



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing



**Date:** May 15, 2014  
**Board Meeting Date:** June 3, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors (Sitting as the Board of Commissioners of the Housing Authority)

**From:** William Lowell, Executive Director, Housing Authority

**Subject:** Rental Assistance Demonstration Program Application for El Camino Village

**RECOMMENDATION:**

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, authorize the Executive Director of the Housing Authority to execute application documents for the Department of Housing and Urban Development's Rental Assistance Demonstration Program for El Camino Village.

**BACKGROUND:**

In 2010, the Housing Authority of the County of San Mateo (HACSM) submitted Disposition Applications to the Department of Housing and Urban Development (HUD) to remove Midway Village and El Camino Village from Public Housing status. The disposition application for Midway Village was approved and the property is now operating as a Project-Based Voucher complex. This change essentially doubled the property's operating income and provided a much more reliable source of affordable housing subsidy compared with public housing subsidies. It also provided a voucher to each household which could then be used for relocation at the option of the residents.

The disposition application for El Camino Village, however, was not approved by HUD because the then current HUD guidelines provided that the property was too new and that its history of operating losses and lack of financial sustainability could not be the primary reason for submitting an application.

**DISCUSSION:**

In 2012, HUD introduced the Rental Assistance Demonstration (RAD) program, a central part of HUD's rental housing preservation strategy, which works to preserve the nation's stock of deeply affordable rental housing, promote efficiency within and among HUD programs, and build strong, stable communities. RAD, as with the former disposition process, offers housing authorities the option of applying for Project-Based

Vouchers and removal of a property from its Public Housing status. The provision which is new to the RAD program is that the subsidy formulas are capped at the amount of funding which would have been available under the Public Housing program. While this means that operation of El Camino Village will not see any financial improvement as a result of this action, it will still free the housing authority from onerous public housing program operating rules (this is HACSM's last 30 units of public housing) and greatly improve operating efficiencies. RAD will also provide every household with a voucher so that mobility options for residents are exponentially expanded.

HUD has reached its legislatively mandated cap on the number of units available for conversion under the RAD program (60,000 nationwide). However, HUD recently announced it will continue to accept applications to the program in anticipation of lifting the cap. HACSM will submit the application for RAD in order to get it into the queue for consideration.

HACSM conducted two meetings with the residents at El Camino Village—one on January 13, 2014, and one on March 13, 2014—to discuss the RAD program and to gather resident input. The resident comments have been very positive and HACSM does not anticipate any negative impact on the residents as a result of a conversion to Project-Based Vouchers through the RAD program.

The application process requires numerous forms and certifications. This action requests authorization for the Executive Director to execute these forms on behalf of HACSM.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by enabling HACSM to provide housing subsidy to low and very low income households while reducing its administrative burden by streamlining its program rules and regulations.

**FISCAL IMPACT:**

There is no Net County Cost associated with this action. All funds required to operate the program are provided by the Department of Housing and Urban Development and the Housing Authority of the County of San Mateo.