



HOUSING AUTHORITY OF THE  
COUNTY OF SAN BERNARDINO

*Building communities | Changing lives*

**Testimony for “Legislative Proposals to Reform the Housing Choice Voucher Program”  
June 23, 2011**

*Section 8 Savings Act of 2011 – Flexibilities in Times of Limited Resources*

We applaud Chairwoman Biggert and Ranking Member Gutierrez for their efforts in putting forward the Section 8 Savings Act (SESA) of 2011 as a step towards addressing the affordable housing shortage. There are several aspects of the draft bill that are commendable, providing housing authorities with some flexibility in their housing programs to reduce administrative burdens and better serve their communities.

As a Moving to Work (MTW) agency, we have benefited from the flexibility provided in administering our programs and services; particularly in these economic times that innovative solutions are critical to maintain sustainable programs with limited resources. A few of these examples that are aligned with some of the proposals in SESA include:

- Annual Recertification of Families: SESA proposes a three-year recertification of income for residents with fixed incomes such as elderly and disabled residents. Currently, PHAs are required to do annual recertifications, which is a very time consuming process, that if amended according to the bill would provide cost savings to agencies.
  - HACSB as an MTW agency: We implemented biennial recertifications for elderly and disabled households for which there is no earned income in both the public housing and housing choice voucher programs. This activity has generated a 1,755 reduction in staff hours associated with processing recertifications and has also resulted in reduced reporting burdens for the affected families. In our FY 2012 MTW Annual Plan, we are proposing to extend the biennial recertification for all families in our program in an effort to further increase operational efficiency.
- Fair Market Rents (FMRs): SESA proposes to retain the current FMR trending requirement and also emphasizes a PHAs ability to request a reevaluation of the fair market rents in its’ jurisdiction.
  - HACSB as an MTW agency: The County of San Bernardino is the largest county in the contiguous United States, and it was difficult to accurately reflect the varying rental submarkets that exist through the current Fair Market Rent (FMR) established by HUD. HUD has defined HACSB’s FMR area to include Riverside County, which does not accurately reflect the rental submarket because the FMR areas are too large and



encompass a variety of submarkets with varying rent levels. An independent third party conducted detailed research and analysis, resulting in 9 rental submarkets. These not only more accurately reflect the demographics of the varying rental markets throughout the County of San Bernardino, but the anticipated annual savings is \$8.6 million, which if realized could allow us to serve up to 981 additional families. The activity will also allow families to move to areas with better services, jobs, schools and transportation.

- Rent Reform and Income Reviews: SESA proposes to streamline the process for PHAs to calculate income and rent, reducing the administrative burdens for both the PHA staff and residents.
  - HACSB as an MTW agency: Activities like our Local Verification Policies and Elimination of Assets have reduced the reporting burdens on our families and resulted in 3,770 hours of staff time saved. Our Local Income Inclusion Activity, in which we include as income the entire Temporary Assistance to Needy Families amount, regardless of sanctions, was appreciated by the local Transitional Assistance Department of the County of San Bernardino. This increased accountability on our families and will encourage them to strive for self-sufficiency.

#### *A Successful MTW Demonstration Site*

In March 2008, the Housing Authority of the County of San Bernardino (HACSB) became one of only 1% of housing authorities nationwide to be designated a Moving to Work (MTW) demonstration site by the U.S. Department of Housing and Urban Development (HUD). MTW allows designated housing authorities to design and test ways to: 1) promote self-sufficiency among assisted families; 2) achieve programmatic efficiency and reduce costs; and 3) increase housing choices for low-income households.

At HACSB, the key to its successful MTW program is the committed staff, thirty-year strategic vision, and open communication with families and stakeholders. Currently, HACSB has twenty approved activities – seven specifically promote self-sufficiency, ten promote administrative efficiency and three promote increased housing choices. The activities that promote administrative efficiency have already produced results and enabled staff to focus on other areas of the program.

All activities go through a rigorous analysis at an agency level to ensure the feasibility of the potential initiatives. HACSB also supports resident and community participation in the development of its MTW demonstration. MTW activities have encouraged resident and landlord participation, overall improving communication between the agency and its partners.

MTW agencies are required to submit Annual Plans which include proposals for new initiatives and an Annual Report to report on the outcomes of the various initiatives as they relate to the three statutory objectives. In August 2010, HUD prepared a Report to Congress about MTW and the future of the demonstration. HACSB was acknowledged for our rigorous metrics tracking and identified as exceeding HUD's reporting requirements. We were also recognized by HUD for having one of the strongest initial evaluation components to our program.

HUD also recognized HACSB for its partnership with Loma Linda University (LLU) who is working with the agency in assessing its MTW activities. LLU developed a detailed assessment of the families participating in a work requirement pilot program, and in the near future the term limits activity. The purpose of the research component is to assess the feasibility of the activity while identifying and leveraging the appropriate partners to assist the residents in meeting the activity requirements. "Work" is defined as any of the following: employment, activities leading to gainful employment and activities removing barriers to gainful employment.

HACSB is committed to achieving significant results throughout the term of our MTW Agreement in order to meet the three statutory objectives, our long term vision, and the affordable housing needs of the residents of the County of San Bernardino.

#### *Expansion of MTW Demonstration Sites*

HACSB supports the incremental expansion of MTW Demonstration Sites as the program has proven effective as noted in a HUD report to Congress in August of 2010. PHAs should be given the opportunity to participate in the MTW Demonstration based on their merits as high performers and not based on the size of the agency as currently defined. Large MTW PHAs have proven to be very successful in their implementation of various MTW activities and additional large agencies should also be allowed to apply and participate if they are also high performing agencies. MTW provides administrative cost saving measures through program flexibility, which is critical as all PHAs continue to experience a decline in funding and available resources.

If MTW expansion language is written into the proposed SESA bill, we urge Congress to expand the number MTW agencies without attempting to create a replacement program for all MTW, such as the previous version of the Section 8 Voucher Reform Act (SEVRA) Housing Innovation Program section of the bill.

HACSB has invested significant time and resources to effectively transition into MTW, and so have various Congressional members and their staff. The agency's business practices have shifted completely, including aligning our agency's thirty-year strategic plan and MTW plans/activities. Transitioning abruptly from an MTW agency to some other designed program would require a complete shift, disrupting our efforts and progress to date. Existing MTW agencies should continue to operate under their current HUD contractual agreements.

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