

Housing Authority of the County of San Bernardino Executive Director's Report | November 5, 2019

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

Moving to Work

Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) congressional designation for housing authorities that provides the opportunity to design and test innovative, locally designed housing and self-sufficiency initiatives. The MTW designation allows participating agencies to waive certain federal statutes and HUD regulations in order to increase housing choice for low-income families, encourage households to pursue self-sufficiency, and improve administrative and operational cost effectiveness.

As a high-performing, innovative and progressive agency, HACSB received its MTW designation in 2008. In April 2016, Congress authorized 10 year extensions to MTW agreements for existing MTW agencies, through 2028. HACSB has completed ten years of participation, and during that time we have developed 26 MTW initiatives. Through its MTW designation, HACSB has continued to test new methods of improving its rental assistance programs and has pioneered a number of innovative policy interventions that have proven to be successful.

MTW Agreement – Attachment A Amendment

Under its existing MTW Agreement, HACSB is funded under a different methodology than other Housing Authorities. The funding methodology for HACSB is outlined under the Attachment A of its Moving to Work Agreement. For well over a decade, nationally the HCV program has not been funded adequately, and HACSB has relied on effective management practices, MTW activities that promote program efficiencies, and a well-trained staff to operate the program effectively under the ongoing funding shortfalls. However, this is becoming increasingly difficult as funding cuts accumulate and administrative costs rise. As a result, the level of customer service and program management HACSB provides is at risk in future years due to these funding shortfalls.

Approval of the proposed amendment at the BOG November 5, 2019 meeting will allow for the funding formula to be updated to align with current national Administrative Fee rate schedules which determine the current year funding for the Administrative Fee portion of the HCV Program. This differs from the current methodology of using the baseline administrative fee funding and incorporating annual inflation factors. We anticipate that this revised funding methodology will increase annual administrative fee funding. This amendment only provides additional administrative fee for staffing and operations of the HCV program, not additional voucher rental assistance.

HACSB FY 2018 MTW Report

On October 15th HUD approved HACSB's FY 2018 MTW report with no required revisions.

HACSB 2020 MTW Plan

On September 26th, HACSB received minor revisions and questions from HUD on the 2020 MTW Plan. HACSB submitted a written response on October 9, 2019 and anticipates approval any day now.

HACSB 2019 MTW Plan Amendment #2

HUD approved HACSB's 2019 Plan Amendment #2 on September 18, 2019. This amendment proposed a new MTW activity, Activity #27: Local Project-Based Voucher Subsidy for Tax Credit Developments. The activity will apply to 116 new affordable units to be developed in San Bernardino as part of the Waterman Gardens development. The activity will make it possible to develop a total of 147 affordable units and 35 market-rate units in the redeveloped mixed-income community.

- Through this activity, HACSB will create a flat fixed subsidy. All 116 units will receive the same Housing Assistance Payment (HAP) from HACSB. The family's rent portion will be set at the tax credit rent based on the unit size and

income target (30%, 50%, or 60% of the HUD-determined area median income – “AMI”). The activity will apply only to new families leasing one of the 116 units under this activity.

- Any family served through this activity who pays more than 40% of their gross income as rent may apply for a 6-month hardship exemption. If approved, the family’s rent portion will be reduced to 40% of their gross income for the term of the exemption. HACSB and its developer partner will create a “Tenant Rent Burden Protection” fund to support the cost of hardship exemptions.

Federal Appropriations (no changes since last report)

On September 27th President Trump signed a seven week continuing resolution into law, delaying the possibility of another shutdown until November 21st.

At this point we are not entirely sure what the Transportation, Housing and Urban Development and Related Agencies (THUD) bill will end up, as there are large differences in funding between the House and the Senate bills. This is true for other bills and an agreement is going to need to be reached between Democrats and Republicans on bill allocations to allow appropriators to move forward to conference the bills.

ACC Update: HUD to Re-release Notice of Proposed Changes (no changes since last report)

The House and Senate Appropriations Committee included in their FY20 appropriations bill for Transportation, Housing and Urban Development and Related Agencies a provision to prohibit HUD from implementing, requiring, enforcing, or otherwise making any change, amendment, or alteration to any term or condition of the ACC between the Secretary and any public housing agency.

House language:

Sec. ____. None of the funds made available by this or any other Act may be used to implement, require, or enforce any changes to the terms and conditions of the public housing annual contributions contract between the Secretary and any public housing agency, as such contract was in effect as of January 1, 2018, unless otherwise mutually agreed upon by the Secretary and such agency, provided that such agreement by an agency may be indicated only by an amendment to the contract containing the duly authorized signature of its chief executive and provided, further, that the Secretary may not withhold funds to compel such agreement by an agency which is otherwise in compliance with its contract.

Senate Language: (almost identical to language provided by the Council of Large Public Housing Authorities- CLPHA)

Sec 233. None of the funds made available by this or any prior Act may be used to require or enforce any changes to the terms and conditions of the public housing annual contributions contract between the Secretary and any public housing agency, as such contract was in effect as of December 31, 2017, unless such changes are mutually agreed upon by the Secretary and such agency: Provided, That such agreement by an agency may be indicated only by a written amendment to the terms and conditions containing the fully authorized signature of its chief executive. Provided Further, that the Secretary may not withhold funds to compel such agreement by an agency which certifies to its compliance with its contract.

The Housing Authority industry groups were instrumental in working with the committees to include the above proposed language.

Preparing for the Public Charge Rule

On October 10th, a New York judge issued a national injunction which temporarily blocks the anticipated October 15th effective date.

In preparation for the Department of Homeland Security’s public charge rule implementation HACSB included a blurb on our agency’s website and affordable housing industry group fact sheet that outlines the updated public charge rule.

State Legislative Updates

Governor Gavin Newsom signed into law a series of bills to protect renters including establish a 5 percent annual rent cap, plus inflation, coupled with just-cause protections – the strongest renter protections in the nation.

AB 1482 (Chiu) Tenant Protection Act of 2019: Will cap annual rent increases in California at 5% plus Consumer Price Index for all rent increases occurring on or after March 15, 2019 and require landlords to have “just cause” in order to evict tenants. Landlords will still be able to evict for at-fault reasons, e.g. failure to pay rent, breach of lease, criminal activity, creating a nuisance, committing waste, refusal to execute a written extension or lease renewal, refusal to allow owner to enter. Landlords can also evict for no-fault reasons, e.g. when the owner or their family plans to occupy the property, if they want to remove the property from the rental market, if they intend to substantially remodel the property, if they are ordered to vacate by a government agency or court. The following residential properties are exempt from the requirements in AB 1482:

- Units subject to existing rent control or just cause eviction requirements
- Deed-restricted affordable housing and dormitories
- Single-family homes, except for those owned by corporations, REIs or LLCs with at least one corporate member
- Owner-occupied duplexes (this would include ADUs)
- New construction for 15 years (all units for 15 years after receiving their first certificate of occupancy)

SB 329 (Mitchell) Source of Income Discrimination Bill: Will expand the definition of “source of income” a category that California’s Fair Employment and Housing Act protects against discrimination. This bill prohibits landlords from discriminating against tenants who rely upon housing assistance paid directly to landlords, such as a Housing Choice Voucher, to help them pay rent.

Several states across the country have already adopted laws that do the same thing this bill: outlaw discrimination against tenants with housing vouchers. Within California, Berkeley, Corte Madera, East Palo Alto, Fairfax, Novato, San Anselmo, San Diego, San Rafael, Santa Monica, Woodland, and Marin County have all passed local ordinances prohibiting such discrimination.

- SB 222 by Senator Jerry Hill (D-San Mateo) underscores that housing discrimination on account of military or veteran status is unlawful in California by explicitly stating so within the Fair Employment and Housing Act (FEHA). In addition, by defining a Veterans Affairs Supportive Housing (VASH) voucher as a source of income for purposes of FEHA, the bill prohibits landlords from discriminating against a tenant on the basis that the tenant pays part or all of the rent using a VASH voucher.
- AB 1110 by Assemblymember Laura Friedman (D-Glendale) requires landlords to give 90 days’ notice to a tenant before imposing rent increases of more than 10 percent.
- AB 1399 by Assemblymember Richard Bloom (D-Santa Monica) closes a loophole in the Ellis Act wherein landlords evict all the tenants from rent-stabilized units in a property, claiming they are leaving the rental market, when they have no plans for the property and are actually trying to raise rent in the stabilized units. The bill clarifies that once any unit is returned to the rental market, the entire property is considered back on the rental market.
- SB 644 by Senator Steven Glazer (D-Orinda) lowers the amount that a landlord can charge service members for a security deposit on residential rental housing.

Homeless Bill Package Signed into Law

Governor Gavin Newsom signed a package of bills (outlined below) to assist city and county governments by removing regulatory barriers to fight homelessness. The bills build on the historic \$1 billion investment made in the budget, and new legal authority that make it easier for cities and counties to build emergency shelters.

The Governor signed legislation that provides a CEQA exemption for supportive housing and shelters in the City of Los Angeles. The new laws will also give Alameda County, Orange County, the cities within those counties, and San Jose, the ability to expedite the construction of emergency shelters upon declaring a shelter crisis.

The Governor's 2019-2020 budget included:

- \$650 million to local governments for homelessness emergency aid,
- \$120 million for expanded Whole Person Care services,
- \$150 million for strategies to address the shortage of mental health professionals in the public mental health system,
- \$25 million for Supplemental Security Income advocacy,
- \$40 million for student rapid rehousing and basic needs initiatives for students in the University of California and California State University systems,
- \$20 million in legal assistance for eviction prevention,
- Over \$400 million to increase grants to families in the CalWORKs program,
- Budget more than doubles the investment in the Cal-EITC Working Families Tax Credit to \$1 billion, which will increase the number of participating households from 2 million to 3 million, lifting some out of poverty.

The Governor also signed the following homeless bills into law:

- AB 58 (Rivas) – This bill requires the Governor to appoint a representative from the California Department of Education (CDE) to the Homeless Coordinating and Financing Council. Under the federal McKinney-Vento Act, which is implemented by CDE, schools are the first points of contact to identify, interface with, and assist homeless students and their families.
- AB 139 (Quirk-Silva) – This bill updates the requirements of local governments' housing plans to address the needs of the homeless crisis, specifically by changing the criterion for assessing the need for emergency shelters and housing to a regional level, and requiring that to be accounted for as part of the Housing Element of a city or county's General Plan.
- AB 143 (Quirk-Silva) – This bill adds Alameda County, Orange County, all of the cities within those counties, and the City of San Jose to the list of jurisdictions authorized to declare a shelter crisis, which permits the suspension of state health, planning and zoning, and safety standards; those jurisdictions must then adopt a local ordinance for the design and operation of homeless shelters, which must be approved by HCD. The bill also requires these jurisdictions to develop plans to address the shelter crisis, including how to transition residents from homeless shelters to permanent supportive housing.
- AB 728 (Santiago) – Previous legislation gave counties the authority to create Multidisciplinary Personnel Teams (MDTs) for homeless adults and families to facilitate the expedited identification, assessment, and linkage of homeless individuals to housing and supportive services, and allow provider agencies to share confidential information for those purposes to ensure continuity of care. This bill creates a five-year pilot program in the following counties (Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Clara and Ventura) to expand the scope of an MDR to include serving individuals who are at risk of homelessness. The program would sunset on January 1, 2025.
- AB 761 (Nazarian) – This bill allows, at the sole discretion of the Adjutant General (TAG), the use of any armory deemed vacant by the California Military Department throughout the year by the county or city in which the armory is located for the purpose of providing temporary shelter from hazardous weather conditions for homeless persons.
- AB 1188 (Gabriel) – This bill creates a legal framework allowing a tenant, with the written approval of the owner or landlord, to take in a person who is at risk of homelessness. It includes a number of protections for both the landlord and tenant, including the ability for the tenant to remove the person at risk of homelessness on short notice.
- AB 1197 (Santiago) – This bill provides a CEQA exemption for supportive housing and shelters in the City of Los Angeles.
- AB 1235 (Chu) – This bill renames the runaway and homeless youth shelters run by the Department of Social Services as "youth homelessness and prevention centers," expands the categories of youth for which the centers are required

to provide services to also include youth at risk of homelessness and youth exhibiting status offender behavior, and expands the time a youth can stay in the center from 21 to 90 days.

- AB 1745 (Kalra) – Earlier legislation authorized San Jose to build and operate emergency bridge housing for the homeless during a declared shelter crisis, and required that each person housed in the bridge housing be placed in an affordable housing unit. This bill extends the sunset date from January 1, 2022 to January 1, 2025, for San Jose to meet these obligations.
- SB 211 (Beall) – This bill authorizes Caltrans to lease its property to local governments for the purpose of an emergency shelter or feeding program for \$1 per month plus administrative fees.
- SB 450 (Umberg) – This bill provides a CEQA exemption until January 2025 for hotels converted to supportive housing.
- SB 687 (Rubio) – This bill requires the Governor to appoint a representative of the state public higher education system to the Homeless Coordinating and Financing Council.
- SB 744 (Caballero) – This bill provides a CEQA exemption for supportive housing and No Place Like Home projects.

Development

Golden Apartments

Golden Apartments is a 21-unit apartment complex located in the City of San Bernardino that will be converted to 1-bedroom units, thus nearly doubling the apartments available to chronically homeless to 38-units, plus an on-site manager's unit, and a community center. Anticipated rehabilitation completion for the first building (first of three buildings) is mid-November of 2019 with an estimated average cost per unit of \$184,000.

Arrowhead Grove – Waterman Gardens Financing Closing

Financing closed for Phase II of the Arrowhead Grove multifamily mixed income community on September 30th.

Phases II at Arrowhead Grove is part of the broader strategy to stimulate economic and development activity in the surrounding neighborhood, through development of a mixed income community. In total, phase II will include the development of 184 multi-family apartment homes. Common area amenities will include a swimming pool, tot lot, barbeque picnic area, dual functioning park/detention basin for on-site water retention and a 2,500 square foot community center to house a leasing office and community space for social services and resident activities. Phase II includes the conversion of the remaining 116 public housing units, from the original 252 1943 public housing development.

Loma Linda Veterans Village

The grand opening event took place on Friday, October 3rd – Supervisor Hagman and Supervisor Rowe attended the event, along with HUD representatives Chris Patterson, HUD's Region IX Regional Administrator and Marcie Chavez, HUD's Los Angeles Field Office Director for the Public and Indian Housing division. This affordable housing development for Veteran's utilizes 50 Veteran's Affairs Supportive Housing (VASH) rental assistance vouchers that were awarded from HUD through a competitive allocation (2015 application) along with and 37 rental assistance vouchers through the Housing Choice Voucher (HCV) program.

Loma Linda Veterans Village is an 87-unit affordable apartment community serving homeless veterans and low-income veteran families in Loma Linda, California.

Meta Housing Corporation and Housing Partners 1, Inc. (HP1) partnered with the State of California, the County of San Bernardino, and the City of Loma Linda to deliver a community that helps meet the growing demand for service-enriched housing for veterans, of which there are over 100,000 in San Bernardino County, many of whom have or are experiencing varying levels of homelessness.

Loma Linda Veterans Village provides homeless veterans a safe, stable setting in which they can work with VA Case Managers, Nurses, and Peer Supporters to recover their mental and physical health. They are surrounded by other Veteran households who are more likely to understand their service in the military and reside within ¼ mile of the VA Loma Linda Healthcare System, the principal source of primary care for Veterans in the inland Empire.

The apartment community features a mix of one-, two-, and three-bedroom floorplans, as well as a variety of amenities that encourage community interaction and engagement including large community areas, a clubhouse, pool, children's play area, community garden, barbeques, and basketball and volleyball courts.