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## SECTION I – Introduction

### **Overview of the Agency's ongoing MTW goals and objectives**

The Housing Authority of the County of San Mateo (HACSM) is committed to increasing affordable housing choices for families, promoting the self-sufficiency of program participants, and developing administrative efficiencies. The flexibilities of the MTW program have allowed HACSM to collaborate with many community stakeholders to further support the residents of San Mateo County through program re-design and innovation.

Increasing Affordable Housing Choices – In 2011 HACSM received approval to remove Midway Village from Public Housing status. At the same time, replacement vouchers were issued to all residents so that they could choose to remain in their current unit at Midway or they could choose to move elsewhere using their voucher. This transition to project-based vouchers has now been successfully completed. Also, HACSM used its “block-grant” funding status to create two new rental subsidy programs, Provider-Based Assistance or PBA, for victims of domestic violence (15 units) and for persons re-entering society after a period of incarceration and who are receiving addiction treatment and other supportive services (16 units). Both programs are well on their way to full utilization and an expansion of the program is under development. Finally, HACSM has implemented a number of rent reform initiatives that enable families to look for a broader range of rental units located over a wider geographic area.

Promoting Self-Sufficiency – Implementing this goal has resulted in families utilizing the program for homeownership, increasing their income potential through education and employment advancement, and personal growth and increased financial understanding. HACSM has expanded the self-sufficiency program to include a provision of monetary rewards for participants who complete educational goals as well as increase their credit scores and savings, all of which are acknowledged to be challenging areas for someone striving to be self-sufficient.

Increasing self-sufficiency was also a main goal in the creation of HACSM's Housing Readiness Program. In collaboration with stakeholders from the County's “Ten-Year Plan to End Homelessness,” HACSM entered into contracts with homeless advocates and shelter providers to complement their case management services with housing assistance for a period of three years.

Developing Administrative Efficiencies – HACSM has re-designed the processes for both initial and on-going eligibility determinations, easing the burden on both participants and Housing Authority staff and increasing the timeliness of the process. Recertifications for households that are elderly or disabled have been changed to biennial schedules. HACSM has also moved to a biennial schedule for inspections of all subsidized units, with the provision that all units at all times must continue to meet HUD Housing Quality Standards. HACSM is in the fourth year of a major rent-reform program known as TST (Tiered Subsidy Table) which greatly simplifies the calculation of rental subsidies and gives participants immediate knowledge of the amount of subsidy for which they are eligible.

Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.

HACSM's ability to combine resources, through the funding fungibility of the MTW block grant, removes financial barriers and gives HACSM the freedom to better address local program priorities and the community needs in San Mateo County.

The following are focus areas for future initiatives:

#### **Serve More Families**

The number of households that qualify for rental assistance in San Mateo County far exceeds the number of vouchers available. In July 2008, when HACSM opened its Housing Choice Voucher program waiting list, over 23,000 families applied. By lottery, 3,600 households were selected for the waiting list, the number that HACSM can reasonably expect to serve over three to four years. Because the vouchers allocated to HACSM are fully utilized, only 16 vouchers (approximately) per month become available, due solely to average turn-over created by families who leave the program.

Over the past year, HACSM researched and developed a strategic plan for using its voucher resources in ways that meet specific goals over the next five years. Three broad goal areas were developed: serving residents most in need, facilitating residents' self-sufficiency, and building sustainable system capacity. Specifically, the plan calls for increased PBA partners, increased creation of new affordable units using project-based vouchers, and expansion of the 5-year self-sufficiency program from its current 300 vouchers to 800 vouchers.

In order to increase the self-sufficiency program and to serve more families in San Mateo County with more services, HACSM is proposing to institute a five-year time-limit to the housing subsidy for all new applicant households that are not designated senior or disabled households up to 800 vouchers. Program participants will participate in a greatly expanded and enriched self-sufficiency program. The proposed initiative includes a comprehensive hardship policy for elderly and/or disabled persons as well as for self-sufficiency participants who need some additional time to achieve their goals.

#### **Expand Community Partnerships and Commitments with Support Service Providers**

Prior to the implementation of the initiative (Serve More Families) stated above, HACSM will develop strong program partnerships with a variety of educational institutions, work force development providers, and county and community health and social service providers.

#### **Electronic Content Management**

HACSM is converting to an electronic content management system that will not only eliminate most paper from our operation, but will also enable the agency to implement automated work-flow processes that will amplify experiences already achieved through MTW reforms. The technology platform will also enable clients to accomplish many of their housing program needs on-line if they choose.

#### **Expand Affordable Housing Partnerships and Project-Based Programs**

HACSM will use its MTW flexibility to assist in the development of new or rehabilitated affordable housing by strategically project-basing HCV vouchers as a key financial component. Project-Based Vouchers' contractual obligation for long-term unit availability is also important in our perennially tight housing market.

**Half Moon Village Redevelopment**

As a result of MTW single-fund flexibilities, HACSM has been able to begin construction of a new 160-unit affordable senior housing complex in Half Moon Bay. This project replaces 60 units of obsolete senior housing units as part of a major new “senior campus” that will include a senior center and an adult day health center. HACSM has invested \$4 million through a long-term loan thereby leveraging an additional \$61 million in funding.

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## SECTION II – General Housing Authority Operating Information

### A. Housing Stock Information

#### 1. Number of public housing units planned:

Table 1		
Development	Type	Number of Units
El Camino Village	Family	30

#### 2. General description of any planned significant capital expenditures by development

HACSM does not have any planned significant capital expenditures for its public housing development.

#### 3. New public housing units to be added during the year:

HACSM is not planning to add new public housing units during the year.

#### 4. Public Housing units to be removed from the inventory during the year:

HACSM plans to either reapply to HUD to dispose El Camino Village, Development Number CA014000004 or utilize the new RAD conversion program. If approved, all 30 units of El Camino Village will be converted to project-based voucher units in accordance with previous MTW plans.

#### 5. Rental Assistance Programs

HACSM currently serves over 4600 households under the Housing Choice Voucher, Moderate Rehabilitation, Family Unification, VASH, Shelter Plus Care, and Supportive Housing Programs. The table below lists the number of allocated units under each program.

Table 2	
Program	Units Authorized in HACSM'S ACC
Housing Choice Voucher (MTW)	4172
Family Unification (non-MTW)**	40
VASH (non-MTW)**	75
Moderate Rehabilitation (non-MTW)	130
Shelter Plus Care (non-MTW)	163
Supportive Housing (non-MTW)	34

\*\* Non-MTW voucher program administered with some MTW flexibilities

## 6. Housing Choice Voucher Units to be Project-Based:

Of the 4,172 Housing Choice Vouchers, 650 are project-based.

Listed below are HACSM's current project-based properties:

Table 3		
Property Name	City	Total Units
Delaware Pacific	San Mateo	30
636 El Camino	South San Francisco	47
Coastside Senior Housing	Half Moon Bay	39
Delaware Place	San Mateo	16
Edgewater Isle	San Mateo	91
Half Moon Village	Half Moon Bay	60
Hillside Terrace	Daly City	16
Hilton Street	Redwood City	6
Magnolia Plaza	South San Francisco	48
Midway Village	Daly City	150
Newell Housing	East Palo Alto	10
Pacific Oak Associates	Pacifica	50
Pine Street	Redwood City	6
Redwood Oaks	Redwood City	33
Robbin's Nest	San Carlos	6
St. Matthew	San Mateo	18
Willow Terrace	Menlo Park	11
The Woodlands	East Palo Alto	13

In April 2012, HACSM entered an AHAP with MidPen Housing Corporation for 30 newly constructed project-based units in San Mateo (Delaware Pacific). Construction for the San Mateo project started in summer 2012 and is expected to be completed in fall 2013.

In November 2012, HACSM entered an AHAP with Mercy Housing for 39 newly constructed project-based units in Half Moon Bay. Construction for the Half Moon Bay project started in December 2012 and is expected to be completed in December 2013.

In December 2012, HACSM entered an AHAP with MidPen Housing Corporation for 44 newly constructed project-based units in Half Moon Bay; phase one of the larger Half Moon Village Senior Campus development. When completed, the campus will have a total of 158 affordable senior units.

With the exception of 636 El Camino, Midway Village, and Delaware Pacific, all of the project-based units listed in Table 3 above are covered by Project Based Certificate (PBC) HAP Contracts. In August 2005, HACSM received approval from HUD to renew the PBC HAP Contracts for an additional term. These PBC contracts will expire in either 2013 or 2015. Within one year before these contracts expire, HACSM will make a determination that renewal of these contracts under the PBV program is appropriate to continue providing affordable housing for low-income families. At HACSM's sole discretion and upon request from the owner, HACSM may terminate PBC HAP Contracts prior to their expiration and renew the PBC HAP Contract as a PBV HAP Contract in accordance with the regulations governing the PBV program at 24 CFR Part 983.

## B. Leasing Information, Planned

Table 4		
Program	Anticipated Lease-Up Rate	Number of Units to be Leased
Public Housing (MTW)	98%	29
Housing Choice Voucher (MTW)	98%	4089
Family Unification (non-MTW)	95%	38
VASH (non-MTW)	95%	72
Moderate Rehabilitation (non-MTW)	95%	127
Shelter Plus Care (non-MTW)	100%	163
Supportive Housing (non-MTW)	100%	34

High rents and low vacancy rate in San Mateo County are the top issues facing HACSM. HACSM will continue outreaching to property owners, improving leasing process, and extending voucher terms to families with the goal of maintaining 98% lease up in FY2014.

25 VASH vouchers were awarded in 2010 and 50 vouchers were awarded 2011. Acknowledging the lease up for these vouchers has been slow, HACSM will continue working closely with the San Francisco VA Medical Center with the goal of reaching at least 95% lease up in FY2014.

## C. Waiting List Information

HACSM currently maintains the following waiting lists:

- Public Housing
- Section 8 Housing Choice Voucher
- Project-Based
- Moderate Rehabilitation

### Public Housing

HACSM's Public Housing Program waiting list is closed except for its 4 bedroom units. Since all other public housing units are fully occupied at this time, only turnover units will need leasing activity.

HACSM plans to either reapply to HUD to dispose El Camino Village or utilize the new RAD conversion program. If approved, all 30 units of El Camino Village will be converted to project-based voucher units in accordance with previous MTW plans and the current applicants on the Public Housing waiting list will be moved to the Site-Based Project-Based waiting list for El Camino Village.

### Section 8 Housing Choice Voucher

In July 2008, HACSM opened the waiting list for the HCV Program. Over 23,000 households applied during the one week opening period. All completed applications submitted by the deadline were put into an eligible pool. From that pool, HACSM conducted a lottery and randomly selected 3,600 applications to be placed on the waiting list. Since the HCV Program is nearly 100% leased-up, only turnover vouchers will need leasing activity.

Currently, the waiting list for the HCV Program is closed. HACSM anticipates opening the HCV waiting list in FY2014.



### Project-Based

All HACSM Project-Based waiting lists are site-based although applicants may apply to any and all open lists with one application. Due to the high number of waiting list applicants and low turnover rate, most Project-Based waiting lists are closed except for four bedroom units.

HACSM will open new waiting lists for the upcoming Project-based developments.

### Moderate Rehabilitation

HACSM's Moderate Rehabilitation Program waiting list is currently closed. HACSM works closely with the property owner to fill 100% of the Moderate Rehabilitation units which are located at a single apartment complex.

### Wait List Information by Fiscal Year End

Table 5			
Housing Programs	Wait List Type	Number of Families on Waiting List	Wait List Open, Partially Open or Closed
Public Housing	Site Based	1209	Partially Open <sup>1</sup>
MTW Housing Choice Voucher Programs	Community-Wide	511	Closed
Moderate Rehabilitation	Site Based	1349	Closed
Project-Based:			
• 636 El Camino	Site Based	615	Closed
• Delaware Place	Site Based	3025	Closed
• Edgewater Isle	Site Based	1200	Closed
• Half Moon Village	Site Based	231	Closed
• Hillside Terrace	Site Based	2818	Closed
• Hilton Street	Site Based	302	Open
• Magnolia Plaza	Site Based	930	Closed
• Midway Village	Site Based	978	Partially Open <sup>1</sup>
• Newell Housing	Site Based	1420	Closed
• Pacific Oak Associates	Site Based	394	Closed
• Pine Street	Site Based	286	Open
• Redwood Oaks	Site Based	2472	Closed
• Robbin's Nest	Site Based	210	Open
• St. Matthew	Site Based	782	Open
• Willow Terrace	Site Based	2151	Closed
• The Woodlands	Site Based	1499	Partially Open <sup>1</sup>

<sup>1</sup> These waiting lists are open to families who qualify for four-bedroom units only.

Applicants for the Shelter Plus Care and Supportive Housing programs, Family Unification, VASH, Moving to Work Self Sufficiency (approved MTW initiative) and Housing Readiness programs (approved MTW initiative), are referred to HACSM by homeless service providers, San Mateo County Families and Children Services, VA Medical Centers, and other community partners. HACSM does not keep waiting lists for these programs.

**SECTION III – Proposed MTW Activities: HUD approval requested**

**Activity #2014-29:      Modify EIV Income Report Review Schedule**

**A. Description of Proposed Activity**

Effective January 31, 2010, HUD implemented new regulations mandating the use of EIV as a third party source to verify tenant employment and income information during mandatory certifications. Prior to the issuance of the HUD notice advising agencies of the revision, utilizing the EIV income report for interim certifications was not required by HUD, only during annual reexaminations. The reinterpreted regulations concerning the use of EIV changed the requirement such that review of the EIV income report is now a required component of all certification processes, including interim reexaminations.

The requirement to now use the EIV income report for both annual and interim reexaminations translates to additional staff time expended when processing interim reexaminations, which also renders an increase in costs, linked to the staff time for accessing and reviewing the EIV income report. In an effort to reduce cost and administrative burden, HACSM is proposing to modify the EIV review schedule by requesting exemption from generating the EIV income report during interim reexaminations and only generating the EIV income report during annual or biennial reexaminations.

HACSM's current interim policy allows for certain actions to be processed without having to meet with the family in person. For example, if a family reports a decrease in income, not associated with a family composition change, HACSM requires the family to submit the necessary documents to reflect the change. Based on the family's documentation, HACSM recalculates the tenant and HAP portions accordingly. The necessity to access and review the EIV income report only adds to what is supposed to be a more efficient process for HACSM staff.

The proposed activity is not prohibitive to staff's ability to identify unreported income when comparing the EIV report with the household income reported by the family during the annual or biennial reexamination process. The earned income information contained in EIV at the time of the interim reexamination is not up-to-date (the earnings information included on the EIV income report is generally delayed by two quarters), therefore, unreported income and patterns of undisclosed income are most likely to be identified during the regular reexamination process.

It is important to note that HACSM regularly reviews and monitors the many reports contained in the EIV system (Deceased Tenants, Multiple Subsidy, and Identity Verification reports) to assure compliance with Federal requirements. Through this activity, HACSM is not requesting modification for the use of EIV reports; rather the request is centered on allowing the use of the EIV income report during the annual or biennial reexamination process and waiving the requirement to use the report during interim reexaminations.

**B. Relationship to statutory objectives**

HACSM anticipates this activity will reduce administrative burden by decreasing the amount of time spent generating and reviewing the EIV reports.

**C. Identify and discuss the anticipated impact of the proposed activity on the stated objective(s)**

HACSM anticipates this activity will reduce administrative costs by streamlining the EIV process for staff, without impacting staff's ability to monitor a family's pattern of undisclosed income during the reexamination processes.

**D. Proposed Activities, baselines, benchmarks, metrics and schedules**

Effective July 1, 2013, upon HUD approval, HACSM will implement this activity for all participants and residents of the Housing Choice Voucher and Public Housing programs.

Baselines	Benchmarks	Metrics
<ol style="list-style-type: none"> <li>1) HACSM processes approximately 1,464 interim reexaminations annually.</li> <li>2) Time required to print review, and compare EIV per interim reexamination is 10 minutes.</li> <li>3) Annual staff costs to generate, review, and compare EIV per interim reexamination is \$12,730.</li> </ol>	<ol style="list-style-type: none"> <li>1) Decrease in total time staff time expended to process interim reexaminations</li> <li>2) HACSM expects to decrease the total staff time expended to process interim reexaminations by 20%.</li> <li>3) HACSM expects to decrease annual staff cost to generate, review and compare EIV per interim reexamination by 17%.</li> </ol>	<ol style="list-style-type: none"> <li>1) Comparison of annual hours expended utilizing EIV for interim reexaminations before and after activity implementation.</li> <li>2) Comparison of annual cost savings using the modified EIV review schedule.</li> </ol>

**E. Data Collection Process and Proposed Metrics to Measure Performance and Progress of the MTW Statutory Objectives**

An electronic database will be developed to store and track the data. Reports describing the above metrics will be created and analyzed on a regular basis. Analyzing data on a regular basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program.

**F. Authorization(s) detailed in Attachment C or D needed to engage in the activity**

The proposed activity is authorized in the MTW Agreement, Attachment C, Section C(4) containing waivers of Section 3(a)(1) and 3(A)(2) of the 1937 Act and 24 CFR 966.4 and 960.257 and the MTW Agreement, Attachment C, Section D(3)(b) containing waivers of 24 CFR 982.516 and 982 Subpart E.

**Activity #2014-30: Revise Child Care Expense Deduction**

**A. Description of Proposed Activity**

In conjunction with HUD regulations, HACSM defines child care expenses as amounts anticipated to be paid by the family for the care of children 12 years of age and under during the period for which annual income is computed, but only where such care is necessary to enable a family member to work, seek work, or go to school (furthering education) and only to the extent such amounts are not reimbursed.

The amount deducted shall reflect reasonable charges for child care. When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care costs must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income.

HACSM is proposing to define allowable child care deductions as follows:

1. The care must be provided for one or more qualifying persons. A qualifying person is a person who is a dependent child age 12 and under of a family member who is a parent or legal guardian of the child.
2. The care must be provided to enable the parent or guardian to work, seek work, or attend school full time.
3. The payments for care cannot be paid to the non-custodian parent(s) of the qualifying child.
4. The maximum allowable child care deduction is the lesser of the actual expense or 50% of the gross earnings or net earnings from self-employment of the parent or guardian.
5. If both parents are in the subsidized household, the 50% gross earnings cap will be based on the lower of the two earnings from the parents. One parent may be considered as having earnings if the parent is a full-time student or a person with disabilities that inhibits the parent to care for the child. In this case, the earnings will be based on the working parent.
6. The maximum allowable child care deduction for a parent or guardian who has no earnings but attends school full time will be the lesser of the actual expense paid or \$5000 per year per qualifying child.

This proposed activity will apply to HACSM's Public Housing and Section 8 Housing Choice Voucher programs.

**A. Relationship to statutory objectives**

HACSM anticipates this activity will reduce administrative costs and achieve greater cost effectiveness in its program administration.

**B. Identify and discuss the anticipated impact of the proposed activity on the stated objective(s)**

The impact of this activity to the families is minimal. From the period of July 1, 2012, to June 1, 2013, a total of 121 households received a child care expense deduction with an average amount of \$5,138 per family. Only five (5) families received a child care deduction that was greater than 50% of the family's annual income. Having a more specific definition will simplify and streamline the eligibility determination for HACSM's staff.

**C. Proposed Activities, baselines, benchmarks, metrics and schedules**

Effective July 1, 2013, upon HUD approval, HACSM will implement this activity for all new admissions, participants and residents of the Housing Choice Voucher and Public Housing programs.

Baselines	Benchmarks	Metrics
1) Average child care deduction per household is \$5138 2) 5 households have a child care deduction that is more than 50% of the family's total annual income	1) A 3% decrease (\$154) in the average child care deduction per household. 2) A 100% decrease or zero households that have child care deduction greater than 50% of the family's total annual income	1) Compare child care deduction of participant families before and after implementation of this activity

**D. Data Collection Process and Proposed Metrics to Measure Performance and Progress of the MTW Statutory Objectives**

HACSM will utilize data from its current software database to track its child care expenses. HACSM will analyze the data on a regular basis to better quantify results and identify opportunities for continuous improvement in the program.

**E. Authorization(s) detailed in Attachment C or D needed to engage in the activity'**

For Public Housing, the proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section C(11) – Rent Policies and Term Limits, which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A.

For Section 8 Housing Choice Vouchers, the proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section D(2)(a) – Rent Policies and Term Limits, 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 C.F.R. 982.508, 982.503 and 982.518.

**Activity #2014-31: Expand MTW Self-Sufficiency program**

**A. Description of Proposed Activity**

HACSM's MTW Self-Sufficiency program was first implemented in May 2000. It was originally developed to respond to welfare reform and thus was fashioned to focus almost exclusively on improving families' self-sufficiency in preparation for the conclusion of their welfare assistance. The core design of HACSM's original MTW program consisted of limiting Housing Choice Voucher assistance to a maximum of six years, while at the same time offering self-sufficiency services to those participants. In order to reach the target population, HACSM only accepted new admissions through a referral process. The referring agency may be a county welfare or social service department, drug treatment facility, and/or homeless shelter. These referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance. The number of time-limited vouchers was limited to 300.

All MTW Self-Sufficiency participants are required to participate in HACSM's Family Self-Sufficiency (FSS) program, which requires families to be gainfully employed and free of welfare assistance 12 months prior to the end of the FSS contract. Non-compliance with the FSS contract is cause for termination of housing assistance. HACSM collaborates with county and non-profit service providers to prepare MTW households to be economically self-sufficient in the very expensive San Mateo County housing market upon graduation.

Effective July 1, 2013, HACSM is proposing to expand its MTW Self-Sufficiency program to 800 households. While reaching the original target population, e.g. welfare recipients, is still the HACSM's focus, HACSM will accept all applicants through a waiting list process. The next opening of its Housing Choice Voucher waiting list will be for the MTW Self-Sufficiency program. All new admissions for tenant-based voucher holders will automatically be a part of the MTW Self-Sufficiency program, with a maximum of five years of housing subsidy.

**B. Relationship to statutory objectives**

HACSM anticipates the above activity will increase housing choice and encourage self-sufficiency for families participating in this program.

**C. Identify and discuss the anticipated impact of the proposed activity on the stated objective(s)**

Since HACSM is applying this activity to new Housing Choice Voucher (HCV) waiting list applicants, current program participants will not be affected.

The number of families potentially eligible for the Housing Choice Voucher program in San Mateo County far exceeds the HCV rental assistance resources available through HACSM. This activity has the ability to offer families self-sufficiency resources that can better prepare them to find housing at the end of the assistance term. In addition, the turnover of vouchers will allow HACSM to process applicants on its waiting list more quickly and serve more families over time.

**D. Proposed Activities, baselines, benchmarks, metrics and schedules**

Effective July 1, 2013, upon HUD approval, HACSM will implement this activity for all new admissions (applicants) to the Housing Choice Voucher program.

Baselines	Benchmarks	Metrics
167 households are participating in the MTW-SS program	<ol style="list-style-type: none"> <li>1) A 50% (84 households) increase in participating households by the end of FY2014.</li> <li>2) A 20% increase annually thereafter until the program reaches its allocation limit.</li> </ol>	<ol style="list-style-type: none"> <li>1) Compare number of participating households before and after implementation</li> </ol>

**E. Data Collection Process and Proposed Metrics to Measure Performance and Progress of the MTW Statutory Objectives**

HACSM will utilize its current software database to track the number of participating households.

**F. Authorization(s) detailed in Attachment C or D needed to engage in the activity**

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section D(2)(a) – Rent Policies and Term Limits, 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 C.F.R. 982.508, 982.503 and 982.518 and is authorized in HACSM's MTW Agreement, Attachment C, Section D(4) – Waiting List Policies, which waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F.

**G. Hardship Policy**

**a. Impact Analysis**

**i. Description**

HACSM's MTW Self-Sufficiency program was first implemented in May 2000. The number of time-limited vouchers at that time was limited to 300. Effective July 1, 2013, HACSM is proposing to expand its MTW Self-Sufficiency program to 800 households by accepting all applicants through a waiting list process.

**ii. Tracking and documenting the implementation**

HACSM will track the progress of each participant, as they enter the program, as well as at each annual or biennial review, and upon exit from the program.

**iii. Identifying the intended impact**

The number of families potentially eligible for the Housing Choice Voucher program in San Mateo County far exceeds the HCV rental assistance resources available through HACSM. This activity has the ability to offer families self-sufficiency resources that can better prepare them to find housing at the end of the assistance term. In addition, the turnover of vouchers will allow HACSM to process applicants on its waiting list more quickly and serve more families over time.

**b. Hardship Case Criteria**

Please see Appendix for details regarding HACSM's Hardship Policy.

c. **Description of Annual Reevaluation of the Rent Reform Initiative**

HACSM will review the impact and success of this MTW activity at least annually and make any necessary adjustments at that time.

d. **Transition period**

Effective with the opening of HACSM's Housing Choice Voucher wait list any time after July 1, 2013, upon HUD approval, HACSM will begin implementation of this activity for all new applicants from the Housing Choice Voucher waitlist.

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### SECTION IV – Ongoing MTW Activities: HUD approval previously granted

HACSM has utilized the flexibilities of the MTW program since 2000 to significantly reform its Voucher and Public Housing programs. All 28 of the ongoing activities, approved by HUD previously, and implemented by HACSM are summarized in the table below. The table illustrates HACSM's use of MTW program flexibilities to design and test innovative approaches that strengthen program administration.

<b>Ongoing MTW Activities: HUD Approval Previously Granted</b>					
Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2000.1	MTW/FSS Program	2000	HACSM's MTW Self-Sufficiency program was first implemented in May 2000. The core design of HACSM's original MTW program consisted of limiting Housing Choice Voucher assistance to a maximum of six years, while at the same time offering self-sufficiency services to those participants through HACSM's Family Self-Sufficiency (FSS) Program. HACSM only accepted new admissions through a referral process. The referring agency is a social service department, drug treatment facility, and/or homeless shelter. These referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance.	Encourage Self-Sufficiency and Increase Housing Choice	<i>See Proposed Activity #2014.31 – Expand MTW Self-Sufficiency Program</i>
2009.2	Housing Readiness Program	2008	HACSM partners with San Mateo County's Center on Homelessness and other providers of homeless services. The goal of this partnership is to serve homeless individuals and families. Program participants receive rental subsidy for up to three years while at the same time having continued access to various support programs.	Encourage Self-Sufficiency	Still in effect. No anticipated changes.
2000.3	Elimination of 40% affordability cap at initial move-in/lease-up	2000	Eliminates 40% cap on the proportion of household income that could be spent on housing costs for new lease-ups	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2000.4	Escrow Accounts	2000	HACSM changed the method by which escrow is calculated for the FSS program participants. Instead of using a calculation that only looks at increases in earned income, HACSM designed a calculation method that considers several activities that support a families increasing self-sufficiency. The maximum escrow credit and pay out at graduation is \$3,000 per family. Because escrows are calculated and credited at the end of the FSS Contract term, interim withdrawals are eliminated.	Encourage Self-Sufficiency	Still in effect. No anticipated changes.

# Housing Authority of the County of San Mateo – MTW Annual Plan FY2014

Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2009.5	Expand usage of project-based vouchers at HACSM developments undergoing disposition process	2008	HACSM received approval to project-base up to 100% of the public housing units undergoing the dispo process.	Increase Housing Choice and Reduce Administrative Costs	The dispo application for the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.6	Biennial recertification schedule for elderly/disabled households	2009	HACSM conducts recertifications for HCV households designated as elderly or disabled on a biennial basis.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.7	Simplify Rent Calculation Process	2009	<ul style="list-style-type: none"> <li>Eliminate the imputed asset rate – use actual interest income on assets</li> <li>Eliminate the Earned Income Disallowance (EID)</li> </ul>	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.8	Simplify Third-Party Verification Process	2009	<ul style="list-style-type: none"> <li>Increase asset values requiring 3<sup>rd</sup> party verification to \$50,000</li> <li>Streamline verification of eligible medical and child care expenses</li> <li>Extend the verification timeline to 120 days</li> </ul>	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.9	Tiered Subsidy Tables	2010	To determine the maximum subsidy amount in the Voucher program, the annual adjusted income for the family is determined from the rent calculation, including all deductions and allowances for which the family is eligible and is then compared to their eligible voucher size. For mixed families, the subsidy is prorated based on the number of eligible and ineligible family members.	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.10	Simplify HQS Processes	2009 2010	<ul style="list-style-type: none"> <li>HACSM to inspect HACSM-owned properties</li> <li>HACSM not required to submit inspection reports for HACSM-owned or affiliated properties to the HUD Field Office</li> </ul>	Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.11	Eliminate competitive process for allocation of Project-Based Vouchers to former public housing	2011	HACSM will allocate project-based vouchers to its former public housing units without the use of a competitive process	Increase Housing Choice and Reduce Administrative Costs	The dispo application for the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.12	Waive 12 month stay requirement for residents in formerly public housing units converted	2011	Offers residents of public housing units undergoing disposition from public housing status, and who will receive PBV assistance, the option to relocate immediately or any time thereafter, using a tenant transfer voucher.	Increase Housing Choice	No anticipated changes.

# Housing Authority of the County of San Mateo – MTW Annual Plan FY2014

Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2010.13	Accept lower HAP by modifying PBV rules for in-place residents at former Public Housing developments	2011	At the time of disposition, if a public housing resident is residing in an oversized unit and HACSM does not have the proper size unit available for the resident to relocate, HACSM will accept a lower HAP based on the unit size the resident qualifies for and not the actual unit size occupied.	Reduce Administrative Costs	Still in effect. No anticipated changes.  The dispo application for the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.14	Establish flat or market rate policy for over-income Public Housing residents at conversion of Public Housing units to Project-Based units	2011	Permits residents of public housing undergoing the disposition process that are not eligible to receive a voucher due their exceeding the income limitations of the voucher program to have the option to remain in the unit (for a maximum of 12 months) at the higher of the flat rate or market rate for the unit.	Encourage Self-Sufficiency	No anticipated changes.
2011.15	Institute biennial inspection schedule for units under contract	2010	Implement a biennial inspection schedule for all HCV units. HACSM continues to conduct any complaint inspections. The units must at all times meet Housing Quality Standards while under contract.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2011.16	Expand the Section 8 Project-Based Voucher program	2011	<ol style="list-style-type: none"> <li>1. Adopt policies that allow up to 100% of the units in a multifamily building to be project-based.</li> <li>2. Increase project-based funding up to 30% of its HCV budget authority</li> <li>3. Adopt policies that may require participating families to stay more than 12 months before they move with continued assistance; propose that any continued assistance would be a part of the MTW/FSS program, a six time-limited program.</li> </ol>	Increase Housing Choice	Still in effect. No anticipated changes.
2011.17	Revise Eligibility Standards	2010	Apply asset value limit for all new applicants and participants. If applicants have assets valuing more than \$100,000, or ownership interest in a suitable home in which they can reside, they would be determined ineligible for the program. If participants experience an increase in assets valuing more than \$100,000, or gain ownership interest in property in which they have can reside, the participant would be determined ineligible.	Increase Housing Choice	Still in effect. No anticipated changes.
2011.18	Eliminate 100% excluded income from the income calculation process	2010	HACSM will not verify, count, or report income that HUD specifies as 100% excluded from the income calculation process.	Reduce Administrative Costs	Still in effect. No anticipated changes.

# Housing Authority of the County of San Mateo – MTW Annual Plan FY2014

Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2011.19	Eliminate the requirement to complete new HAP contract with utility responsibility changes	2010	HACSM eliminated the requirement of executing a new HAP contract with the owner if there are any changes in lease requirements governing tenant or owner utility responsibilities.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2011.20	Apply current payment standards at interim reexamination	2010	To apply current payment standard at whatever time the action is being processed (i.e. interim or annual reexamination).	Reduce Administrative Costs	Still in effect. No anticipated changes. This activity is becoming more obsolete as families convert to TST.
2012.21	Change qualifications for Full-Time Student (FTS) status	2011	In order for a family member, other than the head, co-head, or spouse to qualify for the FTS status, and dependent deduction and income exclusion, the family member must be less than 24 years old, a FTS at an accredited institution, and must provide a transcript of the full-time student status at all subsequent recertification appointments.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.22	Include Foster Care, KinGap, and Adoption Assistance Payments in annual income calculation	2011	HACSM includes foster care, Kin Gap, and adoption assistance payments in the determination of annual adjusted income.  To help offset this inclusion of foster care and adoption assistance income, HACSM will provide a dependent allowance for foster children, disabled foster adults, and adopted children.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.23	Modify head of household (HOH) changes policies	2011	HACSM implemented the following policies surrounding changes in the head of household (HOH): <ul style="list-style-type: none"> <li>The individual becoming the new HOH must be in the household for at least the previous 12 consecutive months, and</li> <li>At the time of the HOH change, the household would join the MTW-Self Sufficiency program (unless already enrolled)</li> </ul> HACSM recognizes several exceptions to this policy.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.24	Change automatic termination of HAP contract from 180 to 90 days	2011	HACSM reduced the number of days that a participant can remain on the program, while paying 100% of their rent, from 180 to 90 consecutive days.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.25	Exclude asset income from calculations for households with assets under \$50,000	2011	HACSM has eliminated calculating or including income received from family assets valued less than \$50,000. Additionally, HACSM no longer reports the asset income valued less than \$50,000 to HUD through the HUD-50058.	Reduce Administrative Costs	Still in effect. No anticipated changes.

# Housing Authority of the County of San Mateo – MTW Annual Plan FY2014

Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2012.26	Commitment of MTW funds for leveraging in the creation of additional affordable housing in San Mateo County	2011	HACSM committed up to \$4,000,000 of MTW funds for the development of additional affordable (low income, very low income and extremely low income) housing in San Mateo County. The re-programmed funds will be used to leverage additional investment funds that will be substantially larger than HACSM commitments. Development activities may include site acquisition, substantial rehabilitation of existing stock, and development of new units.	Increase Housing Choice	Still in effect. No anticipated changes.
2011.27	Provider-Based Programs	2011	HACSM proposed to adopt policies surrounding a provider-based assistance program, which is now its own activity as the funding and policies are outside the scope of the voucher program. The Provider-Based program was designed with the intention to reach populations in San Mateo County who were under-served or not served by the voucher program or other special-funded programs.	Increase Housing Choice and Encourage Self-Sufficiency	Still in effect. No anticipated changes.
2013.28	Apply MTW flexibilities to Public Housing	2012	HACSM applied some of the previously-approved MTW flexibilities for the HCV program to its one remaining Public Housing complex, El Camino Village.	Reduce Administrative Costs and Encourage Self-Sufficiency.	Still in effect. No anticipated changes.

### SECTION V – MTW Sources and Uses of Funds

#### A. List planned sources and uses of the MTW Funds

The chart below summarizes the HACSM MTW Budget for Fiscal Year 2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise the MTW Block Grant sources including Housing Choice Voucher (Section 8) Housing Assistance Payments, and Housing Choice Voucher (Section 8) Administrative fees.

<b>Consolidated Sources and Uses of MTW Funds (FYE 2014)</b>		
<b>Revenue (Sources)</b>		
MTW Program HAP & Administrative Fees	63,361,100	
Portable Vouchers HAP & Admin Fees	3,495,000	
Public Housing Rental Income	245,908	
Public Housing Operating Fund	18,000	
Investment Income	193,782	
Miscellaneous Income**	55,100	
<b>Total Revenue</b>		<b>67,368,890</b>
<b>Expense (Uses)</b>		
Housing Assistance Payments	55,150,000	
Portable Vouchers HAP Payments	3,300,000	
Administrative and General Expense	4,970,392	
Provider Based Assistance Payments	750,000	
Utilities	34,800	
Operations and Maintenance	178,011	
Development and Capital Projects	200,000	
Affordable Housing Development	4,000,000	
<b>Total Expense</b>		<b>68,583,203</b>
<b>Operating Income/(Loss)</b>		<b>(1,214,313)</b>
Reserve Drawdown/(Buildup)		1,214,313
<b>Net Income/Loss</b>		<b>(0)</b>

Note: It is anticipated that El Camino Village will be operated as public housing for the entire year

\*\*Miscellaneous Income includes escrow forfeitures, fraud recovery, tenant parking charges and other non-rent charge, laundry room receipts and miscellaneous charges.

### Planned Sources and Uses of Non-MTW Funds

The chart below summarizes the HACSM Consolidated Non-MTW Budget for FY2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for other funds that are not eligible MTW Block Grant funds (including state and local funds). The budgeted net loss is anticipated to be withdrawn from current operation reserves.

<b>Consolidated Sources and Uses of <i>Non</i>-MTW Funds (FYE 2014)</b>		
<b>Revenue (Sources)</b>		
Grants (Shelter Plus Care and Supportive Housing)	3,769,837	
Non-MTW HAP and Administrative Fees	2,452,207	
Rental Income	668,000	
Investment Income	51,000	
Miscellaneous Income	56,700	
<b>Total Revenue</b>		<b>6,997,744</b>
<b>Expense (Uses)</b>		
Administration and General Expense	1,105,593	
Utilities	87,200	
Operations and Maintenance	258,417	
Housing Assistance Payments	5,700,461	
<b>Total Expense</b>		<b>7,151,671</b>
<b>Operating Income/(Loss)</b>		<b>(153,927)</b>
Reserve Drawdown/(Buildup)		153,927
<b>Net Income/Loss</b>		<b>0</b>

**B. List planned sources and uses of State or local funds**

The chart below summarizes the HACSM State and Local Funds Budget for FY2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise State and Local operating activities. The budgeted net income is anticipated to be deposited to current operating reserves.

Consolidated Sources and Uses of State and Local Funds (FYE 2014)		
Revenue (Sources)		
Rental Income	668,000	
Investment Income	33,000	
Miscellaneous Income	34,400	
<b>Total Revenue</b>		<b>735,400</b>
Expense (Uses)		
Administrative and General Expense	278,009	
Utilities	87,200	
Operations and Maintenance	254,773	
<b>Total Expense</b>		<b>619,982</b>
<b>Operating Income/(Loss)</b>		<b>115,418</b>
Reserve Drawdown/(Buildup)		(115,418)
<b>Net Income/Loss</b>		<b>0</b>

**C. If applicable, list planned vs. actual sources and uses of the COCC**

Not applicable

**D. If using a cost allocation or fee-for-service approach that is different from HUD's requirements, including an indirect cost proposal that describes the alternative fee and/or cost allocation methodology**

Not applicable

**E. Describe the Planned Use of MTW Single-Fund Flexibility**

On July 1, 2008, HACSM received HUD approval to block grant all MTW programs. On March 3, 2010, HACSM received the executed grant amendment for Attachment A. On June 18, 2010, HACSM received HUD approval of its amended Attachment D – Broader Use of Funds (see Appendix One), allowing for HACSM to develop a local, non-traditional program with voucher funds.



As of June 2011, HACSM launched its Provider Based Assistance program. In November 2011 and January 2012, HACSM executed contracts to CORA and Service League respectively to provide assistance for a total of 31 households. The estimated annual expense for these vouchers is \$750,000 which will be allocated from the MTW funds.

In the FY11 Plan, Activity #16 "Expand the Section 8 Project Based Voucher Program," HACSM also proposed and received approval for the use of MTW funds to support the acquisition, rehabilitation, or construction of new affordable housing units.

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