

Activity #2015-34: Leasing Success Program

A. Description of the Proposed Activity

According to the National Low Income Housing Coalition's 2014 publication, "Out of Reach," San Mateo County is one of the nation's most expensive jurisdictions in which to live. According to their report, a two bedroom household in the San Francisco metropolitan FMR area, of which San Mateo County is included, would need to have a wage of \$37.62 per hour in order to afford to live here. And, according to the San Mateo County Housing and Community Development Department, in the last year, while the FMR increased by 9% in San Mateo County, the rental market increased over 12% and in the last 4 years, from 2010 to the Third Quarter of 2014, the net change has been an increase of over 50%. For example, as of September 2014 the average market-rate rent for a one-bedroom unit was \$2,352 and for a two-bedroom unit it was \$2,648. Since publication of their report, the averages have continued to climb through the final Quarter of 2014. One additional factor that makes the San Mateo County housing market so challenging is the fact that, on average, the rental occupancy rate continues to remain over 95% in any given month. There simply is a very limited amount of rental housing, let alone affordable rental housing.

During the 2014 calendar year, HACSM has seen a steady decline in voucher holder's ability to find and lease a rental unit in San Mateo County. To address this decline, in the past year, HACSM has made changes to the subsidy, increasing the "value" of the voucher, increased outreach to owners of rental property, modified its policy on approving voucher extensions, as well as provided additional information to participants at the voucher briefings, and issued an RFP for Project-Based Vouchers to increase the overall availability of affordable housing. However, utilization of the vouchers in San Mateo County has continued to decline.

Based on this trend, HACSM has continued to actively engage community input to provide options to further assist low income households in San Mateo County to find and secure housing. The result of this process is the proposed, Leasing Success Program.

HACSM is proposing to use its Broader Use of Funds Authority in order to implement additional programs and activities that will lead to increased participation in the MTW program and the utilization of this highly valued housing assistance. Upon approval, HACSM is preparing to allocate up to \$250,000 HAP funds annually for the next three years to this activity. Some of the initial activities include the following: 1) Contracting with organizations that have expertise in the rental market, that will assist program applicants and participants with "housing locator services," 2) Contracting with organizations that have substantial experience in shared housing to encourage HCV participation, 3) Creating a landlord incentive program, and 4) Creating a security deposit loan program.

HACSM is continuing its community engagement process and plans to have on-going review and refinement of the most effective ways in which to address this critical need.

B. Relationship to Statutory Objectives

This activity will support the HUD goal of increased housing choice for program participants.

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

It is the expectation of HACSM that implementation of this key activity will result in greater lease up success for new applicants as well as participants who need to relocate. Since January 2014, over 160 new applicants have been unsuccessful in leasing a unit in San Mateo County, resulting in their much needed voucher expiring before they could use it.

With the implementation of this activity, HACSM expects that new rental property owners will join the program, barriers such as high cost security deposits at move in will be mitigated, and participants and applicants will have access to additional services to assist them in locating and securing rental housing.

D. Proposed anticipated schedules for achieving the stated objective

Upon HUD approval, HACSM expects to immediately implement the activities described above to provide avenues for the greatest success for new applicants and voucher holders to find and secure affordable rental housing in San Mateo County. HACSM, the Board of Commissioners, community leaders and the San Mateo community at large, are aligned in their assessment of the critical need in San Mateo County for additional affordable housing and that this proposal is the method by which to address the need in the most timely manner.

E. The Metric	F. Baseline performance level (numeric) prior to implementation of the MTW activity	G. Yearly benchmark (numeric)	H. Description of the final projected outcome(s) of the MTW activity	I. Data source from which the metric will be compiled
<i>HC#1 Additional Units of Housing Made Available</i>				
Number of new housing units made available for households at or below 80% AMI	Zero (0) new housing units	30 new housing units	Over the next three (3) years, HACSM expects that 90 additional households will utilize their voucher with affordable housing	HACSM data base
<i>HC#3 Decrease in Wait List Time</i>				
Average applicant time on waitlist in months	On average, applicants are on the HACSM wait list for 36 months	24 months	18 months	HACSM data base

<i>HC#5 Increase in Resident Mobility</i>				
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	Zero (0) households	10 households	Over the next three (3) years, HACSM expects that 60 additional households will be able to move to a better unit and/or neighborhood of opportunity	HACSM data base
<i>HC#7 Households Assisted by Services that Increase Housing Choice</i>				
Number of households receiving services aimed to increase housing choice	Zero (0) households	120 households	Over the next three (3) years, HACSM expects that 360 households will receive services aimed to increase their housing choice	HACSM data base

J. Authorization(s) detailed in Attachment C or D of the Standard Agreement that gives HACSM the flexibility to conduct the activity

The proposed activity is authorized in the HACSM Amended and Restated Moving to Work Agreement, Attachment C, Section (B) (1) (b) (iii) (viii), (c) (d), (2) and waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 CFR 982, and 990, and Section (D) (1) (f) and (b), 7 (a) (b) (c) and waives certain provisions of Section 8(o) of the 1937 Act, and Attachment D: Uses of Funds.

K. Explanation as to why the cited authorization from Attachment C or D is needed to engage in this activity

The cited authorizations from Attachment C and Attachment D are needed due to the fact that without them, HACSM would be not be able to use HAP funds to assist with securing affordable housing units, facilitating shared housing options, security deposit assistance, or other leasing related activities.

L. Rent Reform Activities

The proposed revision is not a rent reform activity.