Authority of the County of San Bernardino at its regular meeting held on the 12th day of March 2008 and approved

IN TESTIMONY, WHEREOF, I have hereunto set my hand and the seal of said Housing Authority of the County of San Bernardino this 12th day of March 2008

Daniel J. Nackerman, Executive Director

Alison L. Crawford
Recording Secretary