



Moving to Work

ANNUAL REPORT

2012

Housing Authority of the County of San Bernardino



*Building Communities
Changing Lives*

715 E. Brier Drive | San Bernardino, CA 92408
(909) 890-0644 | WWW.HACSB.COM

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Section 1: Introduction

Background

For over 70 years, the Housing Authority of the County of San Bernardino (HACSB) has been one of the leading providers of affordable housing in the County of San Bernardino. The County of San Bernardino is the largest county in the contiguous United States consisting of 24 cities: covering over 20,000¹ square miles of land. It is the twelfth largest county in the nation², with more residents than 15 of the country's states. HACSB proudly serves in excess of 30,000 people, most of whom are seniors, disabled individuals and children. HACSB is committed to its 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.

Moving to Work Designation

As a high performing, innovative and progressive agency, HACSB was designated as a Moving to Work (MTW) Agency by the U.S. Department of Housing and Urban Development's (HUD) in 2008. The MTW designation allows HACSB to develop and test innovative programs that promote economic independence for families, save taxpayers' dollars through administrative efficiency and expand housing choices for families. HACSB has completed its fourth year of participation during which we have developed 22 MTW initiatives. A brief timeline is provided below –

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

Table 1

Overview of Agency's Goals and Objectives

Assistant Secretary Sandra Henriquez stated that the success of the Boston Housing Authority during her tenure was a result of "operating as a private business with a social mission." This sentiment resonates at HACSB and our success is in our business approach which involves strategic planning and analysis.

¹ San Bernardino County 2012 Community Indicators Report

² Census Population Estimates

Prior to our MTW designation, HACSB completed a 30 year strategic planning process and developed the agency's long term goals that provide us with the long term vision and motivation to achieve the short term milestones. As good stewards of taxpayers' dollars, we ensure optimal use of funds to provide the best quality services to our families. Our proactive planning has helped us face the consecutive budget reductions while increasing the number of families served and services.

Our long term goals align with the statutory objectives of MTW and our vision of staying committed to creating a world in which all people have a stable and enriched quality of life. This motivates us to implement an array of innovative business practices and program services. HACSB aims to accomplish the following goals aligning our strategic and MTW objectives -

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

-  Ensure excellent and efficient stewardship of resources and programs
-  Maintain a workplace environment that attracts and retains capable employees who feel they are making a difference
-  Develop a communication program that effectively disseminates information inside and outside the Agency
-  Provide world class customer service

We have currently implemented nine 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 objectives:

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

We have currently implemented seven 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 objectives:

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

We have currently implemented three MTW activities that address this goal.

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

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

Table 2

Section II – General Operating Information

HACSB provides affordable housing assistance to more than 10,000 families throughout the County of San Bernardino consisting of Affordable (Public) Housing, MTW Voucher Program, Special Programs such as Shelter Plus Care, Veterans Administration Supportive Housing (VASH) Vouchers, Mainstream, etc. We provide families a stepping stone through difficult economic times and in conjunction with community partners help them on their path to economic independence.

A. HOUSING STOCK INFORMATION

HUD Funded Affordable Housing (PUBLIC HOUSING)

At the end of FY 2012, HACSB had 1,294 housing units under the Annual Contributions Contract (ACC). This does not include 9 offline units (ACC Non Dwelling) that had previously been permanently converted to non-dwelling units for resident service purposes such as head-start centers, child care, and education centers or 26 non ACC units used for administrative purposes and resident amenities (community rooms, laundry rooms etc.).

PUBLIC HOUSING STOCK (FY 2012)			
Management Point	ACC Units	ACC Non Dwelling Units	Non ACC units
AMP 120	343	6	4
AMP 130	331	0	6
AMP 150	205	2	3
AMP 160	186	0	5
AMP 170	219	1	4
AMP 180	7	0	0
AMP 190	0	0	4
TOTAL	1,294	9	26

Table 3

CHANGES IN PUBLIC HOUSING STOCK (FY 2012) –

HACSB works closely with our families in educating them on the Section 32 homeownership program. The current economic downturn has also led to a significant drop in property prices in San Bernardino County which has increased homeownership opportunities. In FY 2012, our efforts led to the sale of 17 homes, which are listed below -

PUBLIC HOUSING UNITS SOLD IN FY 2012		
Address	City	AMP
18669 6th St	Bloomington	160
11362 Addison St.	Adelanto	180
18610 6th Street	Bloomington	160
242 Pioneer Ave.	Redlands	150
311 Grant	Rialto	160

11802 Cedar Ave	Bloomington	160
345 S. Macy Street	San Bernardino	130
217 Coral Tree Dr.	Rialto	160
18869 Jurupa Ave	Bloomington	160
1342 Candleberry Rd	Bloomington	160
10279 Dorset St.	Rancho Cucamonga	160
435 S. Macy St.	San Bernardino	130
35373 Comberton St.	Yucaipa	150
6319 Athol Ave	Twentynine Palms	190
375 S. Macy St.	San Bernardino	130
1112 Broadway Ave	Barstow	170
18230 9th Street	Bloomington	160

Table 4

No additions were made to the public housing inventory. Therefore, as of October 1, 2012 there were 1,294 public housing units.

Demo/Dispo – On March 2, 2012, HUD approved the disposition application for 59 dwelling buildings containing 113 dwelling units and 3 non-dwelling units for Management Point AMP 150, commonly referred to as the Redlands Lugonia Avenue Public Housing site (Sites 019-001, 008 & 009). The demolition will be completed in two phases – 60 units in the first phase and 55 units in the next phase. The mixed finance new development will include bond proceeds, tax credits and a one for one replacement of the public housing units with project based vouchers. The development will be redeveloped as a mixed use/mixed income community consisting of 189 rental units and will also include 39 single family homes, which will be available for purchase.

CAPITAL FUND PROGRAM

Capital Fund Program (FY 2012)– The most significant expenditures of Capital Fund during 2012 involved Design, Engineering and pre-construction services as related to the two public housing mixed-finance projects now underway: The redevelopment of the 115 unit Lugonia site in Redlands, which amounted to approximately 15% of the total capital expenses, and the redevelopment of the 252 unit Waterman Gardens site in San Bernardino, which amounted to 35% of total capital expenses.

City building department approvals were finalized, and relocation of existing tenants was completed at Lugonia for the initial phase. HACSB was awarded in March 2012, approximately \$30 million in tax-exempt bond allocation and 4% low income housing tax credits from the state of California to fund the construction, which is slated to commence in early 2013. Entitlements are expected to be secured from the City of San Bernardino in early 2013 for the Waterman Gardens site, where 252 units are planned to be replaced by over 400 new mixed-income units. Fiscal problems within City government have delayed final approvals of this project, but it nevertheless has been progressing, albeit slowly. Other Capital Fund work in 2012 included kitchen renovations and various interior reconfigurations to accommodate laundry additions as well as improved bathroom accessibility at Maplewood Homes. The initial phase of site landscaping, covering the grounds around the office and community facilities was also completed at that site, as well as a variety of community facility and office improvements at the Redlands, Colton and

Chino sites. Accessibility improvements were also completed at multiple units, and the 504 transition plan has been revamped and updated to insure and track compliance across all AMPs.

Capital Fund Program (FY 2013) –The Capital Fund Program Five Year Plan and Budget is included as Appendix C. The Agency will continue its capital improvements at the Maplewood Homes (Medical Center) site (19-03, AMP 3), including kitchen and bathroom renovations. In addition, the Agency will commence with the second phase of landscaping (Xeriscape) improvements at Maplewood. The most significant capital expenditures planned for this year using Capital Funds, other than these mentioned above, includes design and installation of landscape (xeriscape) improvements at the 85 unit Pine Street site in Colton (19-04, AMP 6), which had been postponed from 2012 in order to analyze the potential of funding the work through an Energy Performance contract. Also planned is the continuation of various ADA related site and interior improvements at various public housing sites. HACSB hopes to submit disposition applications for the Yosemite Court site in Barstow (19-13, AMP 7-originally planned for 2012), and scattered sites in San Bernardino (AMPs 120 & 130) in 2013, if policy direction within HUD allows it. Redevelopment activities will commence at the Redlands Lugonia site (19-01, AMP 5), with the first phase of construction anticipated to break ground in January. A resident relocation plan has been completed and funding applications for the initial phase of the comprehensive redevelopment of Waterman Gardens is expected to commence in the spring of 2013. Details of smaller planned capital projects are described in Appendix C.

HOUSING CHOICE VOUCHER (HCV) PROGRAM

In FY 2012, we continued our aggressive leasing efforts to serve our baseline number of families of 8,101. Our Five Year Lease Assistance Program has 302 families in FY 2012 and we are working closely with our families providing them resources as the stride towards self-sufficiency. More information on our leasing efforts is included in the ‘Leasing Information’ part of this section.

PROJECT BASED VOUCHER –

In FY 2012, we renewed our Project Base Voucher contracts for 190 units located at Arrowhead Woods, Robert O. Townsend, Yucaipa Terrace and Grandview Towers. We also executed new contracts for a total of 134 units at Sunrise Vista, Sunset Pointe and Mentone Clusters. Details on the total number of PBV units at the end of FY 2012 is shown below –

Voucher Program – Project Based Voucher Properties		
Property Name	City	Number of Units
Redwood Terrace	Fontana	68
Robert O. Townsend	Montclair	48
Vista Del Sol	Redlands	53
Arrowhead Woods	San Bernardino	51
Grandview Towers	Twin Peaks	40
Yucaipa Crest	Yucaipa	45
Yucaipa Terrace	Yucaipa	51
Desert Village	Victorville	46
Sunset Pointe	Barstow	50

Sunrise Vista	Barstow	50
Mentone Clusters	Mentone	34
Scattered Sites	Various	308
TOTAL PROJECT BASED UNITS		844

Table 5

AUTHORITY OWNED (Non-HUD) HOUSING STOCK – HACSB owns 1,361 units (including 4 commercial units) across 16 cities throughout the County. Many of these units are affordable for families earning 80% or less of the Area Median Income (AMI) as a result of public funds acquired for the acquisition and/or development, such as HOME and Redevelopment Housing Set-Aside funds. The chart below lists the properties and total number of units in each property in the HACSB Authority Owned (Non-HUD) Housing Portfolio.

AUTHORITY OWNED HOUSING STOCK		
Property Name	City	Total Units
Muni Property	Apple Valley	7
Desert View	Baker	24
Sunrise Vista	Barstow	156
Sunset Pointe	Barstow	144
9 th Street Property	Colton	3
Canyon Villas	Colton	46
Las Palmas	Fontana	16
Redwood Terrace	Fontana	68
A Avenue	Hesperia	4
Sunnyside	Hesperia	30
Mesa Gardens	Hesperia	29
Sequoia	Hesperia	35
Stone Creek	Loma Linda	20
Van Leuven (14/8)	Loma Linda	22
Mentone (State)	Mentone	34
Crafton	Mentone	5
Kingsley Patio	Montclair	34
Bahia	Ontario	3
Frankish Building (includes 4 commercial)	Ontario	20
Summit Place	Ontario	75
Summit Walk	Ontario	78
Brockton	Redlands	8
Hampton Court	Redlands	24
Lombard	Redlands	4
Stillman	Redlands	9
Merrill	Rialto	24
Arrowhead Woods	San Bernardino	51

Yucca	San Bernardino	14
Wall Avenue	San Bernardino	8
Grandview Towers	Twin Peaks	40
Andalusia	Victorville	168
Sunset Gardens	Yucaipa	39
Third Street	Yucaipa	19
Yucaipa Crest	Yucaipa	45
Yucaipa Terrace	Yucaipa	51
Scattered Sites	Various	3
TOTAL ALL AUTHORITY OWNED HOUSING STOCK		1,361

Table 6

B. LEASING INFORMATION

HACSB LEASING INFORMATION							
Affordable Housing		Housing Choice Voucher				Authority Owned Portfolio	
			Total	Non PBV	PBV		
Total Units (eligible for lease)	1,182	MTW Vouchers	8,101	7,257	844	Total Units	1,361
Total Units Leased	1,162	Vouchers Leased	8,038	7,235	803	Total units leased	1,175
Percent of Units Leased	98.3%	Percent of MTW Voucher Utilization	99.2%	99.7%	95.1%	Percent of units leased	86.3%

Table 7

At the end of FY 2012, the Affordable (Public) Housing occupancy rate was 98.3%, a significant increase from FY 2011 due to our aggressive leasing and vacancy turnaround numbers. The units eligible for leasing do not include non-dwelling, exempt for modernization and approved demo/dispo units. The extensive leasing efforts in the HCV program resulted in a 99.2% voucher utilization rate. HACSB undertook significant leasing efforts in FY 2012 and provided additional services to our Five Year Lease Assistance families through CDI which resulted in a 99.7% lease rate for the non PBV units and a 95.1% lease rate for our PBV units.

In FY 2012, the majority of the leasing for our Authority Owned housing units was managed by an independent property management company. The occupancy rate for this portfolio was 86.3%; with the majority of developments having occupancy rates well above 90%. Two large properties (300 units total) were undergoing rehabilitation which affected the overall occupancy of the portfolio. This portfolio is a combination of affordable and market rate units. With the exclusion of the two aforementioned properties the occupancy rate for the portfolio was over 91% for the FY which is in line

with the Metropolitan Statistical Area occupancy rates for Riverside/San Bernardino County as of the third quarter of 2012.

Non MTW Vouchers – FY 2012		
Program	Authorized	Leased
Mainstream	100	90
HOPWA	50	35
VASH	135	87
Stepping Stones	28	34
Project Gateway	12	6
New Horizons	46	43
Good Samaritan	17	13
Laurelbrook Estates	27	15
Lantern Woods	16	1
Master Leasing	35	13
Total	466	337

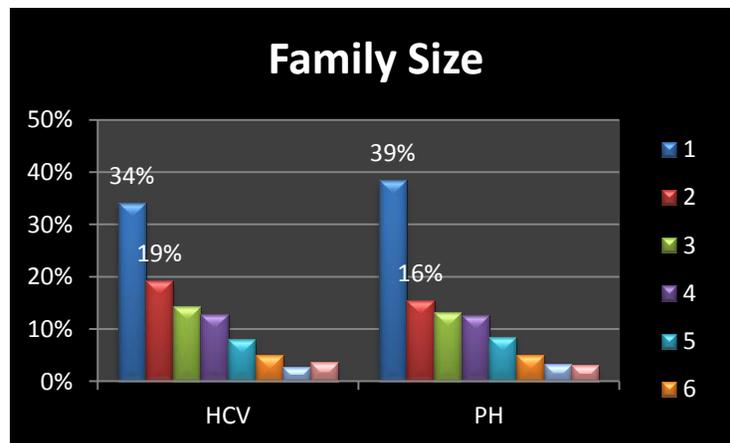
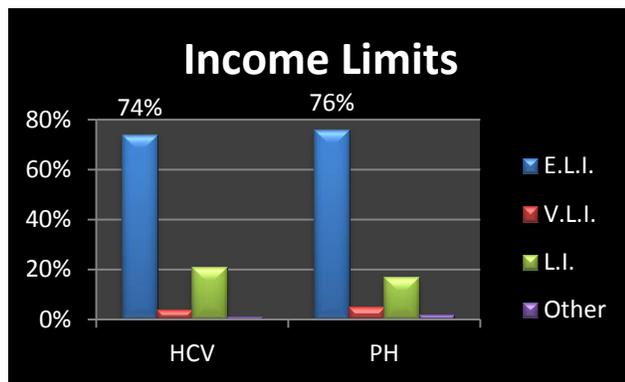
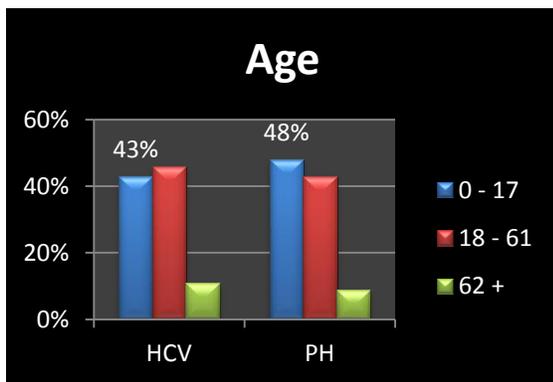
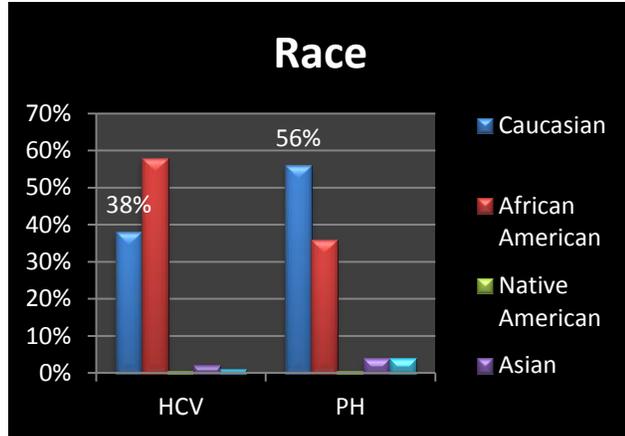
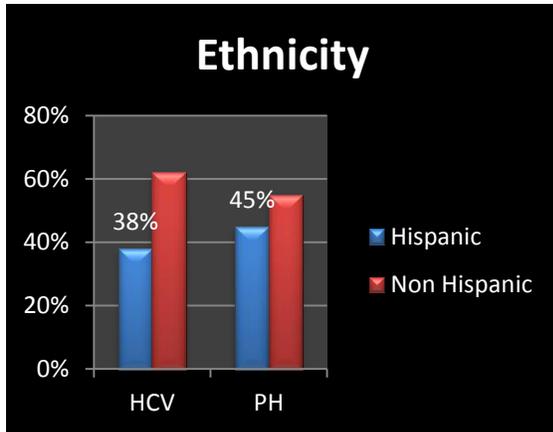
Table 8

In FY 2012, we undertook extensive efforts in our non MTW Voucher portfolio and increased cooperation with our partner agencies to identify and resolve issues that affect our lease rates. Under most other programs listed above, the referrals come from the partner agency and they match our housing assistance with social services. The cuts in funding in some cases led to lack of caseworkers which affected our lease rates due to limited referrals. We have sponsored a new partnership with local officials and partners to document and coordinate housing funding and services.

Our Mainstream program has a lease rate of 90% and the lease rate for HOPWA was 70%. We were awarded 35 additional VASH vouchers in FY 2012 and excluding the new vouchers, our lease rate was 87%. In the Shelter Plus Care programs, our lease rates were pretty high except for the newer programs where we are working with our partners for increased referrals. The Master Leasing program is for at risk homeless for a term of six months and is not fully utilized due to the need to keep vouchers available at all times. We hope for continued support from our partners to improve our lease numbers in FY 2013.

Tenant Profile - The following charts provide a picture of the families served in FY 2012 through our Housing Choice Voucher and Affordable (Public) Housing programs.

Chart 1



C. WAITING LIST INFORMATION

The chart below provides a summary of the waiting list applicants by income and household type for both the Affordable (Public) Housing Program and the Housing Choice Voucher Program at the end of FY 2012:

WAITING LIST DEMOGRAPHICS												
Family Type	Affordable (Public) Housing Waiting List				HCV Elderly/Disabled Waiting List				Five Year Lease Assistance Program			
	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	Total PH	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	Total HCV	ELI (30% AMI)	VLI (50% AMI)	LI (80% AMI)	Total 5 YR
Elderly	1,345	316	40	1,701	291	23	6	320	0	0	0	0
Disabled	1,026	284	72	1,382	525	67	9	601	0	0	0	0
All Other	16,117	3,006	628	19,751	0	0	0	0	2,705	168	47	2,920
TOTAL	18,488	3,606	740	22,984*	816	90	15	998*	2,705	160	47	2,946*

* Total also includes all other families like over income or larger family sizes.

Table 9

HACSB continued an aggressive leasing effort that has led to an increase of 131 families served in FY 2012. On January 1, 2012 we implemented our Five Year Lease Assistance Program for all non-elderly and non-disabled households pulled from the HCV waiting list. In preparation for activity implementation, a waiting list record update process was initiated in November 2011. On a monthly basis, between 1,500 to 3,000 applicants were contacted in waiting list order, to update their records. Based on the response received, the applicant was either placed on the Five Year Lease Assistance Program waiting list or the HCV Elderly/Disabled waiting list. Over the course of the year, a total 22,122 HCV waitlist applicants were sent the record update form and as a result 4,893 applicants were placed on the Five Year Lease Assistance program waiting list and 2,087 were placed on the HCV Elderly/Disabled waiting list. Applicants placed on either waiting list maintained the date/time of their original application and the balance of 15,142 were removed either due to failing to respond or mail returned as undeliverable.

The waiting lists for the 1 & 2 bedrooms for Public Housing (except Barstow) remained closed in FY 2012. Other bedroom sizes and the entire Barstow Public Housing waitlist remained open throughout the year.

Our Project Based waiting list is site specific and all Project-Based senior waiting lists were open during this fiscal year with the exception of Vista Del Sol, which is expected to reopen in FY 2013. Scattered sites Regions 1,2 and 3 were closed on 7/27/12 in addition to the 1 and 2 bedrooms of Region 5. Scattered sites Region 5 waiting list remained open for the 3 bedroom size and Scattered site Region 4 was opened on February 6, 2012.

Project Based Voucher Waiting List					
Property Name	Units	ELI (30% AMI)	VLI (50% AMI)	LI (80%AMI)	Total
Redwood Terrace -Fontana	68	161	44	5	210
Robert O. Townsend - Montclair	48	168	39	8	215
Vista Del Sol - Redlands	53	63	10	0	73
Arrowhead Woods - San Bernardino	51	65	14	2	81
Grandview Towers - Twin Peaks	40	11	1	1	13

Yucaipa Crest - Yucaipa	45	53	18	2	73
Yucaipa Terrace - Yucaipa	51	38	12	3	53
Desert Village - Victorville	46	77	19	0	96
Scattered Sites Region 1	97	1588	392	136	2116
Scattered Sites Region 2	107	1,490	404	146	2,040
Scattered Sites Region 3	104	1,833	389	102	2,324
Scattered Sites Region 4	100	232	39	11	282
Scattered Sites Region 5	34	430	84	22	536
TOTAL	844	6,209	1,465	438	8,112

Table 10

Our combined waiting list for our Affordable Housing, Housing Choice Voucher, Five Year Lease Assistance Program and Project Based Voucher is given below –

HACSB GRAND WAITING LIST TOTAL	
Total Extremely Low Income Applicants	28,218
Total Very Low Income Applicants	4,294
Total Low Income Applicants	1,240
Total Applicants	35,040*

* Total also includes all other families like over income or larger family sizes.

Table 11

Section III – Non-MTW Related Information

Special Programs –

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

 **Mainstream** – This program is designed to provide rental assistance to persons with disabilities to enable them to lease affordable private housing of their choice. HACSB coordinates with various groups to provide referrals for services that will allow participants to live independently. In FY 2012, we assisted an average of 92 families through this program.

 **Housing Opportunities for Persons with AIDS (HOPWA)** - HACSB has partnered with Foothill Aids Project to offer rental assistance and supportive services to persons diagnosed with HIV/AIDS. The Foothill Aids Project assesses the applicant's duration of participation in their case management program and facilitates location of suitable housing to meet their clients' needs. At the end of FY 2012, we were assisting 35 families through this program.

 **Veteran's Affairs Supportive Housing (VASH)** - HACSB and Veterans Administration Medical Center have partnered to provide rental vouchers and supportive services to eligible homeless veterans with severe psychiatric or substance abuse disorders. The program goals include promoting maximal Veteran recovery and independence to sustain permanent housing in the community for the Veteran and the Veteran's family. In FY 2012, we assisted an average of 73 families through this program.

 **Master Leasing Program** – This program is funded by State of California Mental Health funds and serves mentally ill or developmentally disabled families in a group home setting. Case management and comprehensive support services are provided for residents participating in this program. In FY 2012, we assisted an average of 18 families through this program.

 **Shelter Plus Care Programs (S + C)** - The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. HACSB currently administers the following S + C vouchers:

- **Stepping Stones (S + C)** - This program provides rental assistance for hard to serve homeless persons with disabilities in connection with supportive services funded through the Department of Behavioral Health (DBH). Under the program requirements, HACSB provides the housing services based on referrals from DBH, which matches the housing funds by providing social services. At the end of FY 2012, we were assisting 34 families through this program.
- **New Horizons (S + C)** – This program is offered through the Department of Behavioral Health for homeless individuals that are currently receiving services from the department.

It was started in 2008 and will run through 2013. At the end of FY 2012, we were assisting 43 families through this program.

- ***Good Samaritan (S + C)*** – This program started in 2008 and is offered through the Department of Behavioral Health for homeless individuals. At the end of FY 2012, we were assisting 13 families through this program.
- ***Laurelbrook Estates (S + C)*** – This program will assist individuals or families experiencing mental illness and homelessness and is a Project based S+C voucher subsidy tied to designated scattered sites throughout the County of San Bernardino. The supportive services will be offered through the Department of Behavioral Health. At the end of FY 2012, we were assisting 15 families through this program.
- ***Project Gateway (S + C)*** – HACSB formed a partnership with Ontario Housing Authority, Mercy House Living Centers Inc. and DBH to provide permanent housing in conjunction with long term supportive services including mental health care, employment, self-sufficiency etc. to our homeless community. At the end of FY 2012, we were assisting 6 families through this program.
- ***Lantern Woods (S + C)*** - This program started in 2012 and is offered through the Department of Behavioral Health for homeless individuals. At the end of FY 2012, we were assisting 1 family through this program.

HACSB College Scholarship Program

For the past twenty one years, HACSB has provided 244 students with \$157,000 in scholarships. The scholarship program assists award winners in achieving their higher educational goals. Current participants/residents in the Housing Choice Voucher, Five Year Lease Assistance Program, Affordable Housing Program or other HACSB affordable housing community are eligible to apply. Students need to be accepted by or currently attending a four-year college/university, community college, or technical/vocational school. This year's 9 awardees each received a \$1,500 scholarship and are attending one of the following four-year colleges/universities: Biola University; Cal State University, San Bernardino; La Sierra University; Oakland University; University of California, Berkeley; and University of California, Riverside. Their areas of study include majors such as: anthropology, biology, criminal justice, nursing, political science, and psychology.



Other Affordable Rental Housing

HACSB owns 1,357 Non-HUD residential units along with 4 commercial units (Frankish Building). Many of those units are affordable as a result of public funds, such as HOME and Redevelopment Housing Set-Aside funds. For more information please refer to the Authority Owned Housing Stock under the Housing Stock Information in Section II: General Operating Information of this report.

Affiliate Non-Profit – Housing Partners I, Inc. (HPI, Inc.) was created in 1991 to develop, own, and manage affordable housing and is an affiliate non-profit of HACSB. HPI, Inc.’s designation as a Community Housing Development Organization (CHDO) allows it to apply for and receive HOME funds from the County of San Bernardino, Department of Community Development and Housing and other cities for the acquisition, development and rehabilitation of housing units. With over 20 years of housing development experience behind it, HPI, Inc. provides HACSB the means with which to leverage a variety of public as well as private funding sources to continue to increase the supply of affordable housing throughout the county of San Bernardino. HPI Property Acquisitions LLC is an HPI, Inc. controlled entity that owns 406 units throughout the County of San Bernardino. HPI Inc. and its affiliates own a total of 647 units, detailed in the list below.

Affiliate Non-Profit			
Property Name	City	Units	Entity
Acacia Property	Fontana	28	HPI Property Acquisition LLC
Chehalis Property	Apple Valley	30	HPI Property Acquisition LLC
Desert Village	Victorville	46	HPI Property Acquisition LLC
Kendall Drive Apts.	San Bernardino	37	HPI Property Acquisition LLC
Kendall Park Apts.	San Bernardino	52	HPI Property Acquisition LLC
Robert O. Townsend	Montclair	48	HPI Property Acquisition LLC
Vista del Sol	Redlands	71	HPI, Inc. Portfolio
Scattered Sites – Region 1	Loma Linda, Redlands, Yucaipa, Bloomington, Colton, Fontana, Rancho Cucamonga	97	HPI, Inc. Portfolio
Scattered Sites – Region 2	Ontario, Montclair, Chino	107	HPI, Inc. Portfolio
Scattered Sites – Region 3	Adelanto, Apple Valley, Hesperia, Victorville, Joshua Tree, 29 Palms, Yucca Valley	131	HPI, Inc. Portfolio
TOTAL UNITS		647	

Table 12

National Association of Housing and Redevelopment Officials Awards

HACSB received four Awards of Merit in Housing and Community Development from the National Association of Housing and Redevelopment Officials (NAHRO) at the summer conference in San Francisco, for the areas outlined below. The purpose of the Merit Award is to give national recognition

to innovative housing and community development projects, programs, and services provided by housing authorities throughout the country.

 **Vista Del Sol:** HACSB made a concerted effort to address the shortage of affordable senior housing in a blighted, low income neighborhood redevelopment area within the City of Redlands. Working with various partners, navigating funding sources and overcoming many obstacles, HACSB and its non-profit affiliate, Housing Partners I, Inc., celebrated the completion and grand opening of a 71-unit senior development, Vista del Sol in May 2010. The Operating Subsidy for Vista del Sol (Activity 16) allowed us to ensure affordability for our seniors.

 **Strategic Plan for Energy Management:** In a proactive measure to increase energy efficiency, water efficiency and health within our housing portfolio and the broader community, HACSB implemented a strategic plan for energy management. HACSB has utilized the processes established to identify multiple sites that are most optimal for solar panel installation, and proceeded to apply for additional funding through the California Multifamily Affordable Solar Housing (MASH) program. As a result, approximately 12 additional housing sites have received a rebate reservation from Southern California Edison Company.

 **Procurement Efficiencies:** In a proactive measure to improve efficiencies, reduce costs and promote green initiatives, HACSB implemented a new comprehensive purchase requisition process. The amount of documentation being sent and handled by the finance and procurement departments has been reduced significantly. In addition, the program provides more detailed information that is readily available to key staff.

 **Local Payment Standards:** HACSB has jurisdiction over the largest county in the contiguous United States. As a result of its size, HACSB was challenged with varying rental submarkets across the County and using HUD Fair Market Rents (FMRs) that were not truly reflective of our County's vastly different rental market. In a proactive effort to address these challenges, save money and increase housing opportunities, HACSB implemented the Local Payment Standards (Activity 12) that accurately reflect the market rent for each of the nine submarkets (regions) throughout the county.

Broadband Technologies Opportunities Program (BTOP)

In February 2010, HACSB was awarded a competitive, three year \$1.2 million BTOP grant to provide technology access to underserved communities, boost economic growth and create jobs. The funds are being used at our 5 computer centers, located throughout the County, to add 25 new workstations, increase broadband speeds, extend operating hours, provide a range of online training workshops, and serve additional users. Computer labs offer internet access, education and career planning, resume review and editing, job search and employment assistance, and basic training on Microsoft Office Programs.

One of our many success stories was in May 2012 when twenty-two members of the Spanish-taught computer classes held at the Waterman Gardens computer center, saw the benefits of their hard work and dedication as they were presented with certificates of completion for the classes. These individuals had been intensely working with Microsoft Office Windows 7 and attending classes two days a week for the past year. It had been a long and rich learning experience for all of them that increased computer literacy and boosted their confidence and spirits.



Section IV – Long Term MTW Plan

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

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

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

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

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

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

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

Our strategic 30 years goals are -

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

Table 13

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

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

Section V: Proposed MTW Activity

The following activity was approved in our FY 2013 MTW Annual Plan.

Activity 22: Streamlined Lease Assistance Program

A. Activity Description

Approved in our FY 2013 Plan, this activity allowed us to develop a tiered subsidy/rent schedule, based on annual income, to calculate the total tent payment (TTP) for all non-elderly and non-disabled households participating in the Housing Choice Voucher and Affordable Housing (Public Housing) portfolios. For all elderly and disabled households, TTP will be based on a fixed percentage of the gross annual income that has been adjusted to account for deductions and allowances.

B. Activity Impact

This activity is scheduled to be implemented on January 1, 2014 in the Affordable (public) Housing and Housing Choice Voucher Programs. This activity will not apply to our current and new Five Year Lease Assistance Program families. The goal of the activity is to simplify the cumbersome rent calculation process to achieve administrative efficiencies. It will also help families better understand the rent structure thus allowing them to better budget and plan for economic independence.

TIERED LEASE ASSISTANCE PROGRAM:

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

TIERED SCHEDULE FOR NON ELDERLY AND NON DISABLED HOUSEHOLDS

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

Table 14

FIXED LEASE ASSISTANCE PROGRAM:

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

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

Table 15

C. Benchmark Achievement

This activity has not yet been implemented; however, we have been working diligently towards its implementation. As this activity impacts about 90% of existing households, and as we have learned from implementing previous MTW activities, a fully vetted implementation plan goes a long way towards a smooth implementation. As part of our overall implementation plan, we have almost completed an update of all of our Public Housing and Housing Choice Voucher program policies. Once the policies are finalized, we will update our procedures and forms. Communications to residents are being prepared as

well. In addition, we are also currently in the middle of an agencywide software conversion that will “go live” in January of 2014. We plan to implement this activity after we convert to Yardi so that any software modifications are included in the new software system and expenses/training are not duplicated by also modifying the existing software systems.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Cited

HACSB is authorized to undertake this initiative through Attachment C (C) 4, 11 and (D) 1 (c), 2 (a) (b), 3 (a) (b). This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures. This activity also addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Section VI: Ongoing Activities

Activity 1: Single Fund Budget with Full Flexibility

A. Activity Description

This activity, approved in our FY 2009 MTW Annual Plan, allowed HACSB to combine resources (Public Housing Operating Funds; Public Housing Capital Fund and Housing Choice Voucher funding) under a single fund block grant.

See Section VII for additional information.

Activity 2: Strategic Investment Policies

A. Activity Description

This activity, approved in our FY 2009 MTW Annual Plan, allowed the agency to implement a Strategic Investment Policy which would be consistent with California Government Code Section 53630 and/or HUD approved investment criteria.

B. Activity Impact

This activity was implemented in November 2010. The activity enabled the authority to achieve a safer, more liquid portfolio that had a competitive yield. A new investment policy was approved by the agency’s Board of Commissioners. We sought the advice of an investment consultant to establish a time laddered investment pool. Unfortunately, the fiscal funding uncertainties coupled with the threat of sequestration, has now forced us to take a more conservative approach to investing. While the goal of the activity was to show a rate of return on our investments greater than the states LAIF interest rate we have not pursued aggressive investments.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Average interest earned on MTW funds invested during FY 2009	1.72% interest earned on MTW funds invested during FY 2009 (LAIF rate 0.35%)	Interest earned on MTW funds invested	Percentage increase in investment earnings over State LAIF interest rates	0% increase in investments earnings over states LAIF interest rates

Table 16

C. Benchmark Achievement

In FY 2012, \$9,884,822 was invested in LAIF accounts at the interest rate of 0.35%. As mentioned above, the uncertainty of the funding levels has dampened our investment strategy and we plan to continue our conservative approach in FY 2013.

D. Measurement Revisions- There are no revisions to the measurements.

E. Data Collection Methodology - The Agency has not modified its original data collection methodology.

F. Changes to Authorizations - There has been no change in the Attachment C authorizations that were waived under our approved MTW Plan for this activity.

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C (B)(5) which waives certain provisions of Sections 6(c)(4) of the 1937 Act and 24 CFR982.156. By receiving the authority to modify these provisions HACSB is able to achieve the statutory goal of achieving greater effectiveness in federal expenditures by earning more interest on its investments.

Activity 3: Alternate Assessment Programs (postponed)

A. Activity Description

In FY 2009, HACSB proposed to develop Activity 3: Alternate Assessment Programs which would meet the statutory goal of increasing operational efficiencies. At HUD's 2009 Annual MTW Conference we learned that there was an effort to establish an MTW-wide successor to the Section Eight Management Assessment Program (SEMAP) and Public Housing Assessment Program (PHAS) systems currently in place. HACSB has been actively involved in a working group, consisting of team members from various MTW agencies, in an effort to develop a replacement assessment. The working group met again in October 2012 and is close to making a recommendation. This remains as an activity because HACSB continues to be a partner with MTW agencies to help propose a successor system. Once the system has been agreed upon by MTW agencies, this activity will be active.

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.

Following is the original activity description that was included in the approved FY 2009 MTW Annual Plan.

HACSB will elect not to be scored by HUD under 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.

Activity 4: Biennial Recertifications

A. Activity Description

This activity was initially approved in our FY 2009 MTW Annual Plan and it allowed us to conduct recertifications every two years for elderly and disabled households that have no other adult household members and for which there is no earned income for both the Public Housing and Housing Choice Voucher programs. It was modified in our FY 2012 MTW Annual Plan and we expanded the scope to conduct biennial inspections on all families in both programs.

B. Activity Impact

This activity generated operational efficiencies from a reduction in annual case loads and also reduced the reporting burden on our families. Since we have not made any changes to our interim process, families are required to report all changes in income and family composition. The recertification case load has been divided and half of the pool will complete their recertification this year while the other will have a recertification next year. We hope to realize the full savings from this activity in two years.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Total number of staff hours to complete recertification for elderly and disabled families with fixed incomes	306 hours for Public Housing; 2,224 hours for HCV in FY 2009. (0.85 hours to complete recertification)	Hours to conduct recertification for eligible families	153 hours to complete recertification in PH: 1122 hours for HCV. The benchmarks will be the same for all forthcoming years.	136 hours to complete recertification in PH: 1,728 hours in the Voucher Program
Actual number of families eligible to complete recertification packet biennially (elderly and disabled families with fixed incomes)	360 eligible families in Public Housing; 2,640 in HCV.	Number of families completing packet annually.	Of total eligible families, 180 will complete packet annually and 1320 in HCV. The benchmarks will be the same for all forthcoming years	Of total eligible families, 188 in PH and 1,876 in HCV Program completed packet in FY 2012.
Total number of staff hours to complete recertification for non-elderly and non-disabled households with fixed income	1,393 hours for Public Housing; 8,453 hours for HCV in FY 2009 (1.62 hours per recertification)	Hours to conduct recertification for eligible families	697 hours to complete recertification in PH: 4,227 hours for HCV. The benchmarks will be the same for all forthcoming years.	290 hours for Public Housing; 1,514 hours for biennial HCV in FY 2012
Actual number of families eligible to complete recertification	860 eligible families in Public Housing; 5,218 in	Number of families completing	Of total eligible families, 430 will complete packet	235 eligible families in Public Housing; 1216 in

packet bi-annually	HCV.	packet annually.	annually and 2,609 in HCV. The benchmarks will be the same for all forthcoming years	HCV.
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Table 17

C. Benchmark Achievement

We will not achieve our true benchmarks till the 2013 report due to the staged implementation of the activity. There are also a couple other factors that have affected the baselines – first the disposition of 335 units from Public Housing to Housing Choice Voucher Program and second the aggressive leasing efforts in our programs have led to a larger portfolio. For our elderly/disabled families, we met the benchmark in the Public Housing Program, but due to additional portfolio did not meet it in the Housing Choice Voucher Program. For our non-elderly and non-disabled families, the benchmarks will be met in FY 2013 since this activity was partially implemented in FY 2012.

D. Measurement Revisions - There were no revisions to the baselines or the metrics.

E. Data Collection Methodology - The Agency has not modified its data collection methodology.

F. Changes to Authorizations - There has been no change in the Attachment C authorizations that were waived under our approved MTW Plan for this activity.

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C (C)(4) which waives certain provisions of Sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257 and Attachment C(D)(1)(c) which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516. This authorization allows the Authority to meet the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures by reducing the number of recertifications, which will result in decreased costs and staff time devoted to other priorities.

Activity 5: Local Verification Policies

A. Activity Description

The activity was approved in our FY 2009 MTW Annual Plan and the flexibilities granted through this activity allowed us to implement local verification policies for both the Affordable (Public) Housing and Housing Choice Voucher programs.

B. Activity Impact

The verification form used by the team was modified in FY 2011 has Upfront Income Verification using HUD’s Enterprise Income Verification (EIV) as the highest, followed by documents viewed – if satisfactory information to verify income and source is provided. If additional verification is required, a third party written verification is requested and lastly we use third party oral as the lowest ranking of

income verification. This activity has simplified the process for our families and the team - allowing us to better track the verification.

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

Table 18

C. Benchmark Achievement

The efficiencies gained from this activity continue in FY 2012. The time spent per verification compared to the baseline data decreased by 32% in the HCV program and over 50% in the Affordable Housing (Public Housing) program. The significant decrease in the number of hours in the Public Housing Program is due to the disposition that transferred 308 public housing families to the project based portfolio of the Housing Choice Voucher Program. Our increased leasing efforts also led to a slight increase in the total number of hours in HCV compared to FY 2011. The total hours spent in the HCV program was 4,438 hours and 316 hours in the Public Housing Program.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C (C)(4) and (11) which waives certain provisions of Sections 3(a)(1), 3(a)(2), 3(a)(3)(A) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, 960.255, 966.4 and 960.257 and Attachment C(D)(1)(c) and (3)(b) which waives certain provisions of Section 8(o)(5) and 24 CFR 982.516 and 982 Subpart E. Through this regulatory waiver HACSB is able to meet the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures by performing fewer time consuming and as a result costly, income verifications.

Activity 6: Elimination of Assets

A. Activity Description:

HACSB has modified the tenant rent calculation by eliminating the inclusion of income from assets in both the Affordable Housing and Housing Choice Voucher programs. Information on assets is not required to be reported by families and is not being verified by HACSB. This activity was approved our FY 2009 MTW Plan and was implemented on October 1, 2009.

B. Activity Impact

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

Baseline Description	Baseline Data	Metric	Benchmark	Expected Outcome
Total hours of staff time to collect and calculate asset income for PH	178 hours to hours to collect and calculate asset income in Public Housing	Hours	Zero hours in FY 2010 to collect and calculate asset income for PH	Zero hours in FY 2012 to collect and calculate asset income for PH.
Total hours of staff time to collect and calculate asset income for HCV	1,300 hours to collect and calculate asset income in HCV	Hours	Zero hours in FY 2010 to collect and calculate asset income in HCV.	Zero hours in FY 2012 to collect and calculate asset income for HCV.

Table 19

C. Benchmark Achievement

The established benchmarks were met in FY 2012 and staff spent zero hours to calculate the asset income in our Affordable Housing and Housing Choice Voucher Program. No hardship requests were received for this activity as it benefits our families.

D. Measurement Revisions - There were no revisions to the baselines or the metrics.

E. Data Collection Methodology - The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this activity through Attachment C (C)(11) which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A and Attachment C (D)(2)(a) which waives certain provisions of Sections (8)(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518. This activity addresses the MTW statutory objective to reduce costs and achieve greater costs effectiveness in federal expenditures.

Activity 7: Controlled Program Moves

A. Activity Description

This activity was approved in our FY 2009 MTW Annual Plan and limited voluntary program moves for Housing Choice Voucher participants to once every two years upon verification from their current landlord that they are a tenant in good standing. We have established exceptions to this policy, like permitting moves for reasonable accommodations and self-sufficiency activities.

B. Activity Impact

This activity was implemented on February 1, 2010 and has helped our families make educated, informed decisions regarding moves. All families wishing to move attend a pre move briefing where we educate families on basics like expenses associated with moves and importance of making the right move when necessary. The significance of a stable environment for a child’s development is often missed when people move. The two year restriction on moves helps families become stabilize and avoid uncalculated move expenses. As an agency, that is a great accomplishment as we are empowering our families to make an educated decision.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Percent of total voluntary program moves each year	12.7% of participants moved voluntarily in FY 2009	Percent of families that voluntarily move each year	No more than 4% of total participants move voluntarily each year. The benchmark will remain the same for all forth-coming years.	11.31% of participants moved voluntarily in FY 2012
Number of staff hours spent annually processing program moves	4,599 hours to process program moves annually (4.8 hours per move).	Hours to process a program move	1448 hours spent to process moves annually.	3,772 hours spent to process program moves annually

Table 20

C. Benchmark Achievement

The benchmark was not achieved in FY 2012, but progress was made on the number of moves. The percentage of moves in FY 2012 (11.31%) decreased by 23% over FY 2011 and 10% over the baseline.

Additionally, the number of hours to complete a move decreased from 4.8 hours per move to 4.0 hours per move in FY 2012. The two year restriction on moves was effective upon execution of a new Housing Assistance Payment for current families which led to a staggered implementation. In FY 2012, we changed our occupancy standards to two per room, regardless of age, gender and relationships within the guidelines. The new standard will be applicable at moves and we may see a decrease in the number of moves due to this policy.

D. Measurement Revisions - There were no revisions to the baselines or the metrics.

E. Data Collection Methodology - The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C, D 1.a and b and D 2.b which waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(G) and 8(o)(13)(F) of the 1937 Act and 24 CFR 982.303, 982.308, 982.309, 982.451 and 983 Subpart E and F. This activity addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures by limiting the frequency of elective program moves which will save staff time that can be devoted to other critical activities.

Activity 8: Local Policies for Portability

A. Activity Description

This activity was approved in our FY 2009 MTW Annual Plan and it allowed us to apply MTW requirements to inbound portability families. As per activity 15: Pilot Work Requirement, a work requirement (15 hours a week) for all eligible household members of the incoming portability family was also implemented.

B. Activity Impact

This activity was implemented on October 1, 2009 and the Work Requirement was effective August 1, 2010. The detailed portability briefings allow us to educate incoming port families about our MTW program and requirements. The overall number of incoming ports decreased in FY 2012 and we did see an increase in the number of outgoing ports.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Average staff time spent to process in-bound portability	2,004 hours to process in-bound ports in FY 2009	Hours to process inbound portability	1,002 hours to process in-bound ports. The benchmark will be the same for all forthcoming years.	356 hours to process in-bound ports in FY 2012
Average staff time spent to process out-bound portability	319 hours to process out-bound ports in FY 2009	Hours to process out-bound portability	160 hours to process out-bound ports. The benchmark will be the same for all forthcoming years.	250 hours to process out-bound ports in FY 2012
Percent of HAP and Admin Fee Accounts Receivable due to untimely payments from Receiving PHA's	\$257,488, which is .36% of the HAP and Admin Fee accounts were receivables due from PHAs for portability	Percent of annual HAP receivable from portability	Portability receivables – FY 2010 -\$244,613: FY 2011 – \$232,383 FY 2012 –\$220,764 FY 2013 – \$209,725 FY 2014 - \$199,239	Portability receivables – FY 2012 - \$105,617

Table 21

C. Benchmark Achievement

The benchmarks for the inbound portability and portability receivables were accomplished in FY 2012. We did see an increase in the number of outgoing ports which did increase the time spent processing outgoing ports. The hours spent on outgoing ports were still 21% lower than the baseline data creating efficiencies in processing ports.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this activity through Attachment C (D) (1) (g) which waives certain provisions of Section (8) (r) of the 1937 Act and 24 CFR 982 Subpart H. 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 by requiring families who port in or outside of HACSB's jurisdiction to adhere to the same guidelines as all other HACSB program participants.

Activity 9: Elimination of Earned Income Disallowance

A. Activity Description

This activity, as approved in our FY 2009 MTW Annual Plan, eliminated the HUD Mandatory Earned Income Disallowance (MEID) from the calculation of total tenant payment for all Housing Choice and Public Housing participants.

B. Activity Impact

The activity was implemented on October 1, 2009 and no new participants were offered EID. Our anticipated impact of this activity was to provide opportunities to families to increase their economic independence by better mirroring financial incentives in the unsubsidized housing portfolio. We did not receive any hardship requests for this activity.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Public Housing participants receiving EID with earned income	31 Public Housing participants receiving EID with earned income	Families that retain earned income	15 families will retain earned income upon expiration of EID	18 families retained earned income after expiration of EID
HCV participants receiving EID with earned income	5 HCV participants receiving EID with earned income	Families that retain earned income	2 families will retain earned income upon expiration of EID	3 families retained earned income after expiration of EID
Total staff hours to manage EID in Public Housing	52.7 total hours spent in FY 2009 to manage EID in Public Housing	staff time to manage EID	Zero hours in staff time spent to manage EID in PH.	0 total hours spent in FY 2012 to manage EID in PH
Total staff hours to manage EID in HCV	5.7 total hours spent in FY 2009 to manage EID in HCV	staff time to manage EID	Zero hours in staff time spent to manage EID in HCV.	0 hours spent in FY 2012 to manage EID in HCV

Table 22

C. Benchmark Achievement

Participants who were receiving EID prior to the implementation date were allowed to continue to receive the disallowance through September 30, 2011 or until their eligibility for EID expired, whichever came first. In FY 2012, no families received the EID and all benchmarks were achieved.

D. Measurement Revisions - There were no revisions to the baselines or the metrics.

E. Data Collection Methodology – There are no revisions in the data collection methodology.

F. Changes to Authorization – There has been no change in the Attachment C authorizations that were waived under our approved MTW Plan for this activity.

G. Authorization Citation and Statutory Objectives –

HACSB is authorized to undertake this initiatives through Attachment C, D 1.a and b and D 2.b which waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(G) and 8(o)(13)(F) of the 1937 Act and 24 CFR 982.303, 982.308, 982.309, 982.451 and 983 Subpart E and F. This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Activity 10: Minimum Rent

A. Activity Description

This activity, approved in our FY 2009 MTW Annual Plan, allowed us to increase the minimum rent from \$50 to \$125 per month for all households in both the Affordable (Public) Housing and the Housing Choice Voucher Program.

B. Activity Impact

This activity was implemented on October 1, 2009 and the minimum rent was increased from \$50 to \$125. Unfortunately the current economic conditions have severely affected our County with an unemployment rate of 11.2i% versus the state at 9.7% or the nation at 7.5%. Our Community Development Initiatives Department has been focusing on promoting strategies that support economic independence and help transform our clients mindset from ‘entitlement to empowerment.’

In February 2010, HACSB was awarded a competitive, three year, Broadband Technologies Opportunities Program (BTOP) grant to provide technology access to underserved communities. Through this grant, HACSB was able to expand the number of computers available at its 5 neighborhood network labs to 15 per site and also provide a variety of onsite services. One of the primary purposes of these neighborhood network labs is to assist our families in job attainment through a range of online training workshops, education and career planning, resume review and editing, job search and employment assistance, training on Microsoft Office programs and basic internet access.

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
Percent of Public Housing families TTP <\$125.00	9.4% of Public Housing families have TTP <\$125.	Percent of households at minimum rent	8.4% of PH families with TTP<\$125.00	16.84% of Public Housing families have TTP <\$125
Percent of HCV families with TTP <\$125.00	8.6% of HCV families have TTP <\$125	Percent of households at minimum rent	7.6% of HCV families with TTP<\$125.00	11.65% of Voucher families have TTP <\$125
Average household income for PH minimum rent families with earned income	Average household income for PH minimum rent families with earned income is \$10,833	Average earned income in dollars	Average household income for PH minimum rent families with earned income increases to \$11,916	Average household income for PH minimum rent families with earned income is \$8,034
Average	Average household	Average	Average household	Average

Baseline Description	Baseline Data	Metric	Benchmark	Outcome
household income for HCV minimum rent families with earned income	income for HCV minimum rent families with earned income is \$7,917	earned income in dollars	income for HCV minimum rent families with earned income increases to \$8,709	household income for HCV minimum rent families with earned income is \$5,650

Table 23

C. Benchmark Achievement

In FY 2012, the current economic conditions and scarcity of suitable employment prevented us from achieving our benchmarks. In the Public Housing Program, the percentage of families on minimum rent increased to 16.84%. The average household income for minimum rent families with earned income was \$8,034 which was higher than FY 2011. In our HCV program, the number of families on minimum rent also increased to 11.65% and we did see a decrease in the average household income for HCV minimum rent families with earned income to \$5,650. We are expanding our partnerships in our community and with the new Family Resource Collaboration hope to provide more resources to our families to work towards a better future.

In FY 2012, we did not receive any hardship requests for minimum rent policy.

D. Measurement Revisions - There were no revisions to the baselines or the metrics.

E. Data Collection Methodology - There are no revisions in the data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C, C.11 which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, and 960.255 and 966 Subpart A and Attachment C, D2(a) which waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518. This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Activity 11: Local Project Based Voucher

A. Activity Description

This activity was approved in our FY 2009 MTW Annual Plan and was amended in the third amendment to the FY 2010 MTW Annual Plan to clarify the components of our local program. The activity was implemented in September 2010 and it allows us to implement a local Project Based Voucher (PBV) program that meets the needs of the local community and increases the availability of quality housing units.

B. Activity Impact

In FY 2012, we received Board approval to renew PBV contracts for 51 units at Arrowhead Woods, San Bernardino and 48 units at Robert O Townsend, Montclair. We also signed PBV contracts for 219 units (Sunrise Pointe, Sunset Vista, Redlands-Lugonia and Mentone Clusters) all of which are currently owned by the Housing Authority or affiliate nonprofit as per the approved flexibility under this activity. This ensures good, quality units available to our families and expands their housing choices.

Baseline description	Baseline	Metric	Benchmark	Expected Outcome
Percentage of PBV units in portfolio	3.76% of portfolio are PBV units	Percentage of PBV units in portfolio	HA/Affiliate owned PBV units in portfolio increase to 20% by 2018	9.01% of portfolio are PBV units

Table 24

C. Benchmark Achievement

In our FY 2013 Plan, we modified the metrics since we felt the ratio of PBV portfolio was a better metric than ratio of funding. In FY 2012, we continued to grow our PBV portfolio and 219 new contracts were executed. We also received Board approval for 99 additional PBV units in the development process. At the end of FY 2012, 9.01% percent of our portfolio was project based voucher units. We anticipate meeting the benchmarks established and have 20% PBV in our portfolio by 2018.

D. Measurement Revisions

Currently, there are no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C, Section D.7 of the MTW Agreement. This activity addresses the MTW statutory objective to increase housing choices for low income families.

Activity 12: Local Payment Standards

A. Activity Description

San Bernardino County is the largest county in the contiguous United States by area and larger than any of the nine smallest states. In FY 2009, we proposed this activity to implement Local Payment Standards that accurately reflect the varying rental submarkets that exist across our vast County.

B. Activity Impact

An independent third party real estate consulting firm, AREA Inc. was initially hired to analyze our County and develop our sub markets (regions). The payment standards were implemented on April 1, 2011 for all recertification’s effective July 1, 2011. In FY 2012, we contracted with AREA, Inc. to update our payment standards. As our continued customer service process, staff personally contacted landlords that saw a significant change in the contract rent. This activity has increased the housing choice for our families as they are now able to move to regions with better job prospects, transportation and schools.



Baseline Description	Baseline		METRIC	BENCHMARK		Outcome		
The number of participants currently residing in each submarket	Submarket 1 (Desert)	0%	Number of participants in each submarket (identify submarkets with higher poverty tracts)	Submarket 1 (Desert)	0%	Submarket 1 (Desert)	0%	
	Submarket 2 (Victor Valley)	25%		Submarket 2 (Victor Valley)	25%	Submarket 2 (Victor Valley)	23%	
	Submarket 3 (Morongo Valley)	1%		Submarkets 2 and 6, see a decrease of 15% in three years.	Submarket 3 (Morongo Valley)	2%	Submarket 3 (Morongo Valley)	2%
	Submarket 4 (Mountains)	1%			Submarket 4 (Mountains)	1%	Submarket 4 (Mountains)	1%
	Submarket 5 (San Bernardino-South)	10%			Submarket 5 (San Bernardino-South)	11%	Submarket 5 (San Bernardino-South)	11%
	Submarket 6 (San Bernardino-North)	21%			Submarket 6 (San Bernardino-North)	17%	Submarket 6 (San Bernardino-North)	17%
	Submarket 7 (East Valley)	12%			Submarket 7 (East Valley)	14%	Submarket 7 (East Valley)	14%
	Submarket 8 (East Valley)	17%			Submarket 8 (East Valley)	21%	Submarket 8 (East Valley)	21%
	Submarket 9 (East Valley)	13%			Submarket 9 (East Valley)	11%	Submarket 9 (East Valley)	11%
					Submarkets 2 and 6 saw a decrease of 2% and 4% respectively.			
The number of over	Percentage of over housed participants is		Number of over housed	The percentage of over housed drops to		Percentage of over housed participants is		

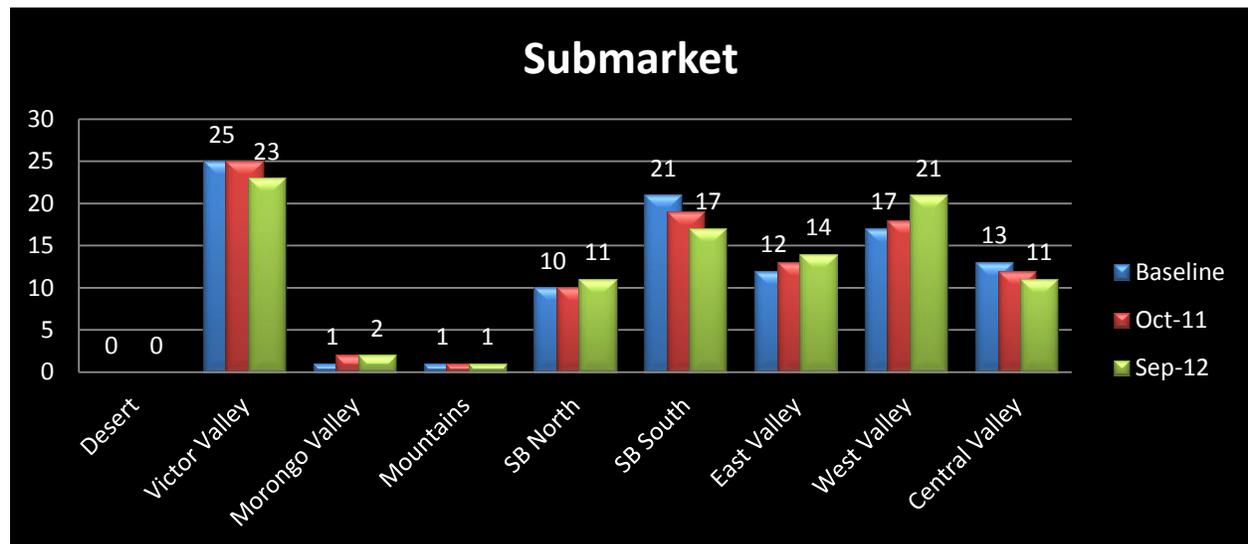
housed participants	36%	participants	27% in three years	33% in FY 2012
The number of participants that are currently paying over 40% of their annual income towards rent.	Percentage of participants paying over 40% in rent is 21%	Number of participants paying over 40% in rent	The percentage of participants paying over 40% in rent drops to 18% in three years	Percentage of participants paying over 40% in rent is 21%

Table 25

C. Benchmark Achievement

In FY 2012, we continued to make progress towards our desired outcomes particularly in the number of over-housed participants, which decreased by 3% and also in the number of families residing in low poverty submarkets. Since the FMR’s did not accurately reflect the variances, families had over extended their living arrangements which could lead to additional expenses. We also see families moving into areas of opportunities, in lower poverty areas, which will help them with their self-sufficiency efforts. Examples of this include a 4% portfolio increase in West Valley (relatively better opportunity) and a 2% and 4% portfolio decrease in Victor Valley and San Bernardino South, submarkets with higher poverty levels. We have not yet seen a decrease in the number of families paying over 40% of annual income towards rent. An unintentional impact is the 8% decrease in our per unit cost (PUC) which will help us serve additional families.

Chart 2



D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through its Moving to Work Agreement, Attachment C D(2)(a), (b), (c), and (d) which waives certain provisions of Sections 8(o) (1),(2),(3),(7),(10) and 8(o)(13)(F),(G)(H-I) of the 1937 Act. This Payment Standard Implementation plan replaces the federal regulations at 24 CFR 982.508, 982.503, 982.505, 982.518, 982.308, 982.451, 982.507 Subpart L and Subpart E. This activity addresses the MTW statutory objective to increase housing choices for low-income families. Without the waiver of the payment standard regulations we could not implement local payment standards which will improve housing opportunities for low-income families throughout the county of San Bernardino.

Activity 13: Local Inspection Standards

A. Activity Description

Approved in our FY 2010 MTW Annual Plan, this activity allowed us to develop and implement local inspection standards for the Housing Choice Voucher program and allows units to qualify for a biennial inspection schedule.

B. Activity Impact

This activity was implemented on May 1, 2011 and allowed units to qualify for a biennial schedule that met our enhanced standards and passed inspections on the first time. A good example of our enhanced standards is the requirement of a cooling system for units located in areas of our county that face significantly higher temperatures. In our development phase for this activity, we sought and incorporated input from landlords.

Baseline Description	Baseline	Metric	Benchmark	Outcome
Number of units that qualify for biennial and annual inspections	0% of inspections were biennial	Ratio of inspections that qualify for biennial to total inspections	33% of our portfolio will qualify for biennial inspections	64% of our portfolio qualify for biennial inspections in FY 2012
Total cost to conduct inspections	Total expenses for inspections is \$707,551	Dollars	Total expenses for inspections is \$579,392 in two years	Total expenses for inspections was \$516,571

Table 26

C. Benchmark Achievement

At the end of FY 2012, 64% of our units qualified for biennial inspections. We closely monitor the percent of new units and existing units that qualify for biennial inspections to ensure we maintain the quality of our units. As our ongoing effort to continue being better stewards of taxpayers dollars, we

started with a pilot outsourcing inspection project. The results were very satisfactory with respect to quality, costs and standards set by our agency. In FY 2012, we completely outsourced our inspection team. To date we are tracking the costs savings from the activity and our outsourcing efforts. We will also continue to do quality checks of our portfolio for accuracy, inspection standards and customer satisfaction. In FY 2012, the total costs to conduct inspections were \$516,571 which met the benchmark and was a savings of \$190,980 from our baseline costs.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C (D)(5) which waives certain provisions of Sections 8(o)(8) of the 1937 Act and 24 CFR 982 Subpart I. This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures and to provide better housing options to low income families.

Activity 14: Local Asset Management Program

A. Activity Description

This activity was approved in our FY 2012 MTW Annual Plan and allows HACSB to develop a local asset management program based on private sector property management principles.

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 has been provided in Appendix C.

Activity 15: Pilot Work Requirement

A. Activity Description

This activity was approved in the FY 2010 MTW Annual Plan and allowed us to implement a work requirement for residents of the Maplewood Homes Community (formerly known as Medical Center) and all incoming ports in the HCV program. The tentative implementation date for the activity is July 2012 for Maplewood Homes; however, the activity for incoming ports was implemented on August 1, 2010.

B. Activity Impact

This activity is scheduled for a January 1, 2013 implementation at our Maplewood Homes Community. Tremendous efforts were undertaken prior to implementation to ensure our families

have access to the skills required to meet the work requirement. Researchers at Loma Linda University conducted an in-depth needs assessment which educated us about issues faced by the families like health barriers, lack of basic computer skills, high levels of debt, substance abuse, transportation etc. We have established partnerships with service providers to meet our family's needs, including onsite services and provide guidance through the process.

For our Maplewood Community, the definition of “work” under this activity encompasses 15 hours a week participation in any one of three phases:

Phase 1: activities removing barriers to gainful employment,

Phase 2: activities leading to gainful employment and,

Phase 3: employment.

There will be a six month transition period at the initial implementation. Informative sessions were held on site to educate residents about the work requirement. Residents will be allowed to participate in Phase 1 for a maximum of two years upon which they should transition into the other two phases. They will then be allowed to participate in Phase 2 for a maximum of two years upon which they should transition to Phase 3. All elderly, disabled individuals and single adult households with kids under the age of 6 will be exempt. If a family is non-compliant after the six month transition period, they will be issued a 90 day notice to become complaint. If they continue to fail to be compliant, a 90 day notice of rent change to market rent will be issued.

The work requirement for all incoming ports (non-elderly and non-disabled) was implemented on August 1, 2010 in the Housing Choice Voucher Program. All eligible household members (non-elderly and non-disabled) of the incoming portability family must be employed at least 15 hours per week within our County or within reasonable driving distance, prior to the execution of the HAP contract and throughout their participation in our program. Non-compliant families will have their previous employment income imputed until new employment is obtained. This has helped families make educated decisions prior to their move to San Bernardino and assist them on their path to economic independence.

Maplewood Homes			
Baseline	Metric	Benchmark	Expected Outcome
Number of residents in Phase 1 is 44, Phase 2 is 50 and Phase 3 is 74	Number of residents per phase	A 33% decrease in the second year for Phase 1 and a 33% decrease in year four for Phase 2	As residents move through the phases, they take steps towards economic independence
Number of non-compliant residents are 97	Number of non-compliant residents	A decrease of 25% in noncompliance rates in two years	As residents realize the benefits of the activity, they begin progress on self-sufficiency efforts
Current average household rent charged is \$194	Average amount of monthly household rent	Increase of 2% per year in monthly household rent from year 2	Increased revenue to support property operations.

Table 27

Incoming Portability			
Baseline	Metric	Benchmark	Outcome
Average HAP at start of activity is \$726.25	Average HAP for port families	Reduction of 15% in Average HAP for incoming portability families	Average HAP payment for port families in FY 2012 of \$656.96 is a 9.54% reduction
Average adjusted annual income at start of activity in \$13,966	Average annual adjusted income	Increase of 15% of average annual adjusted income	Average adjusted income for port families in FY 2012 of 15,960 is a 14% increase

Table 28

C. Benchmark Achievement –

The benchmarks for the incoming portability families were not met but we made progress in FY 2012. The average HAP payment for our portability families has reduced by 9.54% and there is a 14% increase in the average adjusted income.

We initially implemented this activity on January 1, 2013, and gave the families a six month implementation period. The primary reason for the implementation period was to avoid any undue hardships for residents. Prior to January 1 and during the implementation period, Housing Authority staff have communicated extensively to impacted families and continue to work closely with families including providing on-site presentations and accommodating one-on-one coaching/referral meetings with our staff. Staff and partners have worked one on one with the families that were pending compliance with the activity requirements and have successfully assisted the vast majority of those families in becoming compliant.

The Pilot Work Requirement was fully implemented on July 1, 2013. HACSB, through our partnership with Loma Linda University, and our affiliate non-profit KEYS as well as our Community Development Initiatives (CDI) department have been focused on guiding families to access the resources they require including on site mental health services, psycho-educational programming, financial literacy, etc. A needs assessment was conducted by Loma Linda University in December of 2010, which revealed some major barriers to success if a work requirement was implemented without the necessary supports to remove those barriers. Barriers identified were chronic unemployment due to lack of job skills, mental health issues, etc. HACSB, under Loma Linda’s recommendation, proceeded with identifying resources that would assist those individuals in overcoming those barriers. Examples of onsite services that were provided are mental health counseling, group therapy sessions, workforce development specialist and case management services. HACSB staff and partners have been working with the families/individuals to assist in ensuring their success with the pilot work requirement.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology – There are no revisions in the data collection methodology.

F. Changes to Authorization –

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

G. Authorization Citation and Statutory Objectives –

HACSB is authorized to undertake this initiative through Attachment C(C)(2), (C)(5), (D)(1)(g) and (D)(3)(b) which waives certain provisions of Section 6(c) and Section 8(r) of the 1937 Act and 24 CFR 960.201, 960.206, 982.516 and 982 Subparts E and H. This activity relates to the statutory objective to provide incentives to families to achieve self-sufficiency.

Activity 16: Operating Subsidy for Vista del Sol

A. Activity Description

This activity was approved through an amendment to our FY 2010 MTW Annual Plan. Vista del Sol is a 71 unit affordable senior housing community developed by HACSB’s affiliated non-profit; Housing Partners I Inc. Approximately 75% of the development is affordable to households at no more than 80% of Area Median Income. An initial analysis of the Vista del Sol waiting list showed that the average amount of rent that applicants could afford was far below the HOME rents for these beautiful units. In order to meet the gap, HACSB requested a temporary operating subsidy of \$134,000 to make these units affordable to low income seniors from April 2010 through September 2010. On September 15, 2010, we executed a Project Based Voucher contract, and no longer need the operating subsidy.

B. Relation to Statutory Objectives - This activity addresses the MTW statutory objective to increase housing options for low-income families.

C. Anticipated Impact – This activity will ensure that 53 additional seniors will have quality, affordable housing. Without this MTW Activity these apartments likely would have remained vacant until such time as Project-based Vouchers were available.

D. Baselines, benchmarks, and metrics to assess outcomes – HACSB established the following measurements through our Amendment and will report in detail on these measurements in our FY 2010 report.

Measurements			
Baseline	Metric	Benchmark	Outcome
Total projected operating budget shortfall	Dollar amount of shortfall	Zero operating budget shortfall on a monthly basis	Units occupied by low-income seniors
Average income each Vista del Sol tenants	Average income of each tenant	Zero seniors are served by operating subsidy who have incomes over 80% of AMI	Units occupied by low-income seniors

Table 29

- E. Data Collection and Protocols - A baseline report has been developed to identify the operating budget shortfall that would have existed without the Project-based Vouchers immediately prior to the development's completion. HACSB is monitoring the monthly operating statements from Vista del Sol to ensure that the MTW Funds are being used for income-eligible families only and that the project remains financially viable with no operating budget shortfall.

Activity 17: Local Income Inclusion

A. Activity Description

This activity was approved in our FY 2011 MTW Annual Plan for the Housing Choice Voucher and Public Housing Program. This activity allowed us to implement policies to include certain income from sources in the rent calculation that are currently excluded. The sources of income that are now included are foster care income and sanctioned Temporary Assistance to Needy Families (TANF) income.

B. Activity Impact

The activity was implemented on May 1, 2011 to encourage families to maintain their self-sufficiency goals and maximize value on available resources. CALWORKS (TANF) is our local welfare program that provides cash aid and services to needy families if they comply with local and federal regulations. Many of our families were receiving sanctioned benefits due to non-compliance that hindered their path to economic independence. This activity has increased compliance and has been received well by our local Transitional Assistance Department (TAD). Families receiving foster care income are informed at their annual recertification that the inclusion will not occur until the following year. This will help prepare our families for economic independence and help them budget. There were no hardship requests received for this activity in FY 2012.

Baseline	Metric	Benchmark	Outcome
Average earned income from wages from households receiving foster care allowance is \$4,927 in PH and \$1,724 in HCV	Aggregate amount of earned income from households receiving foster care allowance in PH and HCV	Increase in earned income from households receiving foster care allowance in PH and HCV	Average earned income from wages from households receiving foster care allowance is \$5,017 in PH and \$4,298 in HCV
Average income from wages from households receiving sanctioned TANF income allowance is \$349 in PH and \$702 in HCV	Aggregate amount of earned income from households receiving sanctioned welfare income allowance in PH and HCV	Increase in earned income from households receiving sanctioned TANF income allowance in PH and HCV	Average income from wages from households receiving sanctioned TANF income allowance is \$1,831 in PH and \$1,150 in HCV

Table 30

C. Benchmark Achievement

The benchmark achievements for the above metrics, increase in earned income in both programs for sanctioned TANF and foster families was met in FY 2012. The significant accomplishments were the 35% (Affordable Housing) and 70% (HCV) decrease in the number of families that were sanctioned in TANF. This increased compliance ensures our residents are making the correct choices and working toward self-sufficiency. This activity also helps our family's budget and plan optimal use of available resources, reducing their dependence on housing subsidy.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology –

There are no revisions in the data collection methodology.

F. Changes to Authorization –

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

G. Authorization Citation and Statutory Objectives –

HACSB is authorized to undertake this initiative through Attachment C (D) 2 (a) which waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R 982.303, 982.309 and 983 Subpart F. This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Activity 18: Property Management Innovation

A. Activity Description

This activity was approved in our FY 2011 MTW Annual Plan and it allowed us to develop a property management innovation program that reflects the private sector property management principles.

B. Activity Impact

The activity was implemented on January 1, 2012 with the objective of implementing policies that are used in the private sector to decrease management costs, improve the quality of our units and assist our tenants in becoming familiar with the private sector property management principles. All residents signed a new lease which incorporated all the changes proposed in the activity. The lease reflected the following changes approved by HUD in our FY 2011 plan:

- a. 3 Day notice to pay or Quit (previous policy was 14 days).
- b. NSF fees of \$25.00 for first and \$35 for additional items (previous policy was \$25.00).
- c. Late fees increased from \$20 to \$50.

- d. Security deposits equal to one month’s market rent (current security deposit charged is \$500.00)
- e. Implement a holding deposit of \$200.00
- f. Agency will choose lower of flat rent or 30% income rent for residents.
- g. Grievance Process – Previous two step process was replaced with a single on site settlement conference with staff for timely and effective resolutions to issues.

Baseline	Metric	Benchmark	Outcome
Current average per unit costs (per month) in AMPs is \$528	Average per unit cost per AMP	Average per unit cost (per month) in AMPs is \$517	Average per unit cost (per month) in AMPs is \$561
Current average vacancy turnaround costs is \$3,793 per unit	Dollars spent on vacancy turnarounds	Average vacancy turnaround cost per unit is \$3,600	Average vacancy turnaround cost per unit is \$3,600
Current total operations & maintenance expenses are \$234 per unit/per month	operations & maintenance expenses	Total operations and maintenance expense per unit/per month is \$229	Total operations and maintenance expense per unit/per month is \$230

Table 31

C. Benchmark Achievement

Due to a fairly recent implementation, we have not been able to achieve the desired outcomes in FY 2012. The current average per unit costs saw a significant increase due to some unexpected legal expenses, unrelated to the activity, which were due to a vendor issue on a construction contract at our Maplewood Homes community. We did see a decrease in our vacancy turnaround costs and the per unit operations and maintenance expenses in FY 2012. An unintended consequence was the decrease in the number of late fees and no increase in evictions as a result of the new policies.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology –

There are no revisions in the data collection methodology.

F. Changes to Authorization –

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

G. Authorization Citation and Statutory Objectives –

HACSB is authorized to undertake this initiative through Attachment C (C) 9(b) which waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R 966 Subpart A and B and Attachment C (C) 10 which waives certain provisions of Sections 3,6,7,16 and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G. This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.

Activity 19: Pilot Local FSS Program

A. Activity Description

This activity was approved in our FY 2011 MTW Annual Plan and allowed us to develop a pilot local Family Self Sufficiency (FSS) program to help families in their self-sufficiency efforts. Under this program, families will have access to their accrued escrow balances funds during their contract term, if used for self-sufficiency purposes. At the end of their FSS contract, participants will only be eligible to receive the remaining balance if they voluntarily terminate their assistance from the program.

B. Activity Impact

This activity was implemented in July 2012 and we set up a control group (traditional program) and a local group to compare their individual advantages. Recruitment for both local program and control group is ongoing and the programs are offered to new FSS applicants in the Housing Choice Voucher and Public Housing Programs. We continue to work with researchers at Loma Linda University to assist in the longitudinal study that will examine our families and their success in time. We anticipate families in our local group will use their withdrawal ability wisely and make educated financial decisions that will assist them in their self-sufficiency efforts.

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

Table 32

C. Benchmark Achievement

The activity was implemented on July 1, 2012 and at the end of FY 2012, we had 25 families in the local group and 29 families in the control group. We have revamped our Program Coordinating Committee and looking to build additional mutually beneficial partnerships. The current economic conditions have resulted in funding cuts for many of our partners but we hope to work together to leverage resources and meet the service needs of provide the needed services to our families.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C (E) which waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984. This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

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

A. Activity Description

This activity was approved in our FY 2011 MTW Annual Plan and we implemented a five year term limit with flat subsidy on housing assistance for new households (excluding elderly and disabled) in our Housing Choice Voucher Program.

B. Activity Impact

This activity was implemented on January 1, 2012 and at the end of FY 2012, we had 302 families on our Five Year Lease Assistance Program. The goal of the activity is to help our families focus on their self-sufficiency efforts while we assist them with their housing needs for a specific term. In addition all eligible family members work with our Community Development Initiatives Department to develop a personalized Individual Training and Service Plans (ITSP). This plan helps our families map out their five year plan and establish milestones on their path to self-sufficiency.

Baseline	Metric	Benchmark	Outcome
Zero families have Individual Training and Service Plans (ITSP)	Number of households	Number of families with ITSP	302 families have Individual Training and Services Plan
Average wait list time for current 2007 waiting list is 6 years	Number of years	Average wait list time for families will decrease to five years	Average wait list time for current 2007 waiting list is 6 years
1.50 hours to conduct recertifications	Hours	Hours to conduct program recertifications decreases to 1 hour	No recertifications conducted for Five Year Lease Assistance Program

Table 33

C. Benchmark Achievement

The activity is still in the initial implementation phase and the established benchmarks will not be realized till the fourth and fifth year of implementation. We are also working with Loma Linda University to conduct a longitudinal study that will follow the families through this activity, tracking their goals and accomplishments. In FY 2013, we will work with the Workforce Investment Board (WIB) and place a workforce development specialist at our Housing Program Office in San Bernardino. This specialist will provide job training programs and ‘leads’ that will help our families secure employment and earn a ‘living wage’ moving them closer to economic independence.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

There are no revisions in the data collection methodology.

F. Changes to Authorizations

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

G. Authorization Citation and Statutory Objectives

HACSB is authorized to undertake this initiative through Attachment C, C.11 which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, and 960.255 and 966 Subpart A and Attachment C, D2(a) which waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518. This activity addresses the MTW statutory objective to give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

Activity 21: Utility Allowance Reform

A. Activity Description

This activity was approved in our FY 2012 MTW Annual Plan and it allowed us to develop a flat utility allowance schedule for the Housing Choice Voucher Program, based on the consumption methodology versus the traditional engineering methodology.

B. Activity Impact

HACSB developed a consumption based; flat utility allowance schedule that had three variables - the bedroom size of unit, type of unit (apartment or home) and the payment responsibility of two components: 1. Gas and Electric and 2. Water, Sewer and Trash. The tentative impact of the activity was to reduce administrative burden for the Agency by decreasing the time spent calculating and explaining utility allowances. However, in light of the approval of our Streamlined Lease Assistance Program (Activity 22), we have delayed implementation since the utility allowance is incorporated in the streamlined calculation. We are currently reviewing the components of this activity with a tentative implementation date of 10/1/2013 for the Streamlined Lease Assistance Program.

Baseline	Metric	Benchmark	Expected Outcome
Total utility allowances for the HCV program is \$1,101,530	Total utility allowances for the HCV program	0% increase in utility allowances paid annually	No significant increase or decrease in utility allowance cost to agency
Aggregate staff time spent to process and explain utility allowances is 480 hours	Hours to process and explain utility allowances	Aggregate staff time spent to process and explain utility allowances will be 410 hours	Total number of staff hours reduced

Table 34

C. Benchmark Achievement

This activity has not yet been implemented. HACSB planned on implementing Activity 21- Utility Allowance Reform; however, as a result of the development of Activity 22- Streamlined Lease Assistance Program, Activity 21 is no longer needed being that Activity 22 has already included all allowances, including the utility allowance.

D. Measurement Revisions

There were no revisions to the baselines or the metrics.

E. Data Collection Methodology

The Agency has not modified its data collection methodology.

F. Changes to Authorizations

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

G. Authorization Cited

HACSB is authorized to undertake this initiative through Attachment C (D) 2 (b) which waives certain provisions of Section 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R 982.308, 982.451 and 983 Subpart E. Through this regulatory waiver HACSB is able to meet the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.

ⁱ US Bureau of Labor Statistics

SECTION VII: SOURCES AND USES OF FUNDS

A. Planned versus Actual Sources and Uses of MTW Funds

- a. **Planned versus Actual Sources and Uses of MTW funds** – The chart below summarizes the HACSB Consolidated MTW Budget and Actuals for the Fiscal Year 2012 (October 1, 2011 through September 30, 2012). The chart lists all budgeted and actual revenues and expenditures for all funding sources that comprise the MTW Block Grant Funds including Section 9 Operating Funds; Section 9 Capital Fund; Section 8 Housing Choice Voucher (HCV) Housing Assistance Payments; and Section 8 HCV Administrative Fees.

CONSOLIDATED SOURCES AND USES OF MTW FUNDS (FISCAL YEAR 2012)				
REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE	VARIANCE %
HCV Program HAP	68,268,327	68,227,798	-40,529	-0.06%
HCV Program Admin Fees	5,452,448	5,650,522	198,074	3.63%
Public Housing Operating Fund	4,956,162	5,331,649	375,487	7.58%
Public Housing Capital Fund (a)	1,575,732	3,840,990	2,265,258	143.76%
Rental Income	3,838,000	3,278,885	-559,115	-14.57%
Miscellaneous Income (b)	556,368	2,420,861	1,864,493	335.12%
Investment Income	30,000	32,624	2,624	8.75%
TOTAL REVENUE	84,677,037	88,783,329	4,106,292	4.85%
EXPENSE (USES)				
Administration and General Expense	13,120,828	12,542,551	578,277	4.41%
Utilities	1,037,686	1,165,096	-127,410	-12.28%
Operations and Maintenance (c)	3,996,126	6,332,942	-2,336,816	-58.48%
Housing Assistance Payments	65,043,320	65,015,818	27,502	0.04%
Development and Capital Projects	1,175,173	1,037,188	137,985	11.74%
TOTAL EXPENSE	84,373,133	86,093,595	-1,720,462	-2.04%
OPERATING INCOME/(LOSS)	303,904	2,689,734	2,385,830	
Operating Transfers In/(Out)	0	3,300,134	3,300,134	
Reserve Drawdown (Unrestricted)	0	-5,989,868	-5,989,868	
Reserve Drawdown (pre CY 2008 restricted HAP reserves)	-303,904	0	303,904	
NET INCOME/LOSS	0	0	0	

Explanation of Variances Over/ (Under) 20% & greater than \$100,000:

- (a) HACSB utilized Capital Fund for CY 2011 in order to pay-off a Capital Fund Financing Program Loan.
- (b) HACSB was the recipient of a MASH Grant in the amount of \$1.8 million for the construction of a solar facility at a Public Housing site
- (c) Operations and Maintenance includes \$2.1 Million in depreciation; depreciation is not budgeted at HACSB.

Planned versus Actual Sources and Uses of Non-MTW funds –

The chart below summarizes the HACSB Consolidated Budget and Actuals for Non-MTW funds for the Fiscal Year 2012 (October 1, 2011 through September 30, 2012). This chart lists all planned and actual revenues and expenditures for all funding sources for other funds that are not eligible MTW Block Grant funds (including VASH, Mainstream, state, local and central office cost center funds).

CONSOLIDATED SOURCES AND USES OF NON- MTW FUNDS (FISCAL YEAR 2012)			
REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE
Grants	2,459,278	3,540,839	1,081,561
Rental Income	11,291,923	10,398,194	-893,729
Investment Income	127,240	241,463	114,223
Miscellaneous Income	5,628,603	1,989,104	-3,639,499
TOTAL REVENUE	19,507,044	16,169,600	-3,337,444
EXPENSE (USES)			
Administration and General Expense	9,156,761	5,095,109	4,061,652
Utilities	1,233,363	1,092,884	140,479
Operations and Maintenance	3,463,070	5,782,800	-2,319,730
Extraordinary Maintenance	293,650	519,005	-225,355
Housing Assistance Payments	1,853,112	2,025,189	-172,077
TOTAL EXPENSE	15,999,956	14,514,987	1,484,969
OPERATING INCOME/(LOSS)	3,507,088	1,654,613	-1,852,475
Transfers In/ (out)	0	-3,300,134	-3,300,134
Replacement Reserves	981,254	0	-981,254
Reserve Buildup/(Draw)	2,525,834	-1,645,521	-4,171,355
NET INCOME/LOSS	0	0	0

Planned versus Actual Sources and Uses of State/Local Funds –

The chart below summarizes the HACSB State and Local Budget and Actuals for the Fiscal Year 2012 (October 1, 2011 through September 30, 2012). The chart lists all planned and actual revenues and expenditures for all funding sources that comprise State and Local operating activities.

SOURCES AND USES OF STATE AND LOCAL FUNDS (FISCAL YEAR 2012)			
REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE
Grants	0	50,913	50,913
Rental Income	470,660	558,999	88,339
Investment Income	21,500	1,865	(19,635)
Miscellaneous Income	950,536	12,734	(937,802)
TOTAL REVENUE	1,442,696	624,511	(869,098)
EXPENSE (USES)			
Administration and General Expense	512,665	204,692	307,973
Utilities	41,817	66,572	(24,755)
Operations and Maintenance	324,166	323,150	1,016
TOTAL EXPENSE	878,648	594,414	284,234
OPERATING INCOME/(LOSS)	564,048	30,097	(533,951)
Replacement Reserves	23,763	0	(23,763)
Reserve Buildup/(Draw)	540,285	30,097	(510,188)
NET INCOME/LOSS	0	0	-

B. Planned versus Actual Sources and uses of Central Office Cost Center Funds –

The chart below summarizes the HACSB Central Office Cost Center Budget and Actuals for the Fiscal Year 2012 (October 1, 2011 through September 30, 2012). The chart lists all planned and actual revenues and expenditures for all central office cost center operations.

SOURCES AND USES OF CENTRAL OFFICE COST CENTER (FISCAL YEAR 2012)			
REVENUE (SOURCES)	BUDGET	ACTUAL	VARIANCE
Management Fees	4,865,207	5,307,677	442,470
Miscellaneous Income	42,793	55,300	12,507
Investment Income	0	21,982	21,982
TOTAL REVENUE	4,908,000	5,384,959	476,959
EXPENSE (USES)			
Administration and General Expense	4,702,010	4,509,180	192,830
Utilities	50,496	60,286	-9,790
Operations and Maintenance	69,893	118,997	-49,104
TOTAL EXPENSE	4,822,399	4,688,463	133,936
OPERATING INCOME/LOSS	85,601	696,496	610,895
Operating Transfers In/(Out)	0	0	0
Replacement Reserves	-63,800	0	63,800
Reserve Drawdown/ (buildup)	-21,801	-696,496	-674,695
NET INCOME/(LOSS)	0	0	0

C. Cost Allocation or Fee for Service Methodology

HACSB utilized the HUD prescribed Fee for Service approach with no deviations for FY 2012.

D. Planned versus Actual Use of Single Fund Flexibility

HACSB utilized the Single Fund Flexibility for Section 9 Operating Funds; Section 9 Capital Fund; Section 8 Housing Choice Voucher (HCV) Housing Assistance Payments; and Section 8 HCV Administrative Fees with no deviations for FY 2012.

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

In FY 2012, HACSB continued with the operations of the Community Development Initiatives (CDI) Department to support long term goals in our strategic plan that align with our MTW objectives. CDI promotes strategies that helps increase our family's economic independence and through case management bridge the gap between services required and partner organizations that provide them. Our agency embodies teamwork and various departments work together to seek optimal solutions that meet our vision of creating a world in which all families have a stable and enriched quality of life.

SECTION VIII: ADMINISTRATIVE

A. DESCRIPTION OF DEFICIENCIES

No deficiencies to report.

B. RESULTS OF AGENCY DIRECTED EVALUATIONS

HACSB has not conducted any Agency directed evaluations.

C. PERFORMANCE AND EVALUATION REPORT FOR NON MTW BLOCK GRANT CAPITAL FUNDS

Included in Attachment B

D. STATUTORY REQUIREMENTS CERTIFICATION

HACSB certifies that it has met the three statutory requirements of:

- 1) Assuring that at least 75 percent of the families assisted by the Agency are very low-income families;
- 2) Continuing to assist substantially the same total number of eligible low income families as would have been served had the amounts not been combined; and
- 3) Maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

APPENDIX A: LIST OF MTW ACTIVITIES

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

APPENDIX B: PERFORMANCE AND EVALUATION REPORTS

Attached are the Performance and Evaluation Reports for the non-MTW Block Grant Capital Funds

Part I: Summary					
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO		Grant Type and Number Capital Fund Program Grant No: CA16P01950110 Replacement Housing Factor Grant No: Date of CFFP			
		FFY of Grant: 2010 FFY of Grant Approval:			
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:1) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	0.00	422,560.60	422,560.60	422,560.60
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,581,353.72	3,427,231.57	3,427,231.57	3,427,231.57
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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

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

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

Part I: Summary						
PHA Name: HA CSB		Grant Type and Number Capital Fund Program Grant No: CA16P01950110 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant:2010 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: 1) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input checked="" type="checkbox"/> Final Performance and Evaluation Report						
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹		
		Original	Revised ²	Obligated	Expended	
18a	1501 Collateralization or Debt Service paid by the PHA	268,438.45	0.00	0.00	0.00	
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	644,252.28	375,813.83	375,813.83	375,813.83	
19	1502 Contingency (may not exceed 8% of line 20)					
20	Amount of Annual Grant:: (sum of lines 2 - 19)	4,225,606.00	4,225,606.00	4,225,606.00	4,225,606.00	
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
Signature of Executive Director <i>Susan Benner</i>		Date 02/29/2012		Signature of Public Housing Director		
				Date		

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

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

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

Part I: Summary					
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO		Grant Type and Number Capital Fund Program Grant No: CA16P01950111 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2011 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:1) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)		349,626.10	349,626.10	349,626.10
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	2,852,008.72	3,146,634.90	3,146,634.90	3,146,634.90
16	1495.1 Relocation Costs -				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

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

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

Part I: Summary					
PHA Name: HACSB	Grant Type and Number Capital Fund Program Grant No: CA16P01950111 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant:2011 FFY of Grant Approval:			
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: 1) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	644,252.28	0.00	0.00	0.00
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	3,496,261.00	3,496,261.00	3,496,261.00	3,496,261.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director <i>Susan Berner</i>		Date 2/29/2012		Signature of Public Housing Director	
				Date	

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

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

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

Part I: Summary					
PHA Name: Housing Authority of the County of San Bernardino		Grant Type and Number Capital Fund Program Grant No: CA0190013009R Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2009 FFY of Grant Approval:
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: 08/01/2012 <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	335,600		335,600	335,600
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	246,846		246,846	246,846
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	2,416,554		2,416,554	2,416,554
11	1465.1 Dwelling Equipment--Nonexpendable	357,000		357,000	357,000
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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

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

Part I: Summary					
PHA Name: Housing Authority of the County of San Bernardino		Grant Type and Number Capital Fund Program Grant No: CA0190013009R Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2009 FFY of Grant Approval: 2009	
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: 08/01/2012 <input checked="" type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,356,000		3,356,000	3,356,000
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures	3,356,000		3,356,000	3,356,000
Signature of Executive Director		Date		Signature of Public Housing Director	
		8/16/12			
				Date	

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

Part II: Supporting Pages								
PHA Name: Housing Authority of the County of San Bernardino			Grant Type and Number Capital Fund Program Grant No: CA0190013009R CFFP (Yes/ No): No Replacement Housing Factor Grant No:			Federal FFY of Grant: 2009		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
19-03	Administration Fee - 10%	1410		335,600		335,600	335,600	
19-03	Architecture & Engineering	1430		246,846		246,846	246,846	
19-03	Windows - Queen City	1460		2,062,253		2,062,253	2,062,253	
	Solar Photovoltaic System - Helio Power			241,569.52		241,569.52	241,569.52	
	Windows - Core Access			112,731.48		112,731.48	112,731.48	
19-03	Evaporated Coolers - Arrowhead Mechanical	1465		357,000		357,000	357,000	
	Total			3,356,000		3,356,000	3,356,000	

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² To be completed for the Performance and Evaluation Report.

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

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

Part I: Summary		FFY of Grant: 2012 FFY of Grant Approval:
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO	Grant Type and Number Capital Fund Program Grant No: CA16P01950112 Replacement Housing Factor Grant No: Date of CFFP:	

Type of Grant
 Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: 09/30/2012 Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	254,039.90		122,404.42	122,404.42
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	2,286,359.10		1,224,044.18	1,224,044.18
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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⁴ RHF funds shall be included here.

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

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 08/31/2011

Part I: Summary					
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO		Grant Type and Number Capital Fund Program Grant No: CA16P01950112 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant:2012 FFY of Grant Approval:	
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 checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/2012 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	2,540,399.00		1,346,448.60	1,346,488.60
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
				Date	

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
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⁴ RHF funds shall be included here.

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

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

Part I: Summary	
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO	Grant Type and Number Capital Fund Program Grant No: CA16R01950112 Replacement Housing Factor Grant No: Date of CFFP:
FFY of Grant: 2012 FFY of Grant Approval:	

Type of Grant
 Original Annual Statement Reserve for Disasters/Emergencies
 Performance and Evaluation Report for Period Ending: Revised Annual Statement (revision no:)
 Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	66,112.60		0.00	0.00
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴	595,013.40		0.00	0.00

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⁴ RHF funds shall be included here.

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

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
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Part I: Summary					
PHA Name: HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO	Grant Type and Number Capital Fund Program Grant No: CA16R01950112 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant:2012 FFY of Grant Approval:			
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 checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/2012		<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	661,126.00		0.00	0.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
				Date	

¹ To be completed for the Performance and Evaluation Report.

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APPENDIX C: Local Asset Management Program

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

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

Information Technology (I.T.) – Our centralized I.T. department is responsible for the network and server administration, database and software administration, telecommunications and software and report developments for the entire agency. This is done with a dedicated team of five individuals that support 154 agency computers in 10 locations throughout our county. They respond to an average of 50 help desk tickets a week that result in around 20 site visits per week. In addition, in February 2010, we were awarded the competitive BTOP grant to provide high speed technology access to underserved communities. This had led to the development of 5 computer centers that are served by 9 computer technicians and host 50 personal computers and 25 Apple Mac's. Our IT team provides the necessary technical support and manages the computer centers. Our agency partnered with the Career Institute to provide free career, education and job counseling services at these centers.

Community Affairs – Our centralized community affairs department assists in making and strengthening partnerships throughout the County to leverage services and programs to assist our residents in achieving self-sufficiency. These partners include schools, non-profit community organizations, health and human service providers, financial institutions, elected officials, and so forth. Through these efforts,

APPENDIX C: Local Asset Management Program

our housing sites are able to sustain services such as child care, financial literacy courses, health services, parenting courses, to name a few examples.

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

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

Specifically, in an effort to improve the quality of life for residents, HACSB acknowledged the serious health issues caused by second hand smoke and partnered with the County Department of Public Health to search for viable solutions. Though our vast efforts of educating our residents on the harmful effects of smoking, and surveying them for their feedback, we have transitioned several of our affordable housing sites to 100% smoke free developments. This was an effort achieved through the strength of our partnership and the educational health resources provided to our residents.

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

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

APPENDIX C: Local Asset Management Program

owning a home. It is a program utilizing a variety of methods to achieve goals for our clients, including Section 32 (converted public housing), Section 8 Homeownership, and a Community Land Trust.

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

Local Asset Management Implementation

Leadership - Our local asset management program will be led by a leadership team consisting of representatives from the following departments: housing programs, development, finance, administrative services, human resources, information technology, procurement and community affairs and policy. They will meet on a biweekly basis to review the combined efforts and ensure the agency is striving to achieve its long-term objectives. This team is also responsible for our Strategic Plan and charters the path annually while ensuring significant milestones are met.

Project-based Management - We expect that all of our programs, regardless of funding source, to be accountable for project-based management, budgeting, and financial reporting. We apply the same expectation of aligning responsibility and accountability to those services that are managed centrally.

HACSB has been operating under project-based budgeting and accounting practices since 2006. We have developed systems and reports to facilitate the onsite management and analysis of budgets, expenses, rent collection and receivables, and purchasing. In accordance with HUD Asset Management guidance, HACSB decentralized its maintenance program in 2008 and each AMP was assigned maintenance personnel, depending on the size and maintenance requirements of the properties in the AMP. HACSB has a decentralized purchasing model for the acquisition of goods. Sites staff use a simple purchasing system that enables them to be able to purchase goods directly from their pool of vendors while still enabling management staff to track spending habits. While the acquisition of goods is decentralized, the agency has adopted a hybrid approach to the acquisition of its services. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized procurement staff to define scopes of work, and ensuring the work is done properly.

Cost Allocation Approach - Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, HACSB has identified all of its direct costs and segregated all its costs into pools, as either a direct or an indirect cost pool.

Direct Costs - OMB Circular A-87 defines direct costs as follows: Direct costs are those that can be identified specifically with a particular final cost objective. HACSB's direct costs include, but are not limited to:

APPENDIX C: Local Asset Management Program

- Contract costs readily identifiable with delivering housing assistance to low-income families.
- Housing Assistance Payments, including utility allowances, for vouchers
- Utilities
- Insurance
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees
- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating HACSB-owned properties
- Fleet management fees
- Maintenance services for unit or property repairs or maintenance
- Maintenance services include, but are not limited to, landscaping, pest control, decorating and unit turnover
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning HACSB-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as HACSB receives grants

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

- Executive
- Communications
- Certain legal expenses
- Development

APPENDIX C: Local Asset Management Program

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

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

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

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

Management Fees – The COCC will continue to charge the Management Fee at the HUD's determined rate of \$66.08 per units leased to the AMPS and \$12 per unit leased to the Housing Choice Voucher program.

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

Indirect Service Fees – Before calculating the per unit indirect service fees, HACSB indirect costs are offset by designated revenue. Offsetting revenue includes 10 percent of the MTW Capital Grant award, Asset Management Fees, Management Fees, Bookkeeping Fees, a Property Management Fee charged to our Authority Owned Portfolio, and other revenues. A per unit cost is calculated using the remaining net indirect costs divided by the number of units and the number of leased vouchers. For the 2012 budget, the per-unit per month (PUM) cost is \$9.30. Additional detail on the calculation of the Indirect Service Fee calculation is reflected in Appendix A – Attachment 2

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

APPENDIX C: Local Asset Management Program

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: Local Asset Management Program

Appendix D – Attachment 2

Indirect Services Fee Calculation Fiscal Year 2012

Description	Fiscal Year 2012 Estimated Budget	
Indirect Costs		
Executive	1,559,430	
Finance	880,583	
Information Systems	736,823	
Procurement	344,103	
Development	907,647	
Human Resources	299,458	
Total Indirect Costs		4,728,044
Less Indirect Revenues		
Capital Grant Revenue	338,048	
Asset Management Fees	1,269,602	
Management Fees	1,005,600	
Bookkeeping Fees	802,634	
Other Property Management Fees	286,800	
Other Revenues	30,000	
Total Revenues		3,732,684
Remaining Indirect Costs		995,360
Estimated Units Leased		
Housing Choice Voucher	7,650	
Public Housing	1,269	
Total Estimated Units Leased		8,919
Indirect Service Fees Rate		\$ 9.30

APPENDIX D: MTW FACT SHEETS

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

HACSBFACTSHEET

Maplewood Homes Pilot “Work” Requirement

The Housing Authority of the County of San Bernardino (HACSB) is one of the nation’s most progressive housing authorities. As the largest provider of affordable housing in the County, we proudly serve and house more than 30,000 people, most of whom are seniors, disabled individuals, and children. We also provide to our families the resources, skills, and motivation to transition out of assisted programs into economic independence. Therefore, as a reflection of our mission, we have increased our resident services and coupled them with new initiatives such as the upcoming pilot “work” requirement. Effective January 1, 2013, HACSB will be implementing a pilot “work” requirement for residents of the Maplewood Homes Housing Community.

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

Phase 1: Activities removing barriers to gainful employment

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



Phase 2: Activities leading to gainful employment

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



Phase 3: Employment

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

RESOURCES AVAILABLE

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

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

EXEMPTIONS AND HARDSHIP POLICY

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

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

COMPLIANCE

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



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

For more information on this and any other agency efforts, please visit our website at www.hacsb.com.



HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO

OUR MISSION

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

OUR CORE VALUES

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

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

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

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

HACSB FACTSHEET

Five-Year Lease Assistance Program | OVERVIEW

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

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

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

We provide more than just housing to our clients. In conjunction with an extensive list of community partners, government agencies, employment service providers, and institutions of higher education we: provide family/individual case management and counseling; assist with career training and job placement; and ensure program integrity.

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

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



effective January 1, 2012, HACSB will implement a Five-Year Lease Assistance Program to help families achieve economic independence. As of November 1, 2011, individuals/families pulled from the Housing Choice Voucher Program waiting list will receive a five-year term limit on housing assistance through the Five-Year Lease Assistance Program. All elderly¹ and disabled²

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

GOAL OF FIVE-YEAR LEASE ASSISTANCE PROGRAM

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

HELPING FAMILIES ACHIEVE SELF-SUFFICIENCY

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

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

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

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

DETERMINING THE LEASE ASSISTANCE AMOUNT

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

FUTURE FIVE-YEAR LEASE ASSISTANCE PROGRAM PARTICIPANTS

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

PORTABILITY

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

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

LANDLORDS AND THE FIVE-YEAR LEASE ASSISTANCE PROGRAM

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

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

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

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

³ Elderly Port in: Any household member 62 years of age or older.

⁴ Disabled Port in Individual: Any household member receiving permanent disability income.

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



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