

HUD Moving to Work Expansion Training

Asset Building Cohort Onboarding – Preparing Your MTW Agency's
Finances Part 2: Financial Policies & Procedures

January 11, 2023



Today's Agenda



- Section 8 & 9 funding calculations
- Expert Insights: Financial Policies and Procedures
 - Maria Razo, ED, San Bernardino County Housing Authority
- Breakout discussion
- Expert Insights: Q&A with a CFO
 - Jodi Bogen, CFO, Boulder Housing Partners
- Wrap Up

Funding Calculations: Sections 8 and 9



	Public Housing Operating Funds	Public Housing Capital Funds	HCV Program
Funding Calculation	Same as for non-MTW	Same as for non-MTW	Administrative Fees are earned as they are for non-MTW agencies HAP Renewal Eligibility is based on HAP and MTW Expenses
Obligation and Expenditure Requirements	Same as for non-MTW	Same as for non-MTW	Same as for non-MTW
Requisitioning	Same as for non-MTW	Use MTW BLI 1492 in HUD's Energy and Performance and Information Center (EPIC) system. Funds are still disbursed through LOCCS	No requisitioning needed: monthly disbursement based on monthly HAP expenses from VMS, <i>unless</i> current expenses exceed disbursements Non-HAP expense disbursements must be requested by contacting FA in HCV FMC

Funding Calculations: Sections 8 and 9



HAP Renewal Eligibility Based on LOWER of:

1) The MTW HAP Renewal Eligibility Cap, calculated as:

MTW Renewal Eligibility Cap	=	The agency's pre-MTW monthly per-unit cost (PUC) inflated to the re-benchmark year	X	Total number of MTW-eligible ACC-authorized units in the re-benchmark year
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2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

Total Eligible Expenses	=	HAP Expenses	+	Eligible Non-HAP MTW Expenses
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Funding Calculations: Sections 8 and 9



- October 2020 Webinar: Funding Flexibilities, Funding Calculation, and Statutory Requirements
 - <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>
- Section VI.5.b. of the MTW Operations Notice
 - <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>
- MTW Online Training
 - Understanding and Using Funding Flexibilities: <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/understanding-and-using-funding-flexibilities/>
 - Operating MTW with Other Programs: <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/operating-mtw-with-other-programs/>

Financial Policies and Procedures



Note: 2 CFR Part 200 Requirements still apply

Expert Insights: Financial Policies & Procedures

Maria Razo
Executive Director



Housing Authority of the
County of San Bernardino
Building Opportunities Together

MTW Expansion Training: Asset Building Cohort Onboarding –
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Agency Background



- Located in Southern California, largest geographic size county in the contiguous U.S.
- 150 staff

Housing Choice Voucher Program:
9,836

Public Housing Program: 1

Special Purpose Voucher Program
(HOPWA, CoC, Mainstream, VASH, EHV):
1,863

HACSB Affordable Rental Communities: 2,135

These units are owned by HACSB and were either acquired or developed through a variety of partnerships with the state of California, San Bernardino County Department of Community Development and Housing, various cities throughout the county, and Housing Partners I, Inc., a nonprofit public housing corporation. Most of these units provide a measure of affordability with lower than market rents, though the rents are not as low as within the federally subsidized affordable rental housing programs.

Limited Liability Company and Limited Partner Units: 778

These units are owned by a limited partnership or limited liability company of which the Housing Authority is a member.

Housing Partners I, Inc.: 1,341

These units are part of the property portfolio of Housing Partners I, Inc., HACSB's development affiliate non-profit.

MTW Background



- MTW Designation: 2008 (15 years)
- 29 approved MTW activities
 - 12 help improve operational efficiency/cost effectiveness
 - 9 enhance our efforts to help families increase economic independence
 - 8 aid in expanding housing choice/opportunities
- Recommendation: tackle administrative/operational efficiencies first

MTW Approved Activities

NO.	DESCRIPTION	STATUTORY OBJECTIVE	PLAN YEAR	STATUS
1	Single Fund Budget	Cost Effectiveness	FY 2009	Implemented
2	Strategic Investment policies	Cost Effectiveness	FY 2009	Closed Out
3	Alternate Assessment Program	Cost Effectiveness	FY 2009	On Hold
4	Biennial and Triennial Recertifications	Cost Effectiveness	FY 2009	Implemented
5	Simplified Income Determination	Cost Effectiveness	FY 2009	Implemented
6	Elimination Of Assets	Cost Effectiveness	FY 2009	Closed Out
7	Controlled Program Moves	Cost Effectiveness	FY 2009	Closed Out
8	Local policies for Portability	Economic Self-Sufficiency	FY 2009	Implemented
9	Elimination of Earned Income Disallowance	Economic Self-sufficiency	FY 2009	Closed Out
10	Minimum Rent	Economic Self-sufficiency	FY 2009	Implemented
11	Local Project-Based Voucher Program	Expanding Housing Opportunities	FY 2009	Implemented
12	Local Payment Standards and Alternative Flat Rents	Expanding Housing Opportunities	FY 2009	Implemented
13	Local Inspection Standards	Cost Effectiveness	FY 2010	Implemented
14	Local Asset Management Program	Cost Effectiveness	FY 2010	Implemented
15	Pilot Work Requirement	Economic Self-sufficiency	FY 2010	Closed Out
16	Operating Subsidy for Vista del Sol	Expanding Housing Opportunities	FY 2010	Closed Out
17	Local Income Inclusions	Economic Self-sufficiency	FY 2011	Closed Out
18	Property Management Innovation	Cost Effectiveness	FY 2011	Implemented
19	Local FSS program	Economic Self-sufficiency	FY 2011	Implemented
20	Term-Limited Lease Assistance Program	Economic Self-Sufficiency	FY 2011	Implemented
21	utility Allowance Reform	Cost Effectiveness	FY 2012	Closed Out
22	Streamlined Lease Assistance program	Cost Effectiveness	FY 2013	Implemented
23	No Child Left Unsheltered	Economic Self-sufficiency	FY 2014	Implemented
24	Transition for Over-Income Families	Economic Self-sufficiency	FY 2014	Implemented
25	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing	Expanding Housing Opportunities	FY 2016	Implemented
26	Local Disaster Short-Term Rental Assistance	Expanding Housing Opportunities	FY 2017 Amendment 1	Implemented
27	Local Project-Based Voucher Subsidy for Developments using Tax Credit Rents	Expanding Housing Opportunities	FY 2019 Amendment 2	Implemented
28	Leasing Success Strategies	Expanding Housing Opportunities	FY 2022 Amendment 1	Implemented
29	Moving on Strategy	Expanding Housing Opportunities	FY 2023	Not Yet Implemented

Financial Lessons Learned



- Create separate fund for “MTW” in your general ledger/chart of accounts
- Create separate fund for “MTW Local Non-Traditional Activities”
- Create separate accounts in your general ledger for transfers in/out of MTW fund, separate account by program:
 - Examples:
 - Housing Choice Voucher Program and MTW
 - Transfer **IN** from MTW to Housing Choice Voucher Program
 - Transfer **OUT** from Housing Choice Voucher Program to MTW
 - Public Housing and MTW
 - Transfer **IN** from MTW to Public Housing Operating Funds
 - Transfer **OUT** from Public Housing Operating Funds to MTW
 - Public Housing Capital Funds and MTW
 - Transfer **IN** from MTW to Public Housing Capital Funds
 - Transfer **OUT** from Public Housing Capital Funds to MTW
 - Important to continue to keep track of expenses separately, by original source of funds

Financial Lessons Learned



- Financial Data Schedule
 - Will need to report MTW expenses in FDS separately, and create new columns
 - Create mapping from Chart of Accounts to FDS line items (in software system preferably)
- Software
 - Will your current system accommodate the changes that are needed?
- Do not assume fungibility will solve all financial problems
 - Subject to proration
 - Do not receive additional funding
 - Additional implementation costs (create implementation plans)
 - Potential additional costs (research, analysis, technology...)

Implementation Plan Section Suggestions



- Purpose (evaluate local needs)
- Regulatory Relief
- Administrative Policies
- Administrative Procedures (effective date)
- Families Impacted (new only, new and current)
- Communication to Participants
- Communication to Owners
- Communication to Staff
- Communication to other Stakeholders (HUD, other PHAs, Board, other Partners)
- Process workflows
- Additional Costs
- Anticipated Cost Savings/Financial Impact
- Software Modifications Needed
- Attachments:
 - Timeline with tasks needed, who responsible, deadlines
 - Process workflows
 - Letters to participants, owners
 - Fact sheet/overview (internal and external if needed)
 - Q&A document, if needed
 - Talking points for staff

Lessons Learned



Potential additional responsibilities for financial/accounting staff:

- Changes to chart of accounts
- Additional reporting requirements (VMS, FDS, MTW plans)
- Important for finance team to understand the *why* behind program changes
- Communication key between operations and finance (monthly planning/overview meetings)

Do your homework:

- Read the appendices
- Know what waivers you have, which ones you have to request
- Understand the timing of public notices, public hearings, submission deadlines,

Lessons Learned



- Consultant
- Legal
- New/expanded analytical/reporting responsibilities (tracking, reporting, analysis, evaluation of metrics/expected outcomes)
- Overtime (i.e. implementation)
- Software modifications
- Third party research
- Specialized training

Communication Plan



- Agency's team
 - Listening/education/input sessions with staff at agency-wide/department levels
 - Address concerns, educate about benefits, and share ideas for how MTW flexibilities can be used
- Residents/Participants
 - Inform of what can be expected from MTW, their role in the decision-making process, benefits and provide clarity on name of designation "Moving to Work".
- Board
 - Involve the board early and often in providing feedback and providing education- board building sessions. Help them understand their role as a messenger/champion for the agency.
- Community, Elected Officials, Other Stakeholders
 - Share how MTW flexibilities facilitate partnerships (while being careful to educate that MTW funds are not unlimited/unrestricted). Help partners understand the goal/purpose of MTW. Build relationships.
- HUD
- Other PHA's
- Keep it simple & easy for stakeholders to understand (i.e. fact sheets, talking points for staff, Q&A).

Fact Sheets



HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
Building Communities, Changing Lives

LOMA LINDA UNIVERSITY

LOMA LINDA UNIVERSITY RESEARCH PARTNERSHIP

Since 2010, the Housing Authority of the County of San Bernardino (HACSB) has partnered with Loma Linda University (LLU) for third-party research and evaluation of our Moving to Work (MTW) initiatives. The LLU School of Behavioral Health has conducted eight nationally recognized research studies and needs assessments of six HACSB initiatives, helping to inform policy and shape program design.

This program restored a sense of independence and gave me the opportunity to see myself as capable and worthy again.

—Anonymous participant

EVALUATING THE HACSB TERM-LIMITED LEASE ASSISTANCE PROGRAM

HACSB Term-Limited Lease Assistance (TLA) initiative offers five years of housing assistance coupled with services to assist families on their path to self-sufficiency. Since 2012, LLU spearheads longitudinal research of current TLA families and, since 2017, post-assistance research of former TLA families for up to two years after they exit housing assistance. These research endeavors are notable for their duration, unique areas of study, and size.

The longitudinal study of the TLA program began in 2012 and is LLU's longest running evaluation of a HACSB MTW initiative and reports the following outcomes:

- 12.5%** increase in education levels.
- 26.5%** increase in employment status for families that participate for the full five years.
- 78.6%** of families meet the self-sufficiency goal by their fifth year in the program.
- 145%** increase in earned income from year 1 in the Term-Limited Lease Assistance program.
- 84%** increase in annual income.

Over 2,000 families to date

Post-assistance research of the TLA program began in 2017 and provides insight into what happens after families leave the TLA program:

- 4.5%** 45% of exited families report having purchased a home.
- 7.2%** 72% are staying with a friend or relative, and the majority of exited families report that they are renting their current residence.
- 71%** Employment gains were retained even two years after leaving assistance, with 71% of families employed full-time.

205 families to date

MOVING TO WORK DESIGNATION

HACSB MOVING TO WORK

In 2008, the Housing Authority of the County of San Bernardino (HACSB) was designated as a Moving to Work (MTW) Agency by Congress. This designation allows HACSB to waive some HUD program requirements to develop local programs adapted to the diverse communities that make up San Bernardino County.

WHAT IS IT?

MTW is a national demonstration program for public housing authorities to design and test affordable housing strategies. Lessons learned by MTW agencies can influence national housing policy to improve programs and services for all families. Fewer than 2% of housing authorities are designated MTW agencies.

Using MTW flexibilities, we have executed 27 innovative initiatives based on the three statutory objectives of the MTW demonstration:

- 1. Save taxpayer dollars through efficient work.**
- 2. Help our families achieve economic independence.**
- 3. Ensure a family's freedom of housing choice.**

WHAT DOES IT DO?

MTW agencies can waive some program regulations to design local strategies to meet local needs. The Housing Authority of the County of San Bernardino (HACSB) was designated by Congress as a MTW agency in 2008.

Loma Linda University (LLU): LLU has conducted several needs assessments to determine the top needs of our residents, which include mental health services, family counseling, and case management.

MOVING TO WORK ACHIEVEMENTS

We are proud to report the results from some of our endeavors:

Saving Taxpayers' Dollars

Saved **231,000 staff hours** through streamlining the income and rent process.

Ensuring Housing Choice

Nearly **2,300 families leased units** that would have been out of reach under traditional program regulations. Leasing in areas of opportunity **increased by 30%**.

Assisting Families to Achieve Self-Sufficiency

We actively seek out partnerships with expert service providers to help our customers work toward their goals.

Promoting Economic Independence

33% decrease in the number of families receiving assistance income

41% average increase in earned income among families served

SPOTLIGHT ON SUCCESS PARTICIPANT PROFILES

JODI

A single mother of three, Jodi became a participant in HACSB's Term-Limited Lease Assistance Program (TLA) with the goal of becoming a homeowner and providing for her kids. Together, with staff she was able to exit the program a year and a half early to buy a home in the High Desert, leaving room for more program participants.

JULIAN

Recent Term-Limited Lease Assistance Program participant Julian states that "there is no secret to achieving homeownership". Combining hard work and coaching from HACSB staff, Julian was able to organize his budgeting and pay off over \$22,000 in credit card debt. Julian recently moved into his own home and is now a part of HACSB's Homeownership Program.

hacsbs.com

WHO WE ARE

OUR MISSION

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

OUR VISION

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

Housing Families

We help low-income families attain safe and stable housing through a variety of rental assistance programs funded by the U.S. Department of Housing and Urban Development (HUD). More than 10,500 families are served through housing assistance payments made to landlords on behalf of the families. Other families reside in units owned and managed by HACSB. These programs provide a critical safety net for families in San Bernardino County, where families would need to earn nearly twice the minimum wage to afford rent for a two-bedroom apartment.

Moving to Work

As a testament to our high performance, HACSB was designated by Congress in 2008 as a Moving to Work (MTW) public housing agency, allowing HACSB to waive some HUD program requirements in order to develop local programs adapted to the diverse communities that make up San Bernardino County.

Real Estate Development

As HUD does not provide HACSB with capital funds for development of additional affordable housing, we rely on a variety of partners to meet this gap. Development of new affordable housing has been made possible through funding and loans from the County of San Bernardino, various cities throughout the county, and other partners.

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

- 10,607** families housed
- 251** clients who have become new homeowners since 2000
- 24,762** residents/participants housed, making up 17% of the county's population
- 302** scholarship recipients since 1998
- \$17.9 million** paid to 486 vendors for services, programs and services
- \$1.8 million** spent on rehab, construction, and preservation of housing units
- \$103.7 million** paid in housing assistance to almost 1.6M tenants

hacsbs.com

HACSB's Takeaways



- Communication is crucial – to all stakeholders
- Tackle administrative/operational efficiencies first
- Be strategic – consider staffing/software/funding capacities. Start with changes that are low effort & high return. Create implementation plans.
- Existing MTW agencies are here to help
- HUD is your partner
- MTW is embedded into agency's strategic plan (who we are)
- Be ready and excited for a change in your organization's culture.

Contact Information



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Questions?

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Breakout Session

What is the long-term goal you hope to achieve with MTW funding fungibility?

What steps does your agency need to take to prepare for your MTW status?

What topics would you be interested in learning more about as it pertains to
MTW funding fungibility?

Expert Insights: Q&A with a CFO

Jodi Bogen

Chief Financial Officer

Boulder Housing Partners



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Questions?

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Resources



- MTW ACC Amendment (available from MTW Expansion page on HUD.gov):
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/50166-MTW.pdf>
- MTW ACC Amendment FAQ:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/MTWACCAmendmentFAQ.pdf>
- MTW Selection Notice:
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/2022-11pihn.pdf>
- MTW Operations Notice:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>

Resources



- Moving to Work page on HUD.gov:
 - <https://www.hud.gov/mtw>
- Moving to Work Expansion page on HUD Exchange:
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/mtw-funding-calculations/mtw-hap-renewal-funding-calculation/>
- MTW Expansion Online Manual:
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>
- MTW Expansion Webinars:
 - <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>
- MTW SPV FAQs:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>
- Welcome Letter, Timeline, and Resources received via email

Upcoming Asset Building Cohort Onboarding Webinars



NEW: Asset Building Cohort Evaluation Basics	January 25, 2023	2:30 - 4:30 PM EST
NEW: Savings Account Option Basics	February 8, 2023	2:30 - 4:30 PM EST
NEW: Rent Reporting for Credit Building Options Basics	February 15, 2023	2:30 - 4:30 PM EST
The MTW Supplement to the PHA Plan and the Public Process	February 22, 2023	2:30 - 4:30 PM EST
The MTW Supplement – Tips for Success	March 15, 2023	2:30 - 4:30 PM EDT
HUD – 50058 MTW Expansion Form Changes	April 5, 2023	2:30 - 4:30 PM EDT
Office Hours	April 26, 2023	2:30 - 4:30 PM EDT

Thank you!

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