



# Housing Authority of the County of San Mateo

## Moving to Work Annual Plan FY 2009-2010



## Greater Opportunities (GO) for Housing

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#### **Cover Photos:**

- Top Left: Grand Oaks Apartments, located in South San Francisco, CA, consists of 43 affordable family apartments
- Bottom Left: The Belmont Apartments, located in Belmont, CA, consists of 24 below market rate units specifically built and reserved for people with disabilities
- Right: The Macedonia Baptist Church apartments, located in Menlo Park, CA, consists of six units; a rental rehabilitation project in coordination with the Department of Housing and the City of Menlo Park

## **SECTION I - Introduction**

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**B. Overview of the Agency’s MTW goals and objectives for the year, including new and on-going MTW activities.**

In May 2000, the Department of Housing and Urban Development (HUD) signed an agreement with the Housing Authority of the County of San Mateo (HACSM) granting its request for Moving-To-Work (MTW) Demonstration Program status. At that time, a total of 300 vouchers were designated as MTW vouchers with certain self-sufficiency features and time-limited assistance requirements built into the program design.

On April 8, 2008, HUD signed a 10-year Amended and Restated Moving-To-Work Agreement (Restated Agreement) with HACSM. The Restated Agreement expands HACSM's MTW status to the entire Housing Choice Voucher (Section 8) and Public Housing programs, offering budget flexibility, the authority to develop policies that are outside certain HUD regulations, and the ability to explore new and innovative methods of delivering housing to low-income families of San Mateo County.

Each section of this MTW Annual Plan (Plan) provides information on current and planned programs and policies, covering the period from July 1, 2009 through June 30, 2010. This Plan also introduces long term plans and activities to be considered throughout the demonstration period.

The mission of the HACSM is to:

1. Preserve and increase the availability of decent, safe and affordable housing;
2. Ensure equal opportunity in housing for all;
3. Promote self-sufficiency and asset development of families and individuals; and
4. Improve community quality of life and economic viability.

HACSM is also a component program of the San Mateo County Department of Housing (DOH) whose mission is to: Serve as a catalyst for increasing access to affordable rental housing, increasing the supply of workforce housing, and supporting related community development so that housing exists for people of all income levels in San Mateo County.

The goals and objectives of HACSM in developing its MTW Program are the same as that of the Department of Housing and Urban Development:

1. Provide incentives and assistance to families to become economically self-sufficient

HACSM provides case management services which link the current MTW Self-Sufficiency participants to community based services that will assist them in obtaining employment, securing reliable child care, completing educational goals, improving credit ratings, establishing savings, and participating in homeownership counseling. HACSM gives financial incentives in the form of escrow credit to families whose portion of rent increases due to increases in employment income. The vouchers for MTW Self-Sufficiency participants have a six-year time limit and successful graduates receive the escrow fund balance at the end of their six-year term.

2. Reduce program costs and achieve greater cost effectiveness

HACSM will reduce the frequency of program participant re-examinations, simplify the verification process and subsidy calculation, and reduce the frequency of inspections for units that meet certain criteria.

3. Increase housing choice for low-income families

HACSM will streamline the Project-Based voucher application and selection process, increase the number of Project-Based units, use funding flexibility to assist production of affordable units while maintaining assistance to the same number of households, and accept referrals from homeless service providers of homeless individuals and families for assistance under the MTW Program.

HACSM is committed to ensuring that residents, the community and other stake holders are involved in developing the Plan and ensuring policy changes.

HACSM engaged our community extensively in the planning process for the 2009-2010 MTW initiatives. HACSM held multiple meetings for the community and internal staff, established an advisory committee and several focus groups, sent out surveys to current program participants and owners, as well as welcomed public participation in the research and design process.

- An internal task force was established to research current program effectiveness and outline program areas that could be re-designed for greater efficiency and accuracy. The internal task force was comprised of individuals with extensive knowledge of the day-to-day functions, program applications and direct contact with the San Mateo County community, including owners, participants and county partners.
- Surveys were mailed to a 10% random sample of participant families (approximately 400 households), distributed during interim and recertification appointments and to walk-in families in our lobby. The surveys were mailed in both English and Spanish and were also available on-line. HACSM received responses from approximately 36% of the participants. In general, participants were satisfied with the program, yet apprehensive of any potential change for fear of loss of benefits. The initiatives developed for July 2009 should only increase the benefits received and do so in a more transparent, easy to understand, and equitable manner for all families.
- The outreach efforts to owners consisted of focus groups, surveys, and the opportunity for one-on-one discussions of key elements. Surveys were mailed to all owners of units subsidized in the Section 8 program with an on-line option for ease of use and no cost to the owner. The survey was designed to garner feedback from current owners/landlords/and property managers on what was working and what

could be improved from their perspective. HACSM received responses from approximately 18% of the 2000 surveys mailed. From the feedback received, it was clear there was a need to streamline the leasing processes, bring some relief to the inspection process (with no relaxing of the standards) and increase the understanding of each person's role and responsibility in the program. Many of the initiatives for July 2009 are designed to address these concerns.

- A focus group was created with representatives from the local legal services organizations. The following organizations were invited and/or attended the sessions:
  - Legal Aid Society of San Mateo
    - Shirley Gibson, Attorney
  - Stanford Community Law Clinic
    - Danielle Jones, Clinical Supervising Attorney
  - Community Legal Services in East Palo Alto
    - Victor Ramirez, Housing, Program Director
  - National Housing Law Project
    - Catherine Bishop, Attorney
    - Meliah Schultzman, Attorney
  - Bay Area Legal Aid
    - Tulin Acikalin, Managing Attorney
  - San Mateo County – County Counsel
    - Rebecca Archer, Attorney

In this focus group, it was HACSM's desire to further define the areas of challenge to the families of San Mateo County from the perspective of organizations that advocate on their behalf. From the input received, HACSM developed several initiatives designed to demystify program policies and lessen the areas of potential fraud which could ultimately lead to the termination of a family's assistance.

- An Advisory Committee was formed to review potential changes to the program from the perspective of other service providers, community agencies and MTW program graduates. HACSM's desire was to gain perspective from the expertise of leaders in the community specifically related to initiatives that would support the development of self-sufficiency for the families of San Mateo County. The discussions began from the broad level of "what's working and what's not working" in subsidized housing in San Mateo County and included how HACSM could further reach those in need of housing.

The Advisory Committee consisted of representatives from:

- Human Service Agency (HSA) of San Mateo County
  - Beverly Beasley Johnson, Director
  - Deborah Torres, Prevention and Early Intervention Services Director

- San Mateo County – Behavioral Health and Recovery Services
  - Judy Davila, Human Services Manager II
- San Mateo County Central Labor Council
  - Rayna Lehman, Director
- Human Investment Project (HIP) Housing
  - Carolyn Moore, Director of the Self-Sufficiency Program
- City of San Mateo Mayor's office
  - Mayor Carole Groom
- Housing Scholarship Program Founders
  - Carol Lamont
- Bay Area Legal Aid
  - Tulin Acikalin, Managing Attorney
- California Housing Partnership Corporation
  - Matt Schwartz, President
- Moving To Work program graduate
  - Rene Mendoza (invited)
- San Mateo County Board of Supervisors
  - Maya Perkins, Legislative Aide
- San Mateo County – County Counsel Office
  - Rebecca Archer, Attorney
- San Mateo County Department of Housing
  - Jennifer Anderson, MTW Project Manager
  - Duane Bay, Director
  - Cindy Chan, Rental Programs Manager
  - William Lowell, Deputy Director
  - Chas Mercurio, Fiscal Services Manager
  - Janet Stone, Housing Policy and Development Manager

The remainder of this Plan describes the approach and activities that HACSM plans to implement upon approval from HUD.

**SECTION II – General Housing Authority Operating Information**

**A. Housing Stock Information**

**1. Number of public housing units at the beginning of the year: 180**

<b>Development</b>	<b>Type</b>	<b>Number of Units</b>
El Camino Village	Family	30
Midway Village	Family	150*

\* One unit is dedicated to use by the Resident's Association

**2. Planned significant capital expenditures (>30% of the HACSM's total budgeted capital expenditures for the fiscal year):**

The HACSM plans to pursue the following two projects that exceed 30% of its budgeted capital expenditures for the fiscal year:

- El Camino Village – Repair roofing and replace podium (decking) surface (\$100,000+)
- Midway Village – Resurface walkways (\$75,000+)

**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 intends to apply to HUD to remove El Camino Village and Midway Village from Public Housing status. Both developments receive inadequate Operating Funds from HUD to operate in a fiscally sound manner. Furthermore, the Capital Funds level received by the Midway Village development are inadequate to make necessary improvements to the 35 year old structures.

Once the disposition application is approved by HUD, HACSM plans to sell both properties to HACSM-affiliated non-profit entities or other affordable housing operators with the goal of maintaining all the housing units at an affordable level. HACSM plans to utilize 100% Project-Based Voucher assistance going forward with no displacement of currently assisted families. A non-profit entity will be able to financially leverage the project-based vouchers to obtain additional financing necessary to modernize Midway Village.



**5. Rental Assistance Programs**

HACSM currently serves over 4,300 households under the Housing Choice Voucher (Section 8), Moderate Rehabilitation, Shelter Plus Care, and Supportive Housing Programs. The table below lists the number of allocated units under each program.

<b>Program</b>	<b>Unit Authorized</b>
Housing Choice Voucher (Section 8)	4023
Moderate Rehabilitation (non-MTW)	130
Shelter Plus Care (non-MTW)	157
Supportive Housing (non-MTW)	34

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

Of the 4,023 Housing Choice Vouchers (Section 8), HACSM currently has 419 project-based. HACSM plans to increase the number of project-based vouchers from its allocated funding in the future. HACSM will seek replacement vouchers for the 180 Public Housing units planned to be disposed and transitioned to Project-Based Vouchers.

**B. Leasing Information, Planned**

<b>Program</b>	<b>Anticipated Lease-Up Rate/Number of Units Leased</b>	
Public Housing	98%	177
Section 8 Housing Choice Voucher	98%	3943
Moderate Rehabilitation	98%	127
Shelter Plus Care	100%	157
Supportive Housing	100%	34

There are no issues related to any of the rental assistance programs; demand is strong and the agency works diligently to rapidly fill any vacancy or voucher turnover.

**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 currently open. Since all public housing units are fully occupied at this time, only turnover units will need leasing activity. The Public Housing waiting list is currently in the process of being purged.

## **Section 8 Housing Choice Voucher**

In July 2008, HACSM opened the waiting list for the HCV Program. Over 23,000 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 close to 100% leased-up, only turnover vouchers will need leasing activity.

The waiting list for the HCV Program is closed. However, in January 2009, HACSM made application to HUD for 65 Family Unification Program (FUP) vouchers. If awarded, HACSM will give preference to FUP-eligible families and FUP-eligible youths. If HACSM is unable to issue the number of FUP vouchers awarded or FUP funding provided by HUD from its current HCV waiting list, HACSM will reopen the waiting list to accept a FUP applicant family or youth who is not currently on the HACSM HCV waiting list.

In addition, HACSM is in the process of submitting a disposition application to HUD to dispose of its two public housing developments, Midway Village and El Camino Village, from public housing status. HACSM will seek replacement HCV vouchers for its public housing residents. If approved and awarded, HACSM will give preference to the public housing residents who are in possession of the units as of the date of the award. If the HCV waiting list is closed at the time, HACSM will re-open the waiting list to accept applications from eligible public housing residents.

## **Project-Based**

HACSM has a combined waiting list for all its Project-Based properties. Applicants indicate which properties they are interested in. Since all Project-Based units are fully occupied at this time, only turnover units will need leasing activity.

## **Moderate Rehabilitation**

HACSM's Moderate Rehabilitation Program waiting list is currently open. HACSM is working closely with the property owner to fill 100% of the Moderate Rehabilitation units.

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Note: Applicants for the Shelter Plus Care, Supportive Housing Programs, and Housing Readiness program (a 2008-2009 MTW initiative within the HCV program) are referred to

HACSM by homeless service providers and other community partners. HACSM does not keep waiting lists for the Shelter Plus Care, Supportive Housing Program or the Housing Readiness Program.

**Characteristics of Households on the Waiting Lists**

<b>Public Housing</b>		
Waiting list total	5790	
Approximate Annual turnover	5	
	# of families	% of total families
Extremely low income <=30% AMI		
Very low income >30% but <80% AMI		
Low income >50% but <80% AMI		
Elderly families	588	10%
Disabled families	1328	23%
White/Non-Hispanic	787	14%
White/Hispanic	1458	26%
Black/African American	2038	36%
American Indian/Alaska native	234	4%
Asian	879	16%
Native Hawaiian/Other Pacific Islander	388	7%
Other	6	1%

<b>Section 8 - Housing Choice Voucher</b>		
Waiting list total	3600	
Approximate Annual turnover	240	
	# of families	% of total families
Extremely low income <=30% AMI	2854	79.28%
Very low income >30% but <80% AMI	688	19.11%
Low income >50% but <80% AMI	58	1.61%
Elderly families	293	8.14%
Disabled families	1011	28.08%
White/Non-Hispanic	225	6.25%
White/Hispanic	878	24.39%
Black/African American	1727	47.97%
American Indian/Alaska native	191	5.31%

Asian	295	8.19%
Native Hawaiian/Other Pacific Islander	236	6.56%
Other	48	1.33%

<b>Section 8 - Project-Based</b>		
Waiting list total	4085	
Approximate Annual turnover	120	
	# of families	% of total families
Extremely low income <=30% AMI		
Very low income >30% but <80% AMI		
Low income >50% but <80% AMI		
Elderly families	777	19%
Disabled families	1127	28%
White/Non-Hispanic	1045	26%
White/Hispanic	986	25%
Black/African American	1097	27%
American Indian/Alaska native	75	2%
Asian	574	14%
Native Hawaiian/Other Pacific Islander	197	5%
Other	40	1%

<b>Moderate Rehabilitation</b>		
Waiting list total	1654	
Approximate Annual turnover	60	
	# of families	% of total families
Extremely low income <=30% AMI		
Very low income >30% but <80% AMI		
Low income >50% but <80% AMI		
Elderly families	232	14%
Disabled families	449	28%
White/Non-Hispanic	338	21%
White/Hispanic	440	27%
Black/African American	558	34%
American Indian/Alaska native	29	2%

Asian	143	9%
Native Hawaiian/Other Pacific Islander	76	5%
Other	70	5%

**SECTION III – Non-MTW Related Housing Authority Information**

**(Optional)**

HACSM functions as a component of the San Mateo County Department of Housing (DOH). The DOH administers such HUD funded programs as CDBG, HOME and ESG (Emergency Shelter Grant), as well as housing rehabilitation and first time home buyer programs. It also serves as the administrative unit of HEART, the county's housing trust fund, and provides very active policy and planning leadership in a wide-range of affordable housing initiatives throughout San Mateo County. As part of the DOH, the Housing Authority is in an excellent position to participate in a broad range of housing and community development activities as well as coordinate its programs with the county's emergency housing/shelter safety net.

HACSM also works closely with the HOPE Plan, the County's 10-year plan for ending homelessness. The Housing Authority was an active partner in developing the comprehensive plan that was released in 2006 and remains active in implementation planning and activities.

A recent example of the synergy resulting from these collaborative efforts is HACSM's new Housing Readiness Program. More fully described in Section VI of this Plan, the Housing Readiness Program is a 60-voucher initiative to further the HOPE Plan's "housing first" philosophy. These time-limited vouchers are being made available to hard-to-house homeless families who do not meet criteria for the Shelter Plus Care or Supportive Housing Programs through a HOPE-related partnership of safety-net agencies.

## **SECTION IV– Long-Term MTW Plan**

(Optional)

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 some of the potential initiatives that HACSM will explore for the 2010-2011 MTW Plan year:

### **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 the 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 the HACSM can reasonably expect to interview over the next three years to identify households qualifying for potential turnover vouchers. Because the vouchers allocated to the HACSM are fully utilized, only 20 vouchers (approximately) per month become available, due solely to average turn-over created by families who leave the program.

In order to serve more families in San Mateo County, with this very limited and valuable resource, the HACSM may propose to institute a time-limit to the housing subsidy for all new applicant households that are not designated senior or disabled households. The time limit will be approximately 5-7 years, with a renewal option for senior and disabled households.

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

Prior to the implementation of the initiative (Serve More Families) as stated above, the HACSM will develop partnerships with service providers to support families in job training, financial training and furthering of education. The community partnerships could include activities such as:

- Establish a Housing Scholarship-Type Program

The Housing Scholarship Program is an award program that joins job training with housing subsidy. The scholarships are time limited and intended to support the family's personal, educational and financial growth opportunities.

- Green Jobs Training programs

Recognizing San Mateo County's green job initiatives, HACSM is preparing to be a part of the solution to the housing needs for those entering green job training programs.

- Financial Services educational programs

Building upon the training programs available to the current MTW participants, HACSM is researching potential partnerships with financial services to provide financial training and specialized savings programs for all HACSM HCV (Section 8) participants.

### **Expand Quality Assurance Program**

HACSM recognizes the importance of a strong quality assurance department to ensure the timeliness and quality of the work performed. As such, HACSM will continue to expand its Quality Assurance program to include any and all new programmatic innovations.

### **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-basing's contractual obligation for long-term unit availability is also important in our perennially tight housing market. HACSM plans to seek additional flexibility to project base rules in two areas: An increase in the percentage of a project that maybe project-based (currently restricted to 25%), and adjustments to project selection criteria and operating rules.



**SECTION V - Proposed MTW Activities: HUD approval requested**

**Activity #1: Institute biennial re-certification for elderly and/or disabled HCV households**

A. Description of activity

Current HUD regulations mandate annual eligibility recertification for all HCV households. These appointments involve an abundance of paperwork and detail on the part of the HACSM staff and the participant families. The process is especially cumbersome and repetitious for persons who are elderly or disabled as they have few changes in household income and/or composition from year to year.

To reduce the inherent stress on elderly and disabled families whose income and family situations remain relatively unchanged, and at the same time reduce the administrative and financial burdens for the HACSM, HACSM is proposing to recertify HCV households designated as senior or disabled every other year. This change also correlated to research that revealed that the administrative cost for processing each recertification is equal to, or greater than decrease in the housing assistance payment (HAP). Elderly and disabled families who lose a source of income or experience a change in family composition will be eligible for an interim recertification to adjust their rent portion, if needed, between biennial re-certifications.

B. Relationship to a statutory objective

HACSM expects that the above activity will substantially reduce administrative costs, achieve greater cost effectiveness and support participants' increasing self-sufficiency through savings while reducing unnecessary process requirements for beneficiaries.

C. Anticipated impact on stated objective

At this time, of 1873 current voucher holders, approximately 48% of the HCV participant families qualify as elderly or disabled families. By initiating a biennial recertification schedule, HACSM anticipates a 24% time savings and substantial cost savings in the overall HCV program recertification process.

HACSM does not expect this initiative would increase staff time, as HACSM's interim policy does not require recertification appointments as a result of income increases. Nor does HACSM expect that an increase in interims due to changes in family composition or loss of income will either equal or exceed the reduction of 24% recertifications. While HACSM has

experienced an increase in interim appointments in the last year, the impetus of this increase can be attributed to State-wide reductions in SSI and other State-provided funding.

HACSM expects that this initiative also has the potential to assist elderly and disabled families to rent higher quality units and achieve greater self-sufficiency. The net savings in staff time due to this initiative will be re-directed to increased customer service, allowing the employees to assist families beyond their normal scope, provide additional services that will support individuals' self-sufficiency goals and accommodate pro-rated administrative funding from HUD.

D. Baselines, benchmarks, metrics and schedules

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. HACSM processes 4023 reexamination appointments annually under the current system. Approximately 48% of the current households qualify as Elderly/Disabled Households.
2. On average, HACSM staff spend 84 minutes per file (at a cost of \$80/file) to process reexamination appointments and applicable paperwork under the current system. Each HACSM staff member responsible for reexaminations spends 513 hours on annual reexamination processes.
3. Direct costs associated with processing annual reexaminations, on average, are \$322,014.00.

**Benchmarks**

1. HACSM expects to see a 24% reduction in the total number of annual reexaminations. In FY2010, HACSM expects to recertify approximately 965 fewer households, annually.
2. HACSM expects to save 122 hours (965 households at 84 minutes per file) per staff member annually.
3. HACSM expects an \$80,504 cost savings as a result of this initiative.

**Metrics and Schedule**

1. Comparison of the amount of time spent to process annual reexaminations before and after new program start date.
2. Staff surveys to determine effectiveness of the initiative.
3. Comparison of direct costs before and after the new program start date

E. Data collection process

Calculate the direct cost of the current annual reexaminations and based on the reduction in the number of appointments, determine the cost savings to HACSM. After determining cost savings, compare to the resulting program.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D (1)(c) and waives certain provisions of Section 8(o)(5) of the US Housing Act of 1937 and 24 CFR 982.516

G. Processes for rent reform initiatives

This activity does not involve rent reform initiatives.

## **Activity #2: Simplify Rent Calculation Process**

### **A. Description of activity**

The HACSM is proposing several modifications to the current rent calculation policies and procedures that will result in a more transparent process for participants, a streamlined and more efficient practice for the HACSM and overall improvement in the accuracy of the calculations.

#### **o Standardize Utility Allowances by Unit Size**

Please note: HACSM is delaying the implementation of the standard utility deduction initiative. HACSM will review and refine the baseline, benchmark and metrics prior to submission to HUD.

HACSM is proposing to standardize utility allowances given to HCV families based on their eligible family unit size and include this allowance as part of the adjusted annual income calculation. The current practice of granting a utility allowance, while well-intended, is wrought with the potential for inadvertent errors from owners, participants and the HACSM resulting in audit errors and the need to revisit the calculation process many times – oftentimes resulting in a much greater cost than the amount of the error itself. Instituting a standard utility allowance will lessen the deterrent for the families in securing a rental unit, increase efficiencies and reduce errors in the HAP contract, rent calculation and submissions to PIC.

The HACSM has calculated the average utility allowance currently provided to HCV participants. Prior to implementation of this change, the HACSM will conduct a final analysis and, if necessary, re-compute the standard allowances. In addition, the HACSM will continue to review the figures and conduct analysis, as needed, to keep the allowances in-line with average utility consumption.

The HACSM plans to modify the HAP contract and RTA to more closely match the proposed program.

#### **o Change the Definition of Income**

The HACSM is proposing to change the definition of income to include certain income previously considered excluded in the rent calculation process in order to further streamline the process overall, reduce errors, and enact greater equity for HCV participants. Additionally, HACSM is proposing to eliminate the imputed asset rate calculation and simply use the actual interest earned. This proposal would reduce the need to determine if an income source is eligible or not, in need of verification or not, and the cumbersome calculations resulting from the above determination.

As part of this activity, HACSM is proposing to dissolve the Earned Income Disallowance (EID). This process is very complicated, time-consuming to administer and prone to error especially if the participants do not report in a timely manner. Due in part to the

proposed biennial recertification timeline for elderly and disabled families (see Activity #1), an individual who is eligible for EID will essentially receive a 100% disallowance of employment income through this new schedule. Continuing the currently mandated EID process would be contrary to the improved efficiencies and result in additional stress on the families through additional appointments with the HACSM as well as administrative burden to the HACSM.

B. Relationship to a statutory objective

HACSM expects that the above activities will reduce administrative cost and achieve greater cost effectiveness while at the same time increasing the housing choices for low income families.

C. Anticipated impact on stated objective

By initiating the activities described above, the HACSM anticipates that participating families will experience an expedited process that is clear and easy to understand, that removes several barriers currently experienced in locating and securing rental units and reduce the inequitable assistance between families. HACSM also expects that the program re-design will create a more efficient process resulting in cost savings.

D. Baselines, benchmarks, metrics and schedules

Please note: HACSM is delaying the implementation of the standard utility deduction initiative. HACSM will review and refine the baseline, benchmark and metrics prior to submission to HUD.

**Baselines:** (established January 1, 2009 – June 30, 2009)

1. The number of errors identified by QA involving the utility allowance
2. The average number of days from voucher issuance to lease up
3. The average number of days needed to process RTAs
4. Less than 1% of HACSM households are receiving the benefits of EID

**Benchmarks**

1. Reduction in number of errors identified by QA involving the utility allowance
2. Reduction in the average number of days from voucher issuance to lease up
3. Reduction in the average number of days needed to process RTAs
4. HACSM expects that an increase of 20% of participant households will realize cost savings due to the new initiatives and interim policy, in place of the EID calculation.

***Metrics and Schedule***

1. Comparison of Quality Assurance Report statistics before and after implementation
2. Comparison of the number of families securing housing units and the length of time to do so before and after implementation
3. Comparison of administrative costs before and after implementation to correct errors
4. HACSM will compare the household savings due to income increases before and after implementation.

E. Data collection process

1. Tracking the number of corrections to PIC submissions and HAP contracts due to incorrect utility allowances before and after program re-design
2. Tracking the number of mixed families who are able to secure rental housing and remain in the program
3. Tracking the processing time for initial eligibility, recertification and interim determinations, including the number of cases that are overdue

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D (1) (a) and D (2) (a) and waives certain provisions of Section 8(o)(1), 8(o)2, 8(o)3, 8(o)7, 8(o)10 and 8(o)(13)(H)-(I) of the US Housing Act of 1937 and 24CFR 982.162, 982.508, 982.503 and 982.518

G. Processes for rent reform initiatives

1. Agency's Board approval of policy;

See Appendix IV

2. Impact Analysis;

*Utility Allowance re-design:* HACSM reviewed the current Utility Allowance Schedule and process, the number of families receiving this benefit, the challenges related to it for all parties (HACSM, the participant, and the owner) during the lease up process and the number of quality assurance audit findings regarding UA errors and determined that instituting a standard utility deduction would continue to benefit the participants while removing most, if not all, administrative challenges.

*Re-definition of Annual Income:* HACSM reviewed the number of families who have “excluded income” in contrast to their rent portion, the equitableness between households, the confusion, miscalculations and potential fraud resulting in hearings and termination proceedings and determined that simplifying the definition would better serve the families of San Mateo County.

3. Annual reevaluation;

HACSM will continue to monitor and evaluate the initiatives proposed in this MTW activity. HACSM will annually review the utility deduction and adjust the deduction amounts as needed. HACSM will also review the impact, as determined from the requests for informal hearings and/or termination proceedings to inform any additional policy changes for the above initiatives.

4. Hardship case criteria;

HACSM is currently developing a hardship policy and committee to establish the guidelines and processes for families who may experience unforeseen “hardship” due to this MTW initiative.

5. Transition period;

HACSM is planning to implement this initiative July 1, 2009. It will become effective for each household at their initial, next interim or annual recertification appointment or relocation, whichever ever comes first. All current participants will be notified at least three months prior to their next scheduled Annual Recertification appointment as to the impact of this initiative, giving them due time to make any adjustments they deem necessary.

6. Documentation of public hearing (may be same as Annual Plan hearing).

See Appendix III

### **Activity #3: Simplify Third-party Verification Processes**

#### **A. Description of activity**

The HACSM proposes to simplify the third-party verification process associated with earned income, asset income, and medical and child care expenses, in an effort to relieve administrative burdens, increase productivity, reduce calculation errors and ease the intrusive nature of the process for HCV applicants and participants. The HACSM will continue to use the Enterprise Income Verification (EIV) system for verification of participant identity, wage and assistance benefits.

#### **o Increase asset values requiring third-party verification**

HACSM is proposing to increase the threshold at which assets require third-party verification from \$5,000 to \$50,000 for the HCV programs. In place of third-party verification, the family will be required to provide a current statement from the financial institution(s) showing the balance of the asset account(s).

All assets valued over \$50,000 will continue to require third-party verification.

#### **o Streamline verification of eligible medical expenses**

HACSM is proposing to institute a streamlined verification process for eligible medical expenses in the HCV programs to ease both the administrative burden for the Housing Authority and the challenges to the participants.

The current verification process for medical expenses is not only ponderous but highly intrusive in the lives of the assisted families. An additional challenge has been the broadening HIPPA and privacy laws surrounding an individual's personal medical information. Health care professionals are increasingly reluctant to release information as requested in the third-party verification process. The current practice can also vastly change the tenant rent for identical units.

HACSM is proposing that eligible families who claim medical expenses be required to sign a self-certification and provide supporting documents that are from credible and established sources, such as receipts from medical care providers or pharmacy statements.

HACSM may also randomly select cases to request third-party verification as a means of ensuring accurate reporting from families while not unduly slowing the initial and continued eligibility processes.



- **Streamline the verification process for eligible child care expenses**

HACSM is proposing to institute a streamlined verification process for eligible child care expenses in the HCV programs to ease both the administrative burden for the housing authority and the challenges to the participants.

The current verification process for child care expenses is wrought with challenges for not only the HACSM, but for the participants and their child care providers. Due to the high rates for licensed child care in San Mateo County, many families turn to other family members outside the household or members of the community who are not licensed and often times not legal residents. This situation creates an ineffective verification process as the providers do not return third-party verifications to the HACSM.

To reduce the challenges in verifying claimed child care expenses, eligible families who claim child care expenses will be required to sign a self-certification and provide supporting documents that are from credible and established sources, such as day care invoices, receipts or written statements from the child care provider. Expenses incurred from an adult member of the household who provides child care or the absent parent who does not reside in the subsidized unit, will not be acceptable.

To reduce cases of over-reporting child care expenses and potential fraud, the HACSM may require participating families to provide copies of their Federal tax return, if available, for proof of child care expenses claimed. HACSM may also randomly select cases to request third-party verification as a means of ensuring accurate reporting from families while not unduly slowing the initial and continued eligibility processes.

- **Extend the verification timeline to 120 days**

Currently, verification documentation may not be more than 60 days old from the time of voucher issuance for applicants and no more than 60 days from the date of HACSM interview for participants. To increase efficiencies and reduce administrative costs due to multiple verification attempts, HACSM is proposing to increase the timeline for verification documentation to 120 days for HCV applicants and participants.

This new timeline should eliminate duplication of work and accelerate an applicant's admission to the program and recertification for current participation.

**B. Relationship to a statutory objective**

Streamlining the third-party verification process will improve administrative efficiencies, reduce program costs and increase the housing choices for low income families

C. Anticipated impact on stated objective

Simplification of the third-party verification process will immediately increase administrative efficiencies and reduce program costs for the HACSM due to a more streamlined process for handling of files and accelerate the timeline for tenant's participation.

D. Baselines, benchmarks, metrics and schedules

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. On average, HACSM staff spend 738 hours annually to process third-party verifications for reexamination
2. On average, HACSM spends \$29,285 annually (\$7.30 per file) to process third party verifications
3. Average direct costs associated with postage, paper and printing expenses to complete third-party verifications (baseline expense for June 30, 2009 TBD)

**Benchmarks**

1. HACSM expects a 50%+ reduction in staff time required to process third-party verifications
2. HACSM expects to realize a \$15,000 savings in costs to process third-party verifications
3. Reduction in average direct costs associated with processing third-party verifications

**Metrics and Schedules**

1. Comparison of staff time before and after new systems are in place
2. Comparison of administrative costs for third party verifications before and after implementation of initiatives
3. Comparison of direct costs for third party verifications before and after new systems are in place

E. Data collection process

HACSM will track the time savings in relation to the new verification processes. Due to the data collection method from July 1, 2008 – June 2009, HACSM is unable to determine baseline statistics for each of the four individual aspects of this initiative. HACSM will continue to use EIV to ensure the accuracy of participant's income reporting. Track cost savings in postage, paper consumption, and printing costs.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D (3)(b) and waives certain provisions of 24CFR 982.516 and 982 Subpart E

G. Processes for rent reform initiatives

This activity does not involve rent reform initiatives.

**Activity #4: Institute tiered-subsidy schedule based on voucher size**

A. Description of activity

Please note: HACSM is delaying the implementation of this initiative. HACSM will review and refine baseline, benchmark and metrics prior to submission to HUD.

HACSM is proposing the establishment of a tiered subsidy schedule (*see Appendix Two*) for all HCV applicants and participants based on their voucher bedroom size and annual adjusted family income. The annual adjusted income for the family is determined from the rent calculation, including all deductions and allowances for which the family is eligible (dependent, elderly, child care, medical, disability assistance, and utilities). For mixed families (ie: households with ineligible family members), the subsidy will be prorated based on the number of eligible and ineligible family members.

As a result of this initiative, HACSM will no longer be utilizing Payment Standards, but will use the Fair Market Rent (FMR) schedule to establish the subsidy amounts. This initiative will also demand changes to the RTA form and HAP contract.

A sample of the Proposed Tiered Subsidy Table can be seen in Appendix Two. The Proposed Tiered Subsidy Table is for informational purposes only. HACSM is currently researching operating costs, fair market rents, and the rent burden for existing tenants in order to determine the most streamlined conversion. The final determination will be made prior to implementation July 2009.

B. Relationship to a statutory objective

In an effort to streamline the administrative processes, simplify the program structure for clarity and transparency and remove the barriers for families seeking rental units, the HACSM is proposing the implementation of a tiered subsidy schedule, based on a family's voucher bedroom size.

C. Anticipated impact on stated objective

The calculation of a tenant's annual adjusted income and subsequent portion of rent is highly complicated, confusing for the families, prone to unintentional error and potential fraud, extremely time-consuming and often a hindrance for families in securing a rental unit. As such, HACSM anticipates that the tiered subsidy schedule will increase productivity, decrease errors in the tenant's rent portion calculation, remove the barriers for families securing rental units and increase the families' ability to take personal responsibility in their choice of rental unit. HACSM is also aware that the implementation of this activity could result in an increase in the family rent portion for some households. As such, HACSM is developing a hardship policy to address cases of significant burden for the family.

D. Baselines, benchmarks, metrics and schedules

Please note: HACSM is delaying the implementation of this initiative. HACSM will review and refine baseline, benchmark and metrics prior to submission to HUD.

***Baselines:*** (established July 1, 2008 – June 30, 2009)

1. Number of families renting units in areas of low poverty
2. Number of days, on average, from voucher issuance to lease up
3. Quality Assurance file review results
4. Number of vouchers that expire

***Benchmarks***

1. Increase in number of families renting units outside of areas of low poverty
2. Reduction in number of days, on average, from voucher issuance to lease up
3. Reduction in the number of Quality Assurance file review errors
4. Reduction in number of vouchers that expire

***Metrics and Schedules***

1. Comparison of number of families in areas of low poverty before and after implementation
2. Comparison of the average number of days needed for lease up before and after implementation
3. Comparison of Quality Assurance file review results before and after implementation
4. Comparison of the number of vouchers that expire before and after implementation

E. Data collection process

HACSM will track, via the leasing statistics, whether the new initiatives lower the length of time needed for participants to find and secure housing and the area in which they live. Review of HACSM Quality Assurance data, including staff errors and determine if new protocols result in fewer errors.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D (1)(a) and D(2)(a) and waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(7), 8(o)(10), and 8(o)(13)(H)-(I) of the US Housing Act of 1937 and 24 CFR 982.162, 982.508, 982.503, and 982.518

G. Processes for rent reform initiatives

1. Agency's Board approval of policy  
(See Appendix IV)
2. Impact Analysis;

Several factors were analyzed to establish the set amounts, including: actual per unit operating costs, Section 8 Program Fair Market rents, comparable rents, and what the rent burden would be for existing tenants at various rent levels.

While there was discussion and research regarding different rents and/or payment standards to be based on different locations within San Mateo County, it was determined that this practice would actually increase the administrative complexities and therefore be contrary to the goal of lowering administrative burdens.

3. Annual reevaluation;

HACSM plans to review at least annually the impact of the proposed tiered subsidy schedule initiative, including the following factors: Fair Market rents, comparable rents, the rent burden on the participants, and per unit operating costs.

4. Hardship case criteria;

HACSM is currently developing a hardship policy and committee to establish the guidelines and processes for families who may experience unforeseen “hardship” due to this initiative.

5. Transition period;

HACSM is planning to implement this initiative July 1, 2009. It will become effective for each household at their initial, next interim or annual recertification appointment or relocation, whichever ever comes first. All current participants will be notified at least three months prior to their next scheduled Annual Recertification appointment as to the impact of this initiative, giving them due time to make any adjustments they deem necessary.

6. Documentation of public hearing (may be same as Annual Plan hearing).

See Appendix III

**Activity #5: Eliminate the 40% affordability cap on family share at the time of initial lease-up**

A. Description of activity

To support a family's ability to have greater housing choice, HACSM is proposing to eliminate the 40% affordability cap for assisted families in the HCV program.

Currently, many HCV applicants, leasing up for the first time, and participants, in the relocation process, are unable to secure housing outside high poverty areas due to the 40% affordability cap. Fortunately, HACSM has been successful in negotiating with owners in reducing rents to a level that meets the 40% cap requirement. However, there were also numerous times that HACSM had to deny RTAs that were only nominally higher than the 40% cap. As a result, many families lost the units or owners accepted a lower amount with a shorter lease term, only to increase the rent to the original amount after the initial lease term expired because the 40% cap does not apply to existing participants with continued occupancy.

HACSM will continue to plan a major role in negotiating rents on the participant's behalf when needed and has established safeguards to ensure the tenant portion of rent is affordable to the participant. Safeguards include, but are not limited to:

- Discussion of rent affordability with the participant before move-in
- Outreach to property owners to increase housing availability
- Calculation tool (see Appendix VII) that shows the tenant portion of rent in relation to his/her income; this tool takes into consideration income exclusions mandated by HUD such as foster care payments, earned income from full-time students, and financial aid in determining affordability, and supervisory approval procedures if the rent burden is over 50%

B. Relationship to a statutory objective

HACSM expects that the implementation of this initiative will reduce administrative costs through time savings and increase housing choice for low-income families by encouraging them to move into areas of low poverty.

C. Anticipated impact on stated objective

Implementing this initiative will increase housing options for participants by allowing some units into the program that would, under current regulations, be unavailable to certain families. HACSM is aware of the possibility of abuse of this initiative and that an assisted family could over-extend themselves and is actively working on establishing guidelines to address this costly situation.

D. Baselines, benchmarks, metrics and schedules

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. Approximately 48 new move-ins were denied a unit based on the 40% affordability cap
2. 443 households are currently paying more than 40% of their annual adjusted income towards their housing cost. This amount is also tracked by city.

**Benchmarks**

1. 5% increase in new move-ins to cities with lower poverty concentration
2. Reduce number of denials by 25% due to affordability

**Metrics and schedules**

1. Comparison of localities (including those of low poverty), with HAP contracts before and after implementation
2. Comparison of the number of days needed to secure and lease a unit before and after implementation

E. Data collection process

The data collected will include a tracking of the number of participants using this initiative, their locality and compare data to previous years. HACSM is developing a method to monitor the failure rate for families paying more than 40% of annual adjusted income at initial move in, versus the failure rate of families paying less than 40% of annual adjusted income at initial move in.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C Part D(2)(a) and waives certain provisions of Section 8 (o)(10) and 8(o)(3) of the US Housing Act of 1937 and 24 CFR 982.503 and 982.518

G. Processes for rent reform initiatives

This activity does not involve rent reform initiatives.

## **Activity #6: Simplify HQS Inspection Process**

### A. Description of activity

In an effort to increase administrative efficiencies and cost savings, HACSM proposes to simplify the annual HQS inspection process in several areas, with no reduction in assurance of housing quality, by reducing the total number of units inspected each month through a sampling process for certain units, implementing a self-certification process for certain fail items, and allowing HACSM to inspect units at HACSM-owned properties.

#### o **Sampling process**

Current HUD regulations mandate inspection of HCV units at least annually to determine compliance with HQS standards. For owners with ten or more subsidized Section 8 units in their complex and a history of high performance (i.e. units passing inspection on the first attempt for two consecutive years or units built in 2006 or after), HACSM is proposing to select a 25% random sample of units to be inspected each year. The sample will be drawn randomly each year so as to ensure compliance of all units with HQS. Additionally, Quality Assurance will continue to randomly inspect a sample drawn from all subsidized units within the complex. The reduction in the total number of units will allow for more thorough inspections overall and, within a four year period, 100% of all units for the designated owners would be inspected.

If the 25% inspected sample meets HQS, the owner will be able to self-certify that the remaining units meet the same standards and no further inspections will be performed in that year. If within the 25% sample there are HQS fail items, the owner will have 30 days in which to make the necessary repairs. If all repairs are completed, the owner can self certify that the repairs have been completed, any similar fail items have been fixed in the remaining units and all meet the same HQS standards. If the necessary repairs are not completed within the time frame, the HACSM will proceed with abatement of the Housing Authority Payments (HAP), an additional 25% of the units will be inspected, and the owner will no longer be able to participate in the unit inspections sampling.

The owners and participants will continue to have the right to request a special inspection at any time.

The reduction in the total number of units inspected each year will allow for increasing attention to identified problems as well as the ability for the inspectors to conduct additional outreach to new potential owners, or those owners with units in areas with low poverty concentration. Quality Assurance inspections will continue for all properties and include sampling of all subsidized units to ensure compliance with HQS.



o **Self-Certification for Repairs**

The HACSM is proposing to allow property owners, who have not had their HAP abated due to non-compliance, to provide written self-certification for the completion of minor fail items. At the same time, the participant will also be asked to sign a certification attesting to the completion of the repairs. The following Housing Quality Standards violations are some of the items that may be classified as minor fail items:

- Presence of a cracked switch plate/outlet cover;
- Chipped/peeling/cracked paint when no child under 6 resides in the unit and the unit was built after 1978;
- Stove burners that do not work and/or knobs that are missing or broken;
- Fail items for which the owner provides a receipt verifying the repair item is on order or has been installed;
- A yard area surrounding the building that is overgrown with weeds; and
- A smoke detector that needs a replacement battery.

o **HACSM to inspect HACSM-owned properties**

The HACSM proposes to inspect HACSM-owned or affiliated properties. Currently, HACSM arranges for inspectors of another housing authority in the area to inspect the 60 units at Half Moon Village, a project-based senior complex, each year. Administrative savings would be achieved if HACSM incorporated the inspection of these units into its existing inspection schedule. Quality Assurance would be included in this proposal.

B. Relationship to a statutory objective

Sampling a portion of owners units with a history of good performance will reduce program cost while continuing to ensure program effectiveness.

C. Anticipated impact on stated objective

The savings in time will allow for additional outreach to owners and landlords and ultimately increase the housing choice for low income families. HACSM recognizes that there is the possibility of abuse and the situation where units could potentially fall below HQS standards. To address this negative impact, HACSM will use its Quality Assurance inspections to safeguard the standards of subsidized units and maintain compliance from both the owner and participant.

D. Baselines, benchmarks, metrics and schedules

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. HACSM inspects 4023 units annually for compliance with HQS
2. On average, HACSM staff spend 25 minutes to complete each HQS inspection (not including the travel time to the unit, or processing of paperwork). HACSM spends

\$104,598 on staff time for the HQS unit inspections (not including the travel time to the unit or processing of paperwork)

3. Annually, HACSM fails approximately 850 units due to HQS violations. Physically verifying the completion of the repairs requires an additional cost of \$22,200 (\$26/inspection, not including travel time to the unit, or subsequent paperwork)
4. Annually, HACSM has had a direct cost of \$1,500 to hire outside consultants to inspect HACSM-owned properties

### ***Benchmarks***

1. HACSM expects an 18% reduction in the total number of units inspected
2. By reducing the total number of units inspected, HACSM expects to see a cost savings of \$18,686 in staff time
3. HACSM expects a 50% reduction in units requiring physical re-examination due to failed HQS items and a direct cost savings of \$11,050 annually
4. HACSM expects to realize a cost savings of \$1,110 for the inspections of HACSM-owned properties through a combination of these initiatives

### ***Metrics and Schedules***

1. Comparison of the average time spent on inspection process before and after the proposed schedule is in place
2. Comparison of direct costs for the inspection process before and after the new process is begun
3. Comparison of the number of units failing inspections before and after implementation
4. Comparison of cost savings for HACSM-owned properties before and after implementation

#### **E. Data collection process**

1. Review and analysis of staff time required to complete inspections
2. Review and analysis of direct cost savings
3. HACSM data base of failed inspections

#### **F. Authorizations based on Attachment C**

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Part D (5) and waives of certain provisions of Section 8(o)(8) of the US Housing Act of 1937 and 24 CFR 982, Subpart I and Subpart K

#### **G. Processes for rent reform initiatives**

This activity does not involve rent reform initiatives.

## **Activity #7: Simplify Family Self Sufficiency (FSS) Escrow Calculation**

### **A. Description of activity**

HACSM is proposing to simplify the FSS escrow calculation method. Currently, the escrow calculation for the HCV FSS program differs from the escrow calculation for the MTW Self Sufficiency program. The HACSM is planning to create the same calculation method for both programs, and award a flat escrow amount to families who have increased their earned income and/or met their FSS goals.

Families will need to provide proof that they have: 1) increased their earned income, 2) fulfilled their educational goals that enhanced their ability to succeed or advance in the workplace, 3) participated in a HACSM-approved budget class, 4) achieved a minimum of \$1,500 increase in savings, and 5) improved their credit score.

HACSM will use the following schedule in determining escrow credit:

1. \$1,000.00 per family who has increased a minimum of \$1,200 annually in earned income at graduation.
2. \$100.00 for each completed educational goal such as a GED, a degree from an accredited school/college, a vocational certificate, etc. The maximum escrow credit for achieving educational goals will be \$300.00 per family.
3. \$100.00 per family for completing a HACSM-approved budget class.
4. \$1,500.00 per family for increasing savings by an additional \$1,500.00 or more at graduation.
5. \$1.00 for each credit score point improved. The escrow credit for improving credit score is limited to one adult family member per family.

Families may qualify for one or more of the escrow credits stated above. Escrow will be calculated and credited at the end of the FSS Contract term and only if the family provides credible and verifiable documentation showing they qualify for the escrow credit. The maximum escrow credit and pay out at graduation will be \$3,000.00 per family. Because escrows are calculated and credited at the end of the FSS Contract term, interim withdrawals are eliminated.

### **B. Relationship to a statutory objective**

Streamlining the method by which the escrow calculation is processed will increase administrative efficiencies and cost savings. Recognizing and expanding the methods by which a family can earn escrow will further support their goal of self-sufficiency and savings.

C. Anticipated impact on stated objective

By instituting an escrow calculation process that is implemented across various programs, HACSM expects increased efficiencies, fewer audit findings and cost savings that are realized through time savings.

D. Baselines, benchmarks, metrics and schedules

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. Average time needed to calculate and post each FSS program participant's escrow savings is 10 minutes per file or approximately 60 hours per month
2. Number of escrow accounts is 98
3. Number of FSS families with earned income is 217
4. Number of FSS families with savings of \$300 or more is seven (7)

**Benchmarks**

1. Decrease in the average time needed to calculate and post FSS program participant's escrow accounts by 50%
2. Increase in the number of escrow accounts by 10%
3. Increase in the number of FSS families with earned income by 5%
4. Increase in the number of FSS families with savings of \$300 or more by 20%

**Metrics and schedules**

1. Comparison of time needed for calculation and posting before and after implementation for FSS participants
2. Comparison of number of escrow accounts before and after implementation for FSS participants
3. Comparison of the number of FSS families with earned income before and after implementation
4. Comparison of the number of FSS families with savings of \$300 or more before and after implementation

E. Data collection process

HACSM will collect and analyze the data at least annually

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Part E and waives certain provisions of Section 23 of the US Housing Act of 1937 and 24 CFR 984

G. Processes for rent reform initiatives

This activity does not involve rent reform initiatives.

**SECTION VI – On-Going MTW Activities: HUD approval previously granted**

In May 1997, HACSM applied to participate in the newly established MTW demonstration program with HUD. In May 2000, HUD approved HACSM's application and an agreement was signed that granted the HACSM its MTW status. The agreement allowed HACSM to implement the following activities:

- A total of 300 vouchers were designated as MTW vouchers
- Housing assistance was limited to a six-year term
- Participation in the HACSM's Family Self-Sufficiency program was mandatory
- No limits on the percentage of household income which could be spent on housing costs
- Escrow accounts were established for families whose rent increased due to an increase in their earned income
- 25% of the incremental increase in earned income was excluded from rent calculation
- For absent parents rejoining the household, 75% of their earned income would be excluded for two years
- Security deposit assistance

Please note that all of the MTW activities listed above and in the executive summary below were implemented either prior to, or as part of, the execution of the Amended and Restated Agreement in April 2008. On-going Activities 1-8, are limited to the 300 vouchers designated as MTW vouchers per the original agreement, with 60 of the 300 vouchers allocated to the Housing Readiness Program.

HACSM's intention with this new MTW Plan is to streamline as many of its programs as possible for efficiency and clarity of understanding for the staff and families in San Mateo County. Following the Executive Summary is a breakout of each activity, its intended purpose, and the method by which HACSM will track and monitor its effectiveness in the coming year.

**Executive Summary:**

<b>On-Going Activities</b>	<b>Date First Implemented</b>	<b>Update</b>	<b>Anticipated Changes</b>
1) Time limited assistance	5/1/2000	Still in effect	None
2) Elimination of 40% affordability cap	5/1/2000	Still in effect	None

On-Going Activities	Date First Implemented	Update	Anticipated Changes
3) Voucher expiration after 180 days	5/1/2000	Still in effect	Reduce search time to 90 days to align with the HACSM HCV program
4) Case Management in coordination with Support Service Providers	5/1/2000	Still in effect	None
5) Escrow Accounts	5/1/2000	Still in effect	Simplification of escrow calculation
6) Security deposit guarantees up to a maximum of 50% of deposit requirements	5/1/2000	Still in effect	Eliminate security deposit guarantees to align with the HACSM HCV program
7) Income exclusions – Exclude 25% of the incremental increase due to earned income. Exclude 75% of income from new adult household members joining the household. Exclude income from assets up to \$20,000 in asset value.	5/1/2000	Still in effect	Eliminate income exclusions. Align definition of income and rent calculation policies with the HACSM HCV program
8) Housing Readiness Program	7/1/2008	Still in effect	None
9) Expand usage of project-based vouchers at HACSM developments undergoing disposition process	7/1/2008	Still in effect	None

### **On-going Activity #1: Time Limited Assistance**

A. Description of activity (specify Plan year in which the activity was first identified and implemented)

The HACSM MTW program, originally developed to respond to welfare reform, was fashioned to focus almost exclusively on improving families' self-sufficiency to prepare them to become independent of welfare assistance. The core design of HACSM's MTW program consists 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 accepts 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. In addition to referring eligible families for admission to the MTW program, these same referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance. Due to the unique nature of this program, including, but not limited to the time limited subsidy and signed agreements with service providers, portability requests were not approved for MTW participants.

B. Detailed Information on the impact of the activity

The time-limited feature has been a great motivator in helping families to focus and stay committed to self-sufficiency activities. Of the 149 families who graduated from the program in 2007 and 2008:

- Six purchased homes
- 54 remained in the same unit paying full rent
- 56 families were able to stay in San Mateo County by relocating to another unit
- 93 families left the program with escrow balances, the average of which was \$12,963.00
- At the conclusion of their MTW contract, all of the MTW graduates were independent of welfare assistance

At the same time, the time-limited feature opened up opportunities for additional eligible low-income families to apply for and participate in the program. During 2007 and 2008, HACSM was able to admit 189 new families due to program graduate turnover.

C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

San Mateo County's expensive rental market remains the number one challenge for our program graduates, despite the fact that nearly all the graduates left the program with an increase in their household income. We have found that employment focused case management at the very beginning of their participation and establishing strong partnerships with Below Market Rate developers to assist families' secure affordable housing units upon graduation is essential.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

***Baselines:*** (established July 1, 2008 – June 30, 2009)

1. Number of families entering the program with welfare assistance
2. Number of families entering the program with earned income
3. Number of families requesting hardship review

***Benchmarks***

1. Decrease in the number of families with welfare assistance
2. Increase in the number of families with earned income and/or income increases
3. Reduction in the number of requests for hardship review

***Metrics and schedules***

1. Comparison of the number of families with welfare assistance each year of contract
2. Comparison of the number of families with employment income
3. Change in the number of hardship review requests

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Data to be collected and reviewed at least annually.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

None

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Agreement, Attachment C, Part D, (1)(g) and (2)(d) and waives certain provisions of Section 8(o)(7), 8(o)(13)(F)-(G), and 8(r) of the US Housing Act of 1937 and 24 CFR 982 Subpart H, 24 CFR 982 Subpart L, and 24 CFR Subpart E



**On-going Activity #2: Elimination of 40% Affordability Cap**

A. Description of activity (specify Plan year in which the activity was first identified and implemented)

The original MTW contract language allowed the HACSM to eliminate all limits on the proportion of household income that could be spent on housing costs and eliminate the Fair Market Rent cap on the total contract rent. At the time when HACSM submitted its MTW application to HUD, the Section 8 Certificate Program was still in effect. The Certificate Program limited the tenant's portion of rent to no more than 30% of the monthly adjusted income and the gross contract rent (rent plus utilities) to no more than the published Fair Market Rent.

Since then, the Certificate Program was replaced by the Housing Choice Voucher Program. While the Housing Choice Voucher Program places no limits on the contract rent, as long as the rent is reasonable, it does place limits on the percentage of household income that may be used towards housing costs (rent plus utilities). At the initial move-in, a participant may not pay more than 40% of the monthly adjusted income towards the total housing costs.

To support a family's ability to have greater housing choice, HACSM eliminated the 40% affordability cap for all its MTW participants. Rent reasonableness standards remain in effect and all contract rents must be determined, by HACSM, as reasonable in relation to rents charged for comparable unassisted units.

B. Detailed Information on the impact of the activity

Not placing a limit on the proportion of household income that may be spent on rent proves to be successful in increasing housing choice for families. Of the 189 households admitted during 2007 and 2008, only 40 households pay more than 40% of their monthly adjusted income towards their housing costs (rent plus utilities). At the same time, these households experience greater flexibility in their choice of housing within San Mateo County.

C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

An important factor for the success of this initiative is due to HACSM's involvement in rent negotiations. While the family may pay a higher portion of its income towards rent, the overall contract rent must be approved by HACSM based on rent reasonableness.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

HACSM is proposing to extend this initiative to all HCV (Section 8) participants and use the same baselines, benchmarks, metrics, data collection schedule and review schedule for all participants. The following is the same information as outlined in MTW Proposed Activity #5, in Section V of this plan. HACSM will use the same safeguards outlined in proposed MTW activity #5 in determining tenant rent burdens.

***Baselines:*** (established July 1, 2008 – June 30, 2009)

1. Number of applicants and/or relocating participants denied a unit based on the 40% affordability cap and locality
2. Number of participants paying more than 40% of their annual adjusted income towards their housing cost and their locality
3. The length of time required to find and secure a unit

***Benchmarks***

1. Increase in applicants and relocating participants able to secure housing by locality
2. Increase in applicants and relocating participants able to lease a unit
3. Decrease in the length of time to find and secure a unit

***Metrics and Schedule***

1. Comparison of localities, (including those of low poverty), with HAP contracts before and after implementation
2. Comparison of the amount of time needed to secure and lease a unit before and after implementation
3. Comparison of the number of vouchers that expire

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

The data collected will include the number of participants using this initiative, the locality of the unit leased and comparison data from previous years.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

There has been no change in authorization.

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Agreement, Attachment C Part D(2)(a) and waives certain provisions of Section 8 (o)(10) and 8(o)(3) of the US Housing Act of 1937 and 24 CFR 982.503 and 982.518

**On-going Activity #3: Voucher expiration after 180 days**

- A. Description of activity (specify Plan year in which the activity was first identified and implemented)

The original MTW contract allowed HACSM to increase the limit on search time for all Section 8 participants to 180 days. Since then, HUD issued new rules regarding search time, allowing housing authorities to determine the appropriate voucher term as long as the term is no less than 60 days. HUD also issued notices allowing housing authorities to extend voucher terms if an extension is needed due to reasonable accommodation. While HACSM changed the voucher term to 90 days for its HCV participants through previous Annual Plans, 180 days search time remained with the MTW participants. HACSM plans to align the MTW voucher term to be the same as the HCV program.

- B. Detailed Information on the impact of the activity

In 2000, when the first MTW participants were leasing up, the San Mateo County rental market was excessively tight. MTW participants needed the additional time to find and secure rental units. While the San Mateo County rental market is still challenging, participants are not facing the same situation that they were in 2000.

In an effort to streamline the housing programs and build incentives for families to find and secure housing, HACSM is proposing to change the voucher expiration timeline to 90 days, thereby matching the HCV program policy.

- C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

Not applicable.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

Due to the fact that the 90 day voucher expiration timeline is within current HUD regulations, it will not be a part of the activities tracked in the MTW demonstration program.

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Not applicable.

F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable.

G. Authorizations based on Attachment C or D

Not applicable, HACSM will use the current HUD regulations for setting voucher terms.

**On-going Activity #4: Case management in coordination with Support Services Providers**

A. Description of activity (specify Plan year in which the activity was first identified and implemented)

All MTW participants are required to participate in the 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 will be 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.

B. Detailed Information on the impact of the activity

Since its inception in 2000, MTW households have participated in homeownership education, and budget and credit counseling. Families that had special needs such as job training, basic education, language skills, and substance abuse services were referred to various supportive services agencies throughout the county. As a result of the specific case management from HACSM and access to services through community partners, families were able to be off government assistance, enter the HACSM homeownership program, expand their educational opportunities and increase their employment income.

C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

While case management is beneficial for participants, it is very costly to HACSM. Administrative cost has been higher because the MTW case workers need to carry fewer cases due to the case management component of the program.

HACSM expects that through the rent calculation simplification, escrow calculation simplification, streamlining of third-party verification processes and other proposed initiatives, the overall cost of case management services will decrease while program efficiencies will increase.

D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

***Baselines:*** (established July 1, 2008 – June 30, 2009)

1. Number of families on government assistance
2. Number of families in job training programs
3. Number of families with employment income
4. Number of families participating in financial, employment and educational workshops

***Benchmarks***

1. Decrease in number of families on government assistance
2. Increase in number of families enrolled and participating in job training programs
3. Increase in number of families with employment income
4. Increase in number of families successfully completing financial, employment and educational workshops

***Metrics and schedules***

Comparisons, at least annually, of each indicator as to the success of the program and the results for families overall.

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Not applicable

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Agreement, Attachment C, Section E and waives certain provisions of Section 23 of the US Housing Act of 1937 and 24 CFR 984

### **On-going Activity #5: Escrow Accounts**

A. Description of activity (specify Plan year in which the activity was first identified and implemented)

MTW participants are required to participate in the FSS program, which includes the use of escrow accounts to encourage savings. Increase in the tenant rent due to increase in earned income is put into an escrow account by HACSM. Escrow money may be released to the family upon successful completion of the FSS contract. As a part of the process, HACSM also eliminates the income cap in the escrow calculation, thereby allowing MTW participants to earn the full escrow amount, even when their income is above the very-low income limit.

B. Detailed Information on the impact of the activity

In 2007 and 2008, 149 families graduated from the MTW program. Of these families, 93 received escrow funds upon graduation with an average payout of \$12,963.

C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

While the escrow savings from the perspective of the participant is a major incentive for success in the program, that same success has proven to be an expensive endeavor for HACSM. When the tenant's rent goes up due to an increase in earned income, HACSM must set aside the escrow amount therefore not realizing any savings in its subsidy payments even when the family's income increases.

HACSM plans to modify its MTW FSS escrow calculation process and program. Instead of crediting dollar for dollar for any increase in rent due to increase in earned income, HACSM will award a flat escrow amount to families who have increased their earned income and/or met their FSS goals. The HACSM is planning to create the same calculation method for both the MTW FSS and HCV FSS programs.

Families will need to provide proof that they have: 1) increased their earned income, 2) fulfilled their educational goals that enhanced their ability to succeed or advance in the workplace, 3) participated in a HACSM-approved budget class, 4) achieved a minimum of \$1,500 increase in savings, and 5) improved their credit score.

HACSM will use the following schedule in determining escrow credit:

1. \$1,000.00 per family who has increased a minimum of \$1,200 annually in earned income at graduation.
2. \$100.00 for each completed educational goal such as a GED, a degree from an accredited school/college, a vocational certificate, etc. The maximum escrow credit for achieving educational goals will be \$300.00 per family.
3. \$100.00 per family for completing a HACSM-approved budget class.
4. \$1,500.00 per family for increasing savings by an additional \$1,500.00 or more at graduation.

5. \$1.00 for each credit score point improved. The escrow credit for improving credit score is limited to one adult family member per family.

Families may qualify for one or more of the escrow credits stated above. Escrow will be calculated and credited at the end of the FSS Contract term and only if the family provides credible and verifiable documentation showing they qualify for the escrow credit. The maximum escrow credit and pay out at graduation will be \$3,000.00 per family. Because escrows are calculated and credited at the end of the FSS Contract term, interim withdrawals are eliminated.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

**Baselines:** (established July 1, 2008 – June 30, 2009)

Baselines for this activity are included in proposed activity #7

***Benchmarks***

Baselines for this activity are included in proposed activity #7

***Metrics and schedules***

Baselines for this activity are included in proposed activity #7

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Data to be collected and reviewed, at least annually, to determine the success of the initiative.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable.

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Agreement, Attachment C, Section E and waives certain provisions of Section 23 of the US Housing Act of 1937 and 24 CFR 984



### **On-going Activity #6 – Security Deposit Assistance**

- A. Description of activity (specify Plan year in which the activity was first identified and implemented)

Similar to the method of reimbursing landlords in the former Section 8 Certificate Program, in the current MTW program, HACSM may reimburse landlords for actual damages for unpaid rent or property damages at the time of move-out, up to the maximum guarantee stated in the HAP Contract Addendum.

Security Deposit Assistance must be requested by the MTW participant and the landlord and it is subject to HACSM review and approval. In lieu of collecting the total security deposit amount, landlords participating in the Security Deposit Assistance Program will accept a guarantee provided by the HAP Contract Addendum executed at the time of the initial lease execution. The maximum HACSM's liability for the security deposit guarantees is the lesser of 50% of the security deposit required under the Lease Agreement; or one-month contract rent.

- B. Detailed Information on the impact of the activity

The Security Deposit Assistance Program did not have a significant impact on leasing activities as most owners preferred security deposits paid upfront. More than 400 families have participated in the MTW Program since 2000; in that time, fewer than 20 owners and families participated in the program.

- C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

As stated above, HACSM has found that the majority of the owners prefer security deposit payments up front. Furthermore, having to administer a different HAP contract with the security deposit guarantee addendum and conduct move out inspections prior to processing any damage claims added administrative burden to the HACSM staff.

Due to these challenges, HACSM plans to eliminate the Security Deposit Program for new move-ins and refer families to other county or non-profit agencies for security deposit assistance.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

Not applicable.

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Not applicable.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable.

- G. Authorizations based on Attachment C or D

Not applicable. HACSM will eliminate the Security Deposit Assistance Program in the upcoming Plan year and does not need wavier from HUD.

### **On-going Activity #7 – Income Exclusions**

- A. Description of activity (specify Plan year in which the activity was first identified and implemented)

HACSM has excluded certain income from rent calculation to encourage family reunification and economic self-sufficiency. The exclusions are: (1) 25% of increases in earned income (benchmarks are set at the time of the initial lease up), (2) 75% of any income earned by a member of a MTW household who was not a household member at the time of initial qualification and lease up, (3) income from assets up to \$20,000 in asset value.

- B. Detailed Information on the impact of the activity

Having income exclusions lessens the rent burden on MTW participants who are working. Together with case management and mandatory FSS participation, more than 90% of the program participants graduated with earned income.

- C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

The income exclusion benefit HACSM offers to its MTW participants has proven to be very expensive. Due to the exclusions, HACSM does not realize savings in its subsidy payments even when the family's income increases. The average subsidy payments for MTW participants are 20% higher than the average subsidy payments for the HCV Program. The MTW budget as it is allocated currently is insufficient to serve all 300 families intended in the original MTW agreement.

HACSM plans to eliminate the income exclusions initiative and align the MTW rent policy with the HCV Program.

- D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

Not applicable.

- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Not applicable.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable.

G. Authorizations based on Attachment C or D

Not applicable. HACSM will eliminate the Income Exclusions in the upcoming Plan year and therefore, does not require a wavier from HUD.

## **On-going Activity #8 - MTW Housing Readiness Program**

### A. Program description

In addition to “On-going Activities #1-7” that were part of the original MTW Program, HACSM received approval for a new program, “Housing Readiness” in its 2008-2009 MTW Annual Plan.

HACSM has partnered with the County’s Center on Homelessness and other providers of homeless services to develop and implement a pilot housing program to serve up to 60 homeless individuals and families. Program participants may receive rent subsidy under this new MTW initiative for up to three years. Once their housing needs are met, these families are given the opportunity to achieve greater self-determination through various support programs. It is important to note that some of the other on-going MTW program initiatives will not apply to this program. For example, FSS participation is not required and escrow accounts will not be established. At the end of the three-year term, successful graduates may transfer to other affordable housing programs, managed by other community partners. This program responds to critical needs identified in San Mateo County’s comprehensive 10-year plan to end homelessness and follows the “housing first” strategy. The program will be designed to include formal research components via the HUD Homeless Management Information Systems (HMIS).

The 60 vouchers for the Housing Readiness Program will come from the original 300 MTW voucher allocation. And, as is the case with the original MTW participants, Housing Readiness participants will not be able to use their voucher for portability to another housing authority.

### B. Detailed Information on the impact of the activity

The Housing Readiness Program began processing applicants for eligibility in December 2008. We look forward to reporting back next year as to the impact of the program.

### C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

Not applicable.

### D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

**Baselines:** (established July 1, 2008 – June 30, 2009)

1. Number of families with defined goals with their supportive services providers
2. Length of time, on average, required to lease a unit
3. Family status/income at admission to the program

***Benchmarks***

1. Increase in the number of families meeting their goals
2. Decrease in the length of time, on average, needed to rent a unit
3. Increase in household income

***Metrics and Schedules***

1. Comparison of families defining and keeping self sufficiency goals
  2. Comparison of the average length of time needed to secure a unit
  3. Comparison of family income at admission and annual recertification
  4. Comparison in the number of owners in program
- E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

Data will be collected and reviewed at least annually.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Agreement, Attachment C, Section D (1)(g), Section D (2)(a)(d), Section D (3)(b), Section D (4) and Section E and waives certain provisions of Section 8(r), 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I), 8(o)(7), 8(o)(13)(F)-(G), 8(o)(6), 8(o)(13)(J), 8(o)(16) and Section 23 of the US Housing Act of 1937 and 24 CFR 982 Subpart H, 982.508, 982.503, 982.518, 982 Subpart L, 983 Subpart E, 982.516, 982, Subpart E, 982.305, 983 Subpart F, 984

**On-Going Activity #9 – Expand usage of project-based vouchers at HACSM developments undergoing disposition process**

A. Description of activity

As stated in the HACSM 2008-2009 Supplemental MTW Annual Plan, HACSM plans to project-base up to 100% of the units for developments that meet the following criteria:

- o Developments that have gone through the demo/disposition process and continue to be maintained as affordable units after the demo/disposition process;
- o Developments that possess high quality amenities and community features for residents.

HACSM intends to submit a disposition application to HUD in 2009 to dispose El Camino Village and Midway Village, its current public housing developments, from public housing status. Once the disposition application is approved, HACSM plans to sell the property to HACSM-affiliated non-profit entities or other affordable housing operators with the goal of maintaining all of the housing units at an affordable level.

B. Detailed Information on the impact of the activity

Having 100% project-based voucher assistance in the developments helps preserve the scarce affordable housing stock in San Mateo County and prevents displacement of the current public housing residents. HACSM has not completed the demo/disposition process; therefore, there is nothing to report about the impact of this activity.

C. Narrative of the challenges, if benchmarks were not achieved or the activity was determined to be ineffective. If possible, identify potential new strategies that might be more effective.

HACSM is in the process of rectifying outstanding items from the 2007 IG audit related to the two public housing developments, El Camino Village and Midway Village. HACSM will submit the disposition application as soon as these audit items are resolved.

HACSM has begun the process of forming an HACSM-affiliated non-profit entity.

D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases)

None.

E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;

None.

- F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary

Not applicable

- G. Authorizations based on Attachment C or D

The on-going activity described above, is authorized in HACSM's MTW Standard Agreement, Attachment C, Section D (1)(e), that waives certain provisions of Section 8(o)(13) of the US Housing Act of 1937 and 24 CFR 983 and Attachment C, Section D(7)(a)(b)(c)(d) that waives:

- (a) certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983
- (b) certain provisions of 24 CFR 983.51;
- (c) certain provisions of 24 CFR 983.57;
- (d) certain provisions of Section 8(o)(8) of the 1937 Act and 24 CFR 982 Subpart I.



**SECTION VII – Sources and Uses of Funding**

A. List planned sources (Operating, Capital, HCV) and uses of the MTW funds

**Statement of Financial Resources**

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2009 grants)</b>		
a) Public Housing Operating Fund	307,167.00	* See Appendix One
b) Public Housing Capital Fund <i>(estimated for 2009)</i>	289,549.00	* See Appendix One
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	HCV 52,017,897.00 MTW 4,716,043.00	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self-Sufficiency Grants		
h) Community Development Block Grant		
i) HOME		
Other Federal Grants (list below)		
Moderate Rehabilitation	1,265,964.00	Section 8 - Other
Shelter Plus Care CA01C41-2001 (SP8)	132,000.00	Section 8 - Other
Shelter Plus Care CA01C51-2001 (SP9)	41,424.00	Section 8 - Other
Shelter Plus Care CA01C61-2001 (SP11)	41,832.00	Section 8 - Other
Shelter Plus Care CA01C71-2018 (SP2)	907,164.00	Section 8 - Other
Shelter Plus Care CA01C71-2017 (SP10)	1,324,500.00	Section 8 - Other
Shelter Plus Care New Grant (SP12)	49,104.00	Section 8 - Other
Supportive Housing CA01B71-2003	745,013.00	Section 8 - Other
Family Self-Sufficiency Coordinator	132,000.00	Section 8 supportive services
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>		
	<i>(as of 12/31/08)</i>	
2008 Capital Funds grant	231,639.00	Public housing capital improvements

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

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2007 Capital Funds grant	157,672.00	Public housing capital improvements
2006 Capital Funds Grant	3,006.00	Public housing capital improvements
<b>Sub-total</b>	<b>62,361,974.00</b>	
<b>3. Public Housing Dwelling Rental Income</b>	1,240,810.00	Public housing operations
<b>4. Other income (list below)</b>		
Interest on Investments:	157,768.00	Public housing operations
Other income: Legal fees, maintenance charges to tenants, late fees, NSF check charges, etc.	59,064.00	Public housing operations
Rental income from Housing Authority owned units	725,099.00	Public housing operations
<b>5. Non-federal sources (list below)</b>		
<b>Sub-total</b>	2,182,741.00	
<b>Total resources</b>	<b>\$64,544,715.00</b>	

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

Not applicable

C. If applicable, list planned 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. List or describe use of single-fund flexibility, if applicable, describe uses across traditional program lines or special circumstances in support of an MTW activity

Not applicable as of this MTW Annual Plan.

F. Optional – List reserve balances at beginning of Plan year

G. Optional – In Plan Appendix, provide planned sources and uses by AMP

**SECTION VIII – Administrative**

**A. Board Resolution adopting Annual MTW Plan Certification of Compliance**

See Appendix Four

**B. Description of any planned or on-going Agency-directed evaluations of the demonstration, if applicable**

As outlined in Section V and Section VI of this Plan, HACSM intends to evaluate the MTW initiatives on the basis of their effectiveness in providing incentives to increase self-sufficiency goals of the participant families, increase housing choice for the participants and/or reduce administrative costs while increasing program efficiencies.

HACSM will develop and perform internal evaluations of each MTW proposed initiative and these evaluations will help in the assessment of success. These evaluations will be prepared and reviewed at least annually, using data collected throughout the plan year.

Due to the many MTW initiatives that would make participating in SEMAP ineffective, HACSM is electing to use the waiver provided in the Amended and Restated Moving To Work Agreement, Section 2 (G), and remove its programs from SEMAP submissions. HACSM will expand its own internal quality assurance program to monitor and assess the quality and timeliness of the work performed.

Appendix One

Capital Funds Program Annual Statement and  
Five-Year Action Plan

Annual Statement /Performance and Evaluation Report  
Capital Funds Program and Capital Fund Program Replacement Housing Factor and  
Capital Funds Financing Program

U. S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2377-0226  
Expires 4/30/2011

<b>Part I: Summary</b>					
PHA Name: <b>Housing Authority of the County of San Mateo</b>		Grant Type and Number: Capital Fund Program Grant No: <b>CA39P01450109</b> Date of CFFP: _____		Replacement Housing Factor Grant No: FFY of Grant: <b>2009</b> FFY of Grant Approval: <b>2009</b>	
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserved for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement/Revision Number _____ <input type="checkbox"/> Performance and Evaluation Report for Program Year Ending _____ <input type="checkbox"/> Final Performance and Evaluation Report for Program Year Ending _____					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-Capital Funds				
2	1406 Operating Expenses (may not exceed 20% of line 20) <sup>3</sup>	57,910.00			
3	1408 Management Improvements	10,000.00			
4	1410 Administration (may not exceed 10% of line 20)	28,955.00			
5	1411 Audit	5,000.00			
6	1415 Liquidated Damages	0.00			
7	1430 Fees and Costs	15,000.00			
8	1440 Site Acquisition	0.00			
9	1450 Site Improvement	100,000.00			
10	1460 Dwelling Structures	64,000.00			
11	1465.1 Dwelling Equipment-Nonexpendable	6,000.00			
12	1470 Non-dwelling Structures	0.00			
13	1475 Non-dwelling Equipment	2,684.00			
14	1485 Demolition	0.00			
15	1492 Moving to Work Demonstration	0.00			
16	1495.1 Relocation Costs	0.00			
17	1499 Development Activities <sup>4</sup>	0.00			
18a	1501 Collateralization or Debt Service paid by the PHA	0.00			
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	0.00			
19	1502 Contingency (may not exceed 8% of line 20)	0.00			
20	<b>Amount of Annual Grant (sums of lines 2-19)</b>	<b>\$289,549.00</b>			
21	Amount of line 20 Related to LBP Activities	0.00			
22	Amount of Line 20 Related to Section 504 Compliance	0.00			
23	Amount of Line 20 Related to Security - Soft Costs	0.00			
24	Amount of Line 20 Related to Security - Hard Costs	0.00			
25	Amount of Line 20 Related to Energy Conservation Measures	\$41,000.00			
Signature of Executive Director _____		Signature of Public Housing Director _____		Date _____	
Date _____		Date _____		Date _____	

1 To be completed for the Performance and Evaluation Report  
 2 To be completed for the Performance and Evaluation Report or a Revised Annual Statement  
 3 PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
 4 RHF funds shall be included here.

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

Annual Statement /Performance and Evaluation Report  
 Capital Funds Program and Capital Fund Program Replacement Housing Factor and  
 Capital Funds Financing Program

U. S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2377-0226  
**Expires 4/30/2011**

<b>Part II: Supporting Pages</b>								
PHA Name: <b>Housing Authority of the County of San Mateo</b>			Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Replacement Housing Factor Grant No.			CFFP (Yes/ No): <b>No</b>		Federal FFY of Grant: <b>2009</b>
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
<b>HA - Wide</b>	<b>Operations</b>	1406		57,910.00				
	<b>Management Improvements:(limited to 20% of grant)</b>	1408						
	Technical & non-technical training/assistance (HUD program systems updates, tracking, etc.)			10,000.00				
	Policies updates/changes							
	Computer software updates, staff training							
	<b>Administration (limited to 10% of grant)</b>	1410		28,955.00				
	Procurement-Contractors, monitoring, report, documentation functions							
	<b>Audit (portion related to CFP)</b>	1411		5,000.00				
	<b>Fees &amp; Costs:</b>	1430		15,000.00				
	Planning,consortium fees,update annual plan, energy audit update utility allowance							
	Mold/asbestos testing							
	<b>Site Improvement:</b>							
	Landscaping improvements	1450		15,000.00				
	Fire hydrant repairs/replacements	1450		20,000.00				
	Card Key upgrade (security)	1450		5,000.00				
	Tree trimming/removal/replacement	1450		5,000.00				
	<i>(continued next page)</i>		<b>Subtotal</b>	<b>\$161,865.00</b>				

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement  
<sup>2</sup> To be completed for the Performance and Evaluation Report

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

Annual Statement /Performance and Evaluation Report  
 Capital Funds Program and Capital Fund Program Replacement Housing Factor and  
 Capital Funds Financing Program

U. S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2377-0226  
 Expires 4/30/2011

**Part II: Supporting Pages**

PHA Name: <b>Housing Authority of the County of San Mateo</b>		Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Replacement Housing Factor Grant No.				CFFP (Yes/ No): <b>No</b>	Federal FFY of Grant: <b>0</b>	
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised 1	Funds Obligated 2	Funds Expended 2	
<b>HA - Wide</b>	<b>Site Improvement:</b> <i>(continued from previous page)</i>							
	Concrete repair/replacement	1450	250 square feet	5,000.00				
	Fence repair/replacement	1450	1500 linear feet	5,000.00				
	Retaining wall repair/replacement	1450	3 locations	15,000.00				
	Storm drain/grading upgrades/erosion control (partial)	1450	Various	30,000.00				
	<b>Dwelling Structures:</b>							
	Improve interior lighting (more efficient conservation, (Energy Star rated)	1460	4 units	5,000.00				
	Window screens, all windows and blind replacement to more durable shutters <i>(continued from 2008)</i>	1460	40 units	20,000.00				
	Floor covering replacement	1460	4 units	10,000.00				
	Kitchen cabinet replacement <i>(continuation)</i>	1460	4 units	12,000.00				
	Dry rot repair (utility boxes, siding, trim)	1460	2 buildings	2,000.00				
	Mold/asbestos remediation	1460	1 unit	5,000.00				
	Water heaters <i>(Energy Star rated)</i>	1460	10 ea	5,000.00				
	Patio doors replacement (with more energy efficient)	1460	8 units	5,000.00				
	<b>Dwelling Equipment:</b>							
	Ranges and refrigerators (Energy Star rated)(energy efficient)	1465	7ea	6,000.00				
	<b>Non-Dwelling Equipment:</b>							
	Tools	1475	Various	2,684.00				
				<b>\$289,549.00</b>				

1 To be completed for the Performance and Evaluation Report or a Revised Annual Statement  
 2 To be completed for the Performance and Evaluation Report



**Capital Fund Program Five-Year Action Plan  
Part I: Summary**

2/28/2009

HA Name:			<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No. _____		
<b>Housing Authority of the County of San Mateo</b>					
Development Number/Name/HA-Wide	Year 1 2009	Work Statement for Year 2 FFY Grant: 2010 PHA FY: 2010	Work Statement for Year 3 FFY Grant: 2011 PHA FY: 2011	Work Statement for Year 4 FFY Grant: 2012 PHA FY: 2012	Work Statement for Year 5 FFY Grant: 2013 PHA FY: 2013
HA - Wide	Annual	289,549.00	289,549.00	289,549.00	289,549.00
	Statement				
CFP Funds Listed for 5-Year planning		<b>\$289,549.00</b>	<b>\$289,549.00</b>	<b>\$289,549.00</b>	<b>\$289,549.00</b>
Replacement Housing					
Factor Funds					



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

Capital Funds Program Five Year Action Plan				2/28/2009
Part II: Supporting Pages--Work Activities				
Activities for Year 1		Activities for Year: 2		
2009	Development Name/Number	FFY Grant: 2010 PHA FY: 2010	Major Work Categories	Estimated Cost
See	HA - Wide		<b>Operations</b>	25,000.00
			<b>Management improvements:</b> (limited to 20% of grant)	20,000.00
Annual			Technical & non-technical training/assistance (HUD program systems updates, tracking, etc.)	
			Policies updates/changes	
			Computer software updates, staff training	
Statement			<b>Administration:</b> (limited to 10% of grant)	28,954.00
			Procurement-Contractors, monitoring, report, documentation functions	
			<b>Fees &amp; Costs:</b>	25,000.00
			Planning, consortium fees, update annual agency plan, Update utility allowance,	
			<b>Site improvements:</b>	
			Landscaping/tree trimming	20,000.00
			Roofing /Gutter repair replacement	48,000.00
			Concrete/asphalt repair, replacement	20,000.00
			<b>Dwelling Structures:</b>	
			Window replacement (for energy conservation)	8,000.00
			Dry rot repair	12,000.00
			Painting interior	10,000.00
			Interior light fixtures	5,000.00
			Tub enclosure replacement	10,000.00
			Exterior painting (partial)	36,595.00
			Water heaters	3,500.00
			<b>Dwelling equipment :</b>	
			Appliances	3,500.00
			<b>Non-Dwelling equipment:</b>	
			Generator for emergency purposes	4,000.00
			Office/Maintenance equipment, furniture	10,000.00
			<b>Total Estimated Capital Funds - 2010</b>	<b>\$289,549.00</b>

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

Capital Funds Program Five Year Action Plan			2/28/2009
Part II: Supporting Pages--Work Activities			
Activities for Year 1	Activities for Year: 3 FFY Grant: 2011 PHA FY: 2011		
2009	Development Name/Number	Major Work Categories	Estimated Cost
See	HA - Wide	<b>Operations</b>	25,000.00
		<b>Management improvements:</b> (limited to 20% of grant)	25,000.00
Annual		Technical & non-technical training/assistance (HUD program systems updates, tracking, etc.)	
		Policies updates/changes	
		Computer software updates, training	
Statement		<b>Administration:</b> (limited to 10% of grant)	26,725.00
		Procurement-Contractors, monitoring, report, documentation functions	
		<b>Fees &amp; Costs:</b>	
		Planning, consortium fees, update annual agency plan, Update utility allowance,	25,000.00
		<b>Site improvements:</b>	
		Landscaping improvements	20,000.00
		Concrete walkways, patios repair/replacement	38,824.00
		Re-Seal Asphalt Paving	35,000.00
		<b>Dwelling Structures:</b>	
		Windows replacement	10,000.00
		Roofing /Gutters repair, replacement	30,000.00
		Water heater closet door replacement (exterior)	14,000.00
		Termite Inspections/Repairs	15,000.00
		Water heaters	3,000.00
		Patio Doors	3,000.00
		Tub enclosure replacement	5,000.00
		<b>Dwelling Equipment</b>	
		Stoves-Refrigerators	4,000.00
		<b>Non- Dwelling equipment:</b>	
		Plumbing equipment /snake/video camera for sewer lines	10,000.00
		<b>Total Estimated Capital Funds - 2011</b>	<b>\$289,549.00</b>

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

**Capital Funds Program Five Year Action Plan**  
**Part II: Supporting Pages--Work Activities**

2/28/2009

Activities for Year 1	Development Name/Number	Major Work Categories	Estimated Cost
2009		Activities for Year: 4 FFY Grant: 2012 PHA FY: 2012	
See	HA - Wide	<b>Operations</b>	25,000.00
		<b>Management improvements:</b> (limited to 20% of grant)	25,000.00
Annual		Technical & non-technical training/assistance (HUD program systems updates, tracking, etc.)	
		Policies updates/changes	
		Computer software updates, training	
Statement		<b>Administration:</b> (limited to 10% of grant)	25,000.00
		Procurement-Contractors, monitoring, report, documentation functions	
		<b>Fees &amp; Costs:</b>	
		Planning, consortium fees, update annual agency plan, Update utility allowance,	20,000.00
		Energy audit (required every 5 years)	
		<b>Site Improvement:</b>	
		Landscaping /Tree trimming	25,000.00
		Asphalt replacement/repair (partial)	69,549.00
		Asphalt Re-seal (Cypress Lane area every 2 years)	30,000.00
		<b>Dwelling Structure:</b>	
		Gutter repair/replacement	30,000.00
		Windows replacement (for energy conservation)	6,000.00
		Weatherstripping	5,000.00
		Water Heaters	4,000.00
		<b>Non- Dwelling Structure:</b>	
		Expanding/Remodeling rental office	25,000.00
		<b>Total Estimated Capital Funds - 2012</b>	<b>\$289,549.00</b>

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

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Capital Funds Program Five Year Action Plan			2/28/2009
Part II: Supporting Pages--Work Activities			
Activities for Year 1	Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
2009	Development Name/Number	Major Work Categories	Estimated Cost
See	HA - Wide	<b>Operations:</b>	25,000.00
		<b>Management improvements:</b> (limited to 20% of grant)	25,000.00
Annual		Staff training	
		Technical & non-technical assistance (HUD program system updates, tracking, etc.)	
		Policies updates/changes	
		Computer software updates	
Statement		<b>Administration</b> (limited to 10% of grant)	25,000.00
		Procurement - Contractors, monitoring, report(s), documentation functions	
		<b>Fees &amp; Costs:</b>	25,000.00
		Planning, consortium fees, update annual agency plan, update utility allowance plan	
		Energy Audit (required every 5 years)	
		<b>Site improvements:</b>	
		Resurfacing and restriping of parking/driveways	10,000.00
		Accessibility improvements	10,000.00
		Tree trimming/removal	8,000.00
		Exterior lighting (common areas)	5,000.00
		Irrigation and landscaping improvements	5,000.00
		<b>Dwelling Structures:</b>	
		Mold remediation services	15,000.00
		Pest control services/repairs	10,000.00
		Energy conservation improvements (fluorescent lighting)	8,000.00
		Painting of units (interior)	7,000.00
		Carpeting and flooring replacement	10,000.00
		Window covering replacement	2,000.00
		Bathroom/plumbing fixtures replacement	21,725.00
		(continued page 6)	
		<b>Subtotal - Estimated Capital Funds - 2013, continued next page.....</b>	<b>\$211,725.00</b>

Capital Funds Program Five Year Action Plan Part II: Supporting Pages--Work Activities		2/28/2009	
Activities for Year 1	Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
2009	Development Name/Number	Major Work Categories	Estimated Cost
See	HA - Wide	<b>Continued from Page 5...</b>	
		<b>Dwelling Structures:</b>	
		Painting of buildings (exterior)	9,824.00
Annual		Gutter and downspout repair/replacement	12,000.00
		Kitchen cabinets replacement	12,000.00
		Windows replacement (for energy conservation)	5,000.00
Statement		<b>Dwelling Equipment (Non-Expendable):</b>	
		Appliances	3,000.00
		<b>Non-dwelling equipment:</b>	
		Vehicles	16,000.00
		Tools	2,000.00
		Computer hardware	3,000.00
		<b>Non-dwelling structures:</b>	
		Expand maintenance facilities	12,000.00
		<b>Relocation costs:</b>	
		Temporary relocation due to modernization	3,000.00
		<b>Subtotal 2010</b>	77,824.00
		<b>Total Estimated Capital Funds - 2013</b>	<b>\$289,549.00</b>

**Appendix Two**

**HACSM Tiered Subsidy Schedule**

Housing Authority of the County of San Mateo  
Tiered Subsidy Table

Annual Adjusted Income (AAI) Range		Voucher Size					
		One (1) Bdrm Subsidy	Two (2) Bdrm Subsidy	Three (3) Bdrm Subsidy	Four (4) Bdrm Subsidy	Five (5) Bdrm Subsidy	Six (6) Bdrm Subsidy
0	1999	1275	1608	2163	2289	2639	3042
2000	4999	1228	1561	2116	2242	2592	2995
5000	7999	1145	1478	2033	2159	2509	2912
8000	10999	1062	1395	1950	2076	2426	2829
11000	13999	979	1312	1867	1993	2343	2746
14000	16999	895	1228	1783	1909	2259	2662
17000	19999	812	1145	1700	1826	2176	2579
20000	22999	729	1062	1617	1743	2093	2496
23000	25999	646	979	1534	1660	2010	2413
26000	28999	562	895	1450	1576	1926	2329
29000	31999	479	812	1367	1493	1843	2246
32000	34999	396	729	1284	1410	1760	2163
35000	37999	313	646	1201	1327	1677	2080
38000	40999	229	562	1117	1243	1593	1996
41000	43999	146	479	1034	1160	1510	1913
44000	46999	63	396	951	1077	1427	1830
47000	49999		313	868	994	1344	1747
50000	52999		229	784	910	1260	1663
53000	55999		146	701	827	1177	1580
56000	58999		63	618	744	1094	1497
59000	61999			535	661	1011	1414
62000	64999			451	577	927	1330
65000	67999			368	494	844	1247
68000	70999			285	411	761	1164
71000	73999			202	328	678	1081
74000	76999			118	244	594	997
77000	79999			35	161	511	914
80000	82999				78	428	831
83000	85999					345	748
86000	88999					261	664
89000	91999					178	581
92000	94999					95	498
95000	97999					12	415
98000	100999						331
101000	103999						248
104000	106999						165
107000	109999						82

## **Appendix Three**

### **Documentation of the Public Review Process**



# San Mateo County Times

c/o Bay Area News Group-East Bay, Legal Advertising  
477 9th Ave., #110  
San Mateo, CA 94402  
Legal Advertising  
(800) 565-9555 Opt 4

San Mateo County Housing Auth.  
Mariella Dunleavy, 264 Harbor Blvd., Bldg. A,  
Belmont CA 94002

## PROOF OF PUBLICATION

FILE NO. 3/3 MTW Annual Pla

in the matter of

### Public Hearing

The undersigned deposes that he/she is the Public Notice Advertising Clerk of the SAN MATEO COUNTY TIMES, a newspaper of general circulation as defined by Government Code Section 6000, adjudicated as such by the Superior Court of the State of California, County of San Mateo (Order Nos. 86796 on September 21, 1991) which is published and circulated in said county and state daily (Sunday excepted).

The PUBLIC NOTICE

was published in every issue of the SAN MATEO COUNTY TIMES on the following date(s):

1/12/2009

I declare (or declare) under the penalty of perjury that the foregoing is true and correct.

  
Public Notice Advertising Clerk

Legal No. 0003035650

Public Notice  
Housing Authority of the  
County of San Mateo  
ANNOUNCES A PUBLIC  
HEARING

Date: March 3, 2009  
Time: 10:00 AM to 12:00  
PM  
Place: Harbor Blvd.  
Corporal  
Screening Room  
264 Harbor Blvd.  
Bldg. A  
Belmont, CA 94002

The purpose of the hearing is to obtain input on a variety of issues and other interested parties are referred to the MTW Annual Plan to be submitted to the Department of Housing and Community Development. A copy of the MTW Annual Plan will be available from 8:00 AM to 4:00 PM, beginning on Tuesday, 1/12/2009.

Housing Authority of the  
County of San Mateo  
264 Harbor Blvd., Bldg. A  
Belmont, CA 94002

If you have any available copies, please call the following website:  
[www.sanmateo.org](http://www.sanmateo.org)

For further information please call 650-802-3300

San Mateo County  
Times, Publication  
January 12, 2009



## Department of Housing Housing Authority of the County of San Mateo

### 2009-2010 Moving To Work (MTW) Annual Plan

#### Notice of Public Hearing

In accordance with the 12/11/07 Amended and Restated MTW Agreement Section VII.A.f(i), the Housing Authority of the County of San Mateo (HACSM) will hold a Public Hearing to receive public comment regarding this proposed MTW Annual Plan on:

**Date:** Tuesday, March 3, 2009, 10AM-12PM  
**Location:** Department of Housing  
Veranda Room  
264 Harbor Blvd, Building A  
Belmont, CA 94002

#### Public Review Period

The proposed MTW Annual Plan is available for review in the Housing Authority's main lobby at 264 Harbor Blvd., Bldg. A in Belmont, and online at [www.smchousing.org](http://www.smchousing.org) beginning January 12, 2009. The HACSM will be accepting written comments regarding the proposed MTW Annual Plan from January 12, 2009 – March 3, 2009. Please send your comments to:

**By Mail:** Department of Housing – Housing Authority  
Attn: Jennifer Anderson, MTW Project Manager  
264 Harbor Blvd, Building A  
Belmont, CA 94002

**By E-mail:** [janderson@smchousing.org](mailto:janderson@smchousing.org)

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The Housing Authority of the County of San Mateo is pleased to be one of 31 agencies nationwide granted the permission, from HUD, to design and test innovative program initiatives that more closely address the needs of families in San Mateo County.

HACSM has operated a small MTW demonstration program since May 2000. Building upon the success of the original program, HACSM is planning to enhance and modify several aspects that will result in greater housing choice for the assisted families, streamline many of the administrative processes resulting in increased efficiencies and cost savings, and creating a program that is more transparent, easy to understand, and more equitable for all assisted families.

Following is a brief list of the proposed initiatives, which upon approval, will begin July 1, 2009:

- Institute biennial re-certification for elderly and/or disabled HCV households
- Simplify rent calculation processes
- Simplify third party verification processes
- Institute tiered-subsidy schedule based on voucher size
- Eliminate the 40% affordability cap on family share of rent at time of initial lease up
- Simplify the Housing Quality Standards (HQS) inspection process
- Retain 100% of fraud recovery funds
- Streamline escrow savings calculation method for HCV FSS and MTW FSS participants

The HACSM hosted two meetings as part of the public review process.

The first meeting was held March 2, 2009 at the Housing Authority office with the Resident Advisory Board. Two of the six members invited were in attendance at the meeting. A copy of the draft MTW Annual Plan was given to each attendee and a summary of the initiatives was provided. Their comments included:

- One resident was very appreciative of the streamlining of required paperwork. Due to the fact that they also receive assistance from other agencies, such as Medi-Cal, or CalWorks, they are often having multiple appointments from each agency and having to provide the same paperwork at each appointment. This reduction would be very welcome to his family.
- Another resident was concerned about the fraud recovery funds and whether or not this would mean more individuals would attempt to under report their income or family composition changes. The HACSM staff reassured the participant, that this represents a small number of households and landlords, and is meant to increase the monies that the HACSM could use to support the community in other ways.
- Both attendees were very happy to hear about the initiatives that would make it easier to find and lease up a new rental unit.

At the conclusion of the meeting, all parties were very excited for the implementation of the proposed changes.

As stated in the Public Notice January 12, 2009, the Public Hearing for the MTW Annual Plan was held March 3, 2009 at the Housing Authority office for all members of the public. HACSM was prepared to give a presentation on the new initiatives and to receive comments from the public. There were no attendees from the public. HACSM held the meeting open for 30 minutes, at which time they adjourned with the understanding that if any member of the public arrived with questions, they would handle each individually. During the public comment period, there were no questions or comments received in person, via e-mail, USPS mail or by telephone.

An additional Public Hearing was held on March 26, 2009 at the County of San Mateo Board of Supervisors meeting. At that time, the Board of Supervisor's welcomed any comments from the public. There were no comments from the public, however, the Board of Supervisor's complemented the Housing Authority's extensive research, open dialog and process with the community, and its desire to better serve the families of San Mateo County.

**Appendix Four**

**Board Resolution adopting Annual MTW Plan Certification of Compliance**

*certified*

069993

**RESOLUTION NO. 2009-02**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, SITTING AS THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO 2009-2010 MOVING TO WORK ANNUAL PLAN AND REVISED ADMINISTRATIVE PLAN LANGUAGE NECESSARY TO IMPLEMENT THE ANNUAL PLAN AND AUTHORIZING THE DIRECTOR OR DESIGNEE OF THE DEPARTMENT OF HOUSING TO EXECUTE ANY DOCUMENTS REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO CERTIFY THE PLAN**

---

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, State of California, that

**WHEREAS**, as part of its participation in Moving to Work (MTW), HUD requires housing authorities to submit an MTW Annual Plan and requires that housing authorities keep the Administrative Plan current to conform with ongoing policy changes; and

**WHEREAS**, the 2009-2010 MTW Annual Plan was available for public review from January 12, 2009 to March 3, 2009, and was the subject of a meeting with the HACSM Resident Advisory Board held on March 2, 2009 and a public hearing held on March 3, 2009; and

**WHEREAS**, HACSM gave full consideration to all comments received during the preparation of its MTW Annual Plan; and

**WHEREAS**, there has been presented to the Board of Commissioners for its

consideration and acceptance the MTW Annual Plan and Administrative Plan reference to which is hereby made for further particulars, and the Board of Commissioners has examined and approved the same as to form and content.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Commissioners of the Housing Authority, approve the 2009-2010 MTW Annual Plan and revised Administrative Plan language and authorize the Director of Housing or his designee to execute any documents required by the U.S. Department of Housing and Urban Development (HUD) to certify the Plan.

\* \* \* \* \*

Regularly passed and adopted this 31<sup>st</sup> day of March, 2009.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:

NONE

STATE OF CALIFORNIA } COUNTY OF SAN MATEO } ss. DAVID S. BOESCH, Clerk of the Board of Supervisors, does hereby certify that the above and foregoing is a full, true and correct copy of: <u>RESOLUTION NO. 069993</u> entered in the minutes of said board. In Witness Whereof, I have hereunto set my hand and the seal of said Board this <u>31<sup>st</sup></u> day of <u>MARCH</u> 20 <u>09</u> DAVID S. BOESCH, Clerk of the Board By <u>Marie L. Peterson</u> Deputy
---

Mark Church

President, Board of Supervisors  
County of San Mateo  
State of California

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

Marie L. Peterson

Marie L. Peterson, Deputy  
Clerk of the Board of Supervisors

**Board Resolution adopting Annual MTW Plan Certification of Compliance**

**Annual Moving to Work Plan  
Certifications of Compliance**

**U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing**

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 07/01/2009, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 30 days before the public hearing, published a notice that a hearing would be held and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.



11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the County of San Mateo

CA014

PHA Name

PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Duane Bay

Director

Name of Authorized Official

Title

Signature

Date

**Appendix Five**

**Amendment #1 - Attachment A**

*certified*

070000

**RESOLUTION NO. 2009-03**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, SITTING AS THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION APPROVING AMENDMENT #1 TO ATTACHMENT "A" OF THE AMENDED AND RESTATED MOVING TO WORK AGREEMENT BETWEEN THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO (HACSM) AND AUTHORIZING THE DIRECTOR OR DESIGNEE OF THE DEPARTMENT OF HOUSING TO SIGN AMENDMENT #1 TO ATTACHEMENT "A"**

---

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, State of California, that

**WHEREAS**, the Housing Authority of the County of San Mateo and HUD executed the Amended and Restated Moving to Work Agreement which extends the Moving to Work (MTW) program status through the year 2018 for HACSM; and

**WHEREAS**, Attachment A of the Amended and Restate Moving to Work Agreement discusses the calculation of funding levels that HUD will provide HACSM for its Housing Choice Voucher and Public Housing programs; and

**WHEREAS**, MTW agencies are permitted to receive all such funds as a "block grant" so the funds can be used for any eligible program expense; and

**WHEREAS**, there has been presented to the Board of Commissioners for its consideration and acceptance Amendment #1 to Attachment A of the Amended and

Restated Moving to Work Agreement reference to which is hereby made for further particulars, and the Board of Commissioners has examined and approved the same as to form and content.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Commissioners of the Housing Authority, approve Amendment #1 to Attachment A of the Amended and Restated Moving to Work Agreement between the U.S. Department of Housing and Urban Development and the Housing Authority of the County of San Mateo and authorize the Director of Housing or his designee to sign Amendment #1 to Attachment A.

\* \* \* \* \*

Regularly passed and adopted this 31<sup>st</sup> day of March, 2009.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:

NONE

STATE OF CALIFORNIA } COUNTY OF SAN MATEO } ss. DAVID S. BOESCH, Clerk of the Board of Supervisors, does hereby certify that the above and foregoing is a full, true and correct copy of: <u>RESOLUTION No. 070000</u> entered in the minutes of said board. In Witness Whereof, I have hereunto set my hand and the seal of said Board this <u>31<sup>st</sup></u> day of <u>MARCH</u> , 20 <u>09</u> DAVID S. BOESCH, Clerk of the Board By <u>Marie L. Peterson</u> Deputy
---

Mark Church

President, Board of Supervisors  
County of San Mateo  
State of California

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

Marie L. Peterson  
Marie L. Peterson, Deputy  
Clerk of the Board of Supervisors

## AMENDMENT #1

Attachment A of the Amended and Restated Moving to Work Agreement between the U.S. Department of Housing and Urban Development and the Housing Authority of the County of San Mateo is repealed and replaced as follows:

### ATTACHMENT A

#### Calculation Of Subsidies

This *Attachment A* amends the calculation of subsidies stated in the Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) between the U.S. Department of Housing and Urban Development (HUD) and the Housing Authority of the County of San Mateo (Agency). HUD will provide the Agency with operating subsidy, capital funds, and Housing Choice Voucher Program subsidy as described below:

#### **A. Operating Subsidy**

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.
2. The Agency may use any current operating funds or accumulated operating reserves for eligible Moving To Work (MTW) purposes, subject to applicable provisions of the Restated Agreement.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

#### **B. Capital Funds Program**

1. The Agency's formula characteristics and grant amounts will continue to be calculated in accordance with applicable law and regulations.
2. For capital funds provided in years prior to the execution of this amendment, the Agency may submit, and HUD will, as permitted by law, approve a request to reprogram by grant year, any unobligated funds for eligible MTW purposes. Such requests will be made in accordance with current procedures governing amendments to the Annual Plan, except that no public consultation will be necessary prior to submission of the request.

3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

**C. Housing Choice Voucher Program (HCVP) Subsidy**

1. For purposes of the HCVP funding, the Initial Year is calendar year 2009 (January 1, 2009 through December 31, 2009).
2. For purposes of the HCVP funding, the base period for calculating initial funding is calendar year 2008 (January 1, 2008 through December 31, 2008).
3. All of the Agency's existing 4023 vouchers shall be classified as MTW vouchers. Any subsequent incremental allocations of Housing Choice Vouchers will be added to this total if the Agency decides to apply the incremental funding to their MTW Block Grant.
4. Initial year (CY 2009) HCVP housing assistance payment (HAP) funding will be calculated based on: (1) the sum of the MTW Budget Authority eligibility and the HCV HAP Budget Authority eligibility approved for CY 2008, and (2) adjusted by the Annual Adjustment Factor (AAF), and (3) by the applicable proration factor.
5. Subsequent years' HCVP HAP will be equal to the previous year's total HAP funding eligibility adjusted by the subsequent year's AAF and applicable proration factor.
6. Administrative fee funding for the 300 original MTW units has been and will be included in the MTW calculations set forth in section C.4., above. Administrative fees for the 3723 original Voucher units will be earned in accordance with applicable requirements and calculations, and said calculations will assume a 100% utilization rate. Should the agency receive additional Vouchers, administrative fees will be paid on these additional Vouchers in accordance with applicable requirements and calculations and as though leased.
7. All HCVP funds and Administrative Fee provided through the aforementioned funding calculations may be used for authorized purposes, subject to applicable provisions of the Restated Agreement and future appropriations statutes.
8. If the Agency receives incremental HCVP funding, the Agency will have the option to either apply the incremental funding to the Agency's MTW block grant or to keep the incremental funding separate, as provided by law.
9. Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW Agencies.
10. The Agency will continue to be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.

11. Any sum held by the Agency in the Net Restricted Assets account resulting from HCV and MTW funding as of December 31, 2008 shall remain available and may be used for authorized purposes. There will be no year-end settlement of annual funds provided for the HCVP subsidy.
12. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) as of December 31, 2008 shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.
13. Funding for Family Unification, 1 Year Mainstream, 5 Year Mainstream, Moderate Rehabilitation, and Veterans Affairs Supported Housing vouchers, whether new allocations or renewals of existing vouchers, shall not be included in the MTW Block Grant.

HOUSING AUTHORITY OF THE  
COUNTY OF SAN MATEO

BY: \_\_\_\_\_

ITS: DIRECTOR

Date: 4/6/09

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

BY: \_\_\_\_\_

ITS: Assistant Secretary

Date: \_\_\_\_\_



**Appendix Six**

**HACSM Moving-To-Work (MTW) Agreement**

## Amended and Restated Moving to Work Agreement

This Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) is entered into on this 08 day of April 2008 by and between the United States of America through the U.S. Department of Housing and Urban Development (HUD) and the **Housing Authority of the County of San Mateo** (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, on the 1<sup>st</sup> day of May 2000, HUD and the Agency executed an MTW Agreement, and on the 30<sup>th</sup> day of March 2006, HUD and the Agency executed an MTW Extension, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Restated Agreement, which hereby amends and replaces any Original MTW Agreement between HUD and the Agency; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

## **I. Statutory Authorizations**

- A. This Restated Agreement amends and replaces the Original MTW Agreement between HUD and the Agency. This Restated Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Restated Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
  1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
  2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
  3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Restated Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Restated Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Restated Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: Appropriations Acts,

competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this Restated Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Restated Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

## II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Restated Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.<sup>1</sup>

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)<sup>2</sup>, and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Restated Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Restated Agreement does not apply to Section 8 assistance that is required:
  - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
  - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

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<sup>1</sup> Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

<sup>2</sup> The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Restated Agreement.

### **III. Rent Reform Initiatives**

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

### **IV. Evaluation**

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
  1. The Agency is in compliance with this Restated Agreement.
  2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Restated Agreement; and
  3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Restated Agreement.

### **V. Amendments and Continuation of Activities**

- A. Amendment of this Restated Agreement. This Restated Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Restated Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Restated Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Restated Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Restated Agreement that the Agency wishes to continue beyond the expiration of the Restated Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Restated Agreement.

The extended features shall remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

## VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
  1. Operating Fund subsidies
    - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
    - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
  2. Capital Funds and Other Grants
    - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
      - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.



- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
  - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
- (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
  - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

## **VII. Administrative Responsibilities**

### **A. Annual MTW Planning and Reporting.**

#### **1. Annual MTW Plans**

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Restated Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
  - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
  - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
  - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act<sup>3</sup>;
  - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
  - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

## 2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

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<sup>3</sup> Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
  - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
  - f. All HUD forms and other reporting mechanisms required by this Restated Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Restated Agreement.

### **VIII. Termination and Default**

- A. If the Agency violates this Restated Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Restated Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Restated Agreement:
  1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
  2. Material misrepresentation in the application process that led to the Original MTW Agreement or this current Restated Agreement;
  3. Use of funds subject to this Restated Agreement for a purpose other than as authorized by this Restated Agreement;
  4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Restated Agreement;
  5. Material breach of this Restated Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
  2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
  3. Change the method of payment to the Agency;
  4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
  5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Restated Agreement;
  6. Suspend the MTW waiver authorization for the affected activities;
  7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
  8. Require reimbursement by the Agency to HUD for amounts used in violation of this Restated Agreement;
  9. Reduce/offset the Agency's future funding;
  10. Terminate this Restated Agreement and require the Agency to transition out of MTW;
  11. Take any other corrective or remedial action legally available; and/or
  12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Restated Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Restated Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.

HOUSING AUTHORITY OF THE  
COUNTY OF SAN MATEO

BY: 

ITS: Duane Bay, Director

Date: 4/9/08

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

BY: 

ITS: Assistant Secretary

Date: 12.20.07

**Attachment A**

**Calculation of Subsidies**

**Definitions in this Attachment**

Initial Year = The first Agency fiscal year in which the Agency begins operating under its MTW authority, which may be the same year as that in which the Agreement is executed.

MTW Units = Units authorized for participation in MTW activities, as provided in Section 1 of the Appendix to this Agreement.

**1. Scope**

The subsidy calculation mechanisms provided below apply only to the portion of the HA's assisted housing units that are included within the scope of the authorized demonstration ("MTW units"), as provided in Section 1 of the Appendix to the MTW Agreement.

**2. Methodology**

**Section 8 Tenant Based Assistance**

**Units Eligible for Inclusion**

Conversion of existing Section 8 certificates and vouchers to Moving to Work units will be conducted according to instructions provided by HUD. A list of Section 8 units eligible for inclusion in the block grant ("MTW units") upon execution of this Agreement will be provided by HUD along with the instructions.

**Calculation of Annual Subsidy**

Initial year of MTW Participation:

- a) An MTW per unit cost (PUC) will be calculated based upon a weighted average of Housing Assistance Payments (HAP) for 2, 3, and 4 bedroom units in the certificate and voucher programs experienced by HACSM following the establishment of the FY 1999 Fair Market Rent (FMR). The MTW PUC will also include all applicable administrative fees for MTW units. Inflation adjustments to the MTW PUC will be calculated in accordance with HUD policy for the calculation of renewals of section 8 tenant-based assistance.
- b) Multiply the MTW PUC by the total number of MTW units and the number of months [MTWPUC x MTW Units x 12] to arrive at a total MTW subsidy amount to be



disbursed that year

Second and Subsequent Years of MTW Participation:

- a) Multiply the total MTW subsidy from the previous year by the annual inflation factor established for the calculation of renewal of Section 8 contracts to arrive at the current year's inflation-adjusted subsidy.

**Reserves**

- a) An amount equal to two months' program costs (MTW PUC x MTW units x 2) will be made available from existing Agency reserves for use as project reserves for MTW-eligible units.
- b) There will not be a year-end settle-up of annual funds provided for MTW units. All funds provided through this calculation will remain available for authorized purposes until expended.

## Attachment B

**TO  
AMENDED AND RESTATED MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND  
AGENCY**

**Elements for the Annual MTW Plan and Annual MTW Report**

All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the Restated Agreement, and will follow the following order and format.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
<b>I. Introduction</b>	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.	B. Overview of the Agency's ongoing MTW goals and objectives.

## II. General Housing Authority Operating Information

Please provide the following:

### A. Housing Stock Information

- Number of public housing units planned;
- General description of any planned significant capital expenditures by development;
- Description of any new public housing units to be added during the year by development (specifying bedroom size);
- Number of units to be removed from the inventory during the year by development specifying the justification for the removal;
- Number of Housing Choice Vouchers (HCV) units authorized;
- Number of HCV units to be project-based, including description of each separate project;
- General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

### B. Lease Up Information

- Anticipated number of public housing units planned to be leased;
- Anticipated number of HCV planned to be leased; and
- Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing).

### C. Waiting List Information

- Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged);
- Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and
- Date the waiting list was last purged.

Please provide the following:

### A. Housing Stock Information

- Number of public housing units;
- Number of Housing Choice Vouchers utilized;
- General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

### B. Lease Up Information

- Number of public housing units leased;
- Number of HCV under lease; and
- Description of issues relating to any difficulties in leasing units (HCV or public housing).

### C. Waiting List Information

- Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year;
- Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and
- Date the waiting list was last purged.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
<b>III. Long-term MTW Plan</b>	
Describe the Agency’s long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency’s long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
<b>IV. Proposed MTW Activities: HUD approval requested</b> (provide the listed items below grouped by each MTW activity)	
<ul style="list-style-type: none"> <li>A. Describe each proposed MTW activity;</li> <li>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</li> <li>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</li> <li>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</li> <li>E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;</li> <li>F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and</li> <li>G. Describe the hardship policy (for rent reform initiatives only).</li> </ul>	<p>(All proposed activities that are granted approval by HUD will be reported on in Section V as “ongoing activities.”)</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
<p><b>V. Ongoing MTW Activities: HUD approval previously granted</b> (provide the listed items below grouped by each MTW activity)</p>	
<p>A. Describe each ongoing MTW activity applicable for the coming year;</p> <p>B. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years;</p> <p>D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years;</p> <p>E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued;</p> <p>B. Describe each ongoing and completed (within the FY) MTW activity;</p> <p>C. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>D. Analyze the actual impact of each ongoing MTW activity on the stated objective;</p> <p>E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance;</p> <p>F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;</p> <p>G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and</p> <p>H. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
<b>VI. Sources and Uses of Funding</b>	
<p>A. Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;</p> <p>B. Planned sources and expenditures by development;</p> <p>C. Description of changes in sources and uses of MTW funding from previously-approved plan; and</p> <p>D. Description of how funding fungibility is planned to be used, if applicable.</p>	<p>A. Unaudited Financial Statement;</p> <p>B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;</p> <p>C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;</p> <p>D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.</p>
<b>VII. Administrative</b>	
<p>The Agency will provide the following:</p> <p>A. Board Resolution adopting 50077-MTW, or equivalent form;</p> <p>B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;</p> <p>C. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable;</p>	<p>The Agency will provide the following:</p> <p>A. Results of latest Agency-directed evaluations of the demonstration, as applicable;</p> <p>B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and</p> <p>C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.</p>

<b>VIII. Reporting Compliance with Statutory MTW Requirements</b>																																																	
<b><u>Annual MTW Plan</u></b>	If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Restated Agreement, as determined by HUD in its review of the previous fiscal year’s Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.																																																
<b><u>Annual MTW Report</u></b>	<p>The Agency will provide the following:</p> <p>A. In order to demonstrate that the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved, the Agency will provide information in the following format:</p> <p style="text-align: center;"><b>Initial Incomes of Families Assisted by MTW</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Fiscal Year:</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Total number of newly admitted families assisted<sup>1</sup></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Number of families with incomes below 50% of area median</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Percentage of families with incomes below 50% of area median</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total number of newly admitted families assisted <sup>1</sup>												Number of families with incomes below 50% of area median												Percentage of families with incomes below 50% of area median											
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<sup>1</sup> “Total number of newly admitted families assisted” is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees’ income, just as they begin to receive housing assistance.

**VIII. Reporting Compliance with Statutory MTW Requirements, Continued**

**Annual  
MTW  
Report,  
cont.**

B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats:

**Baseline for the Number of Eligible Low-Income Families to Be Served**

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served <sup>2</sup>	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served				
Number of tenant-based Section 8 families served				
Total number of families served				

**Number of Low-Income Families Served**

Baseline number of families to be served (total number of families) <sup>3</sup>	
Total number of families Served this Fiscal Year <sup>4</sup>	
Numerical Difference <sup>5</sup>	
Percentage Difference	

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

<sup>2</sup> “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

<sup>3</sup> This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

<sup>4</sup> The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

<sup>5</sup> The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.



**VIII. Reporting Compliance with Statutory MTW Requirements, Continued**

**Annual  
MTW  
Report,  
cont.**

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats:

**Baseline for the Mix of Family Sizes to Be Served**

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes <sup>6</sup>	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person					
2 people					
3 people					
4 people					
5 people					
6+ people					
Totals					100%

Explanations for Baseline adjustments to the distribution of family sizes utilized

**Mix of Family Sizes Served**

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained <sup>7</sup>							100%
Number of families served by family size this Fiscal Year <sup>8</sup>							
Percentages of families served by family size this Fiscal Year <sup>9</sup>							100%
Percentage Difference							

Justification and explanation for family size variations of over 5% from the Baseline percentages:

<sup>6</sup> “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

<sup>7</sup> These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

<sup>8</sup> The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

<sup>9</sup> The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

**ATTACHMENT C****STATEMENT OF AUTHORIZATIONS****TO  
AMENDED AND RESTATED MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND  
AGENCY****A. General Conditions**

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Restated Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

**B. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers**

1. Single Fund Budget with Full Flexibility

*This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.*

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
  - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
  - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
  - iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
  - v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
  - vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
  - vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
  - viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
  - d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
  - e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

The Agency may partner with for-profit and non-profit entities, subject to 24 C.F.R. Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency ("Agency Partners"), to implement and develop all or some of the initiatives that may comprise the Agency's MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency's participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. *This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency's Annual MTW Plan.*

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency's Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency's public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency's Annual MTW Plan.*

### **C. Authorizations Related to Public Housing Only**

#### **1. Site Based or Geographic Area Waiting List System**

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

#### **2. Local Preferences and Admission and Continued Occupancy Policies and Procedures**

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the Amended and Restated MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

#### **3. Deconcentration Policy**

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

#### **4. Initial, Annual and Interim Income Review Process**

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

*Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.*

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

7. Simplification of the Development and Redevelopment Process for Public Housing

*This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.*

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*
10. Special Admissions and Occupancy Policies for Certain Public Housing Communities  
 The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*
11. Rent Policies and Term Limits  
 The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) 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 as necessary to implement the Agency's Annual MTW Plan.*
12. Design Guidelines  
 The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*



*necessary to implement the Agency's Annual MTW Plan.*

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

**D. Authorizations Related to Section 8 Housing Choice Vouchers Only**

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
  - d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
  - e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
  - f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
  - g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*
2. Rent Policies and Term Limits
- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization 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, as necessary to implement the Agency's Annual MTW Plan;*

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan;* and
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

### 3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan;* and
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

### 4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization 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 as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

7. Establishment of an Agency MTW Section 8 Project-Based Program

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

*Agency's Annual MTW Plan;*

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
- i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
  - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
  - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
  - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

## 8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

## E. Authorizations Related to Family Self Sufficiency

The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

**ATTACHMENT D**

**LEGACY AND COMMUNITY-SPECIFIC AUTHORIZATIONS**

**TO  
AMENDED AND RESTATED MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND THE  
HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO**

[The Agency does not have any legacy and community-specific authorizations. If, upon review by the Agency or as a result of public comments in the public process, changes are required to this section, HUD will work with the Agency to add language to ensure that this Attachment D serves the interests of all concerned parties.]

**Appendix Seven**

**Affordability Calculation Tool (2 examples)**



Housing Authority of the County of San Mateo  
 Tenant Rent Calculation and Affordability Worksheet

**Tenant Rent Calculation**

Tenant Name:	Betty Smith
Most current TTP from file:	\$200
Unit size:	3
Voucher size:	3
Contract Rent:	\$1,950
Utility allowance:	\$150
Tenant rent:	\$50
HAP	\$1,900

PS

0	1138
1	1399
2	1751
3	2337
4	2471
5	2841
6	3212
3	2337

**Affordability Test**

Tenant rent as percentage of monthly adjusted income per file:	30%
<b>Proceed if the percentage above is over 50%</b>	
Does the tenant receive foster care/adoption payments, earned income from full time students, or financial aid? If yes, enter the monthly amount, if no, enter "0".	\$0
The HA does not require reporting income increases between recerts, is the tenant actual income higher than the file indicated? If yes, enter the additional monthly amount and attached a statement from the tenant. If no, enter "0".	\$0
Tenant rent as percentage of actual monthly income:	30%
Tenant rent burden:	30%

667

**Tenant Meets Affordability Test**

HOS \_\_\_\_\_

Date \_\_\_\_\_

Supervisor \_\_\_\_\_

Date \_\_\_\_\_

Housing Authority of the County of San Mateo  
 Tenant Rent Calculation and Affordability Worksheet

**Tenant Rent Calculation**

Tenant Name:	John Thompson
Most current TTP from file:	\$326
Unit size:	2
Voucher size:	2
Contract Rent:	\$2,000
Utility allowance:	\$0
Tenant rent:	\$575
HAP	\$1,425

PS	
0	1138
1	1399
2	1751
3	2337
4	2471
5	2841
6	3212
2	1751

**Affordability Test**

Tenant rent as percentage of monthly adjusted income per file:	<b>53%</b>
<b>Proceed if the percentage above is over 50%</b>	
Does the tenant receive foster care/adoption payments, earned income from full time students, or financial aid? If yes, enter the monthly amount, if no, enter "0".	\$0
The HA does not require reporting income increases between recerts, is the tenant actual income higher than the file indicated? If yes, enter the additional monthly amount and attached a statement from the tenant. If no, enter "0".	\$0
Tenant rent as percentage of actual monthly income:	53%
Tenant rent burden:	<b>53%</b>

1087

**Supervisor Approval is Required**

HOS \_\_\_\_\_

Date \_\_\_\_\_

Supervisor \_\_\_\_\_

Date \_\_\_\_\_