



County of San Mateo

Inter-Departmental Correspondence

Department: GOVERNING BOARD

File #: 19-190

Board Meeting Date: 3/12/2019

Special Notice / Hearing: Yes
Vote Required: Majority

To: Honorable Board of Supervisors (Acting as the Governing Board of Commissioners for the Housing Authority)

From: Ken Cole, Executive Director, Housing Authority

Subject: FY 2019-2020 Moving To Work Annual Plan

RECOMMENDATION:

Acting as the Governing Board of Commissioners for the Housing Authority of the County of San Mateo, conduct a public hearing to consider the FY 2019-2020 Moving To Work Annual Plan:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution approving the Housing Authority of the County of San Mateo FY 2019-2020 Moving To Work Annual Plan.

BACKGROUND:

Moving To Work (“MTW”) is a demonstration program that offers participating housing authorities the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies for low-income households by allowing exceptions from certain housing regulations. The Housing Authority of the County of San Mateo (“HACSM”) has implemented many activities that align with the U.S. Department of Housing and Urban Development’s (“HUD”) goals of increasing administrative efficiencies, encouraging self-sufficiency, and increasing housing choice. Some of the activities include conducting biennial inspections on units, creating an affordable housing fund to assist in the development of affordable housing, increasing the Housing Authority’s percentage of budget authority allowed for the Project-Based Voucher program, and implementing a Leasing Success Program that includes housing locator services and landlord incentives for new and continuing landlords.

As part of the MTW program process, HUD requires housing authorities to submit an MTW Annual Plan each year. The MTW Annual Plan includes information related to newly proposed activities and ongoing activities for the housing authorities, as well as long term goals and strategies.

The MTW Annual Plan process requires obtaining input from the public and approval from the Board of Commissioners and HUD.

DISCUSSION:

The FY 2019-2020 MTW Annual Plan covers the period of July 1, 2019, through June 30, 2020. The MTW Annual Plan was completed in accordance with all HUD regulations and requirements, including that all documents are made available to the public for review for a prescribed period prior to adoption by the Governing Board.

A public hearing was advertised in local newspapers and online at the San Mateo County Department of Housing website; the public hearing was held on February 26, 2019, at the Department of Housing office to receive comments. A copy of the proposed MTW Annual Plan was posted on the Department of Housing website and a paper copy of the proposed Plan was available for review during the department's regular office hours. Public comments were received and will be incorporated into the MTW Annual Plan submitted to HUD.

HACSM has 36 ongoing activities because of its MTW authority and HACSM continues to monitor and evaluate those activities. For the FY 2019-2020 MTW Annual Plan, HACSM is not proposing any new MTW activities but we are proposing the following revisions to current activities:

1. In July 2017, HACSM received HUD approval to increase its voucher budget authority from 30 percent to 35 percent for the Project-Based Voucher (PBV) program. As of December 2018, HACSM has utilized 28 percent of its budget authority to increasing its PBV portfolio. In the Bay Area housing market, this portfolio is the primary method that HACSM can ensure long-term affordability of rental housing units. With several new PBV projects in the pipeline, HACSM is seeking HUD approval to increase the percentage of budget authority to 40 percent.
2. HACSM originally committed up to \$4,000,000 of MTW funds for the development of affordable housing in San Mateo County. With HUD approval, in fiscal years 2013 and 2016, HACSM increased the MTW funds commitment up to \$8,000,000 and \$10,000,000 respectively. Since implementation of this MTW activity, HACSM has awarded eight projects, or \$10,000,000, resulting in 412 new construction units.

Based on the successful use of MTW funds to leverage additional funds for affordable housing development, HACSM is proposing to increase the allocation of MTW funds with an additional \$15,000,000. Upon HUD approval, the total amount of MTW funds for this activity will be \$25,000,000.

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

Approval of this resolution contributes to the Shared Vision 2025 outcome of the Livable Community by enabling HACSM to provide housing subsidies to low-income households while reducing its administrative burden by modifying stringent rules and regulations.

FISCAL IMPACT:

There is no net County cost associated with this action. All funds required to operate the MTW

program are provided by HUD.