



Housing Authority of the County of San Mateo

Moving to Work Annual Plan



**FY 2010
(July 2010 - June 2011)**

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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 standard HUD regulations, and the ability to explore new and innovative methods of expanding housing opportunities for 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, 2010 through June 30, 2011. This Plan also introduces long term plans and activities to be considered throughout the "10-year" 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 of HACSM in developing its MTW Program are the same as that of the Department of Housing and Urban Development:

Goal #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 in turn assists them in obtaining employment, securing reliable child care, completing educational goals, improving credit ratings, establishing savings, and participating in homeownership counseling. The vouchers for MTW Self-Sufficiency participants have a six-year time limit and successful graduates (those who have met their goals and/or participated in many of the self-sufficiency educational programs available to them) have the opportunity to receive an escrow fund balance at the end of their six-year term.

HACSM has also developed the "Housing Readiness Program" (HRP) (see Section VI, activity #2) to address the needs of chronically homeless families in San Mateo County. This program is built on the "housing first" model with specific support services provided by several recognized social service agencies in San Mateo County. The program is designed to provide an avenue for short term housing assistance, up to 36 months, for individuals and families who are already receiving supportive services.

Goal #2. Reduce program costs and achieve greater cost effectiveness

Effective July 1, 2009, HACSM reduced the frequency of program participant re-examinations for all elderly/disabled participants, simplified the verification process and subsidy calculation, and reduced the frequency of inspections for units that meet certain criteria. While still in the early implementation phase of these initiatives, HACSM has realized significant increases in administrative efficiency and subsequent cost savings.

Goal #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 in the initial implementation stages of the Tiered Subsidy Table (see on-going activity #9) which will inform families of the maximum subsidy HACSM will contribute to their total housing costs. With this initiative, HACSM expects that participants will be able to locate and secure housing in more diverse areas of San Mateo County and in a more timely fashion.

HACSM is committed to ensuring that residents, the community and other stake holders are involved in developing the Plan and ensuring policy changes. See Appendix Two for a summary of HACSM's public process.

The remainder of this MTW Annual Plan describes the approach and activities that HACSM plans to implement July 1, 2010, 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

Development	Type	Number of Units
El Camino Village	Family	30
Midway Village	Family	150*

* One unit is dedicated for use by the Resident Association

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

HACSM does not have plans for capital expenditures that exceed 30% of the capital funds budget.

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:

In 2010, HACSM will 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 voucher commitment 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.

Program	Unit Authorized
Housing Choice Voucher (Section 8)	4023
Family Unification	40
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), 384 are project-based. HACSM plans to increase the number of project-based vouchers from its allocated funding in the future.

Additionally, 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

Program	Anticipated Lease-Up Rate/Number of Units Leased	
Public Housing	98%	177
Housing Choice Voucher (Section 8)	98%	3943
Family Unification	98%	39
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 closed its Public Housing Program waiting list effective August 1, 2009. Since all public housing units are fully occupied at this time, only turnover units will need leasing activity.

Section 8 Housing Choice Voucher

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

The waiting list for the HCV Program is closed.

In January 2009, HACSM made application to HUD for 65 Family Unification Program (FUP) vouchers and was awarded 40 FUP vouchers in July 2009. HACSM has been reviewing its HCV waiting list and working with San Mateo County Families and Children Services to identify FUP-eligible families and youths for the program. The FUP program will remain open until the 40 awarded slots are filled.

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 an open and 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 works closely with the property owner to fill 100% of the Moderate Rehabilitation units which are located at a single apartment complex. During FY2010-2011, HACSM will explore the conversion of the mod rehab units to project based vouchers.

Note: Applicants for the Shelter Plus Care, Supportive Housing Programs, Family Unification, 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, Family Unification Program or the Housing Readiness Program.

Characteristics of Households on the Waiting Lists

Public Housing		
Waiting list total	2639	
Approximate Annual turnover	15	
	# of families	% of total families ¹
Elderly families	294	11.2%
Disabled families	606	23.0%
White/Non-Hispanic	389	14.8%
White/Hispanic	699	26.5%
Black/African American	954	36.2%
American Indian/Alaska native	85	3.3%
Asian	448	17.0%
Native Hawaiian/Other Pacific Islander	194	7.4%
Other	0	0%

¹ The total percentage is more than 100% because multiple characteristics apply to some families

Section 8 - Housing Choice Voucher		
Waiting list total	3429	
Approximate Annual turnover	240	
	# of families	% of total families ¹
Elderly families	279	8.14%
Disabled families	963	28.08%
White/Non-Hispanic	214	6.25%
White/Hispanic	836	24.39%
Black/African American	1645	47.97%
American Indian/Alaska native	182	5.31%
Asian	281	8.19%
Native Hawaiian/Other Pacific Islander	225	6.56%
Other	46	1.33%

¹ The total percentage is more than 100% because multiple characteristics apply to some families

Section 8 - Project-Based		
Waiting list total	4524	
Approximate Annual turnover	24	
	# of families	% of total families ¹
Elderly families	861	19.0%
Disabled families	1227	27.1%
White/Non-Hispanic	1618	35.7%
White/Hispanic	509	11.3%
Black/African American	1365	30.1%
American Indian/Alaska native	142	3.2%
Asian	685	15.2%
Native Hawaiian/Other Pacific Islander	249	5.5%
Other	0	0

¹ The total percentage is more than 100% because multiple characteristics apply to some families

Moderate Rehabilitation		
Waiting list total	1964	
Approximate Annual turnover	6	
	# of families	% of total families ¹
Elderly families	273	13.9%
Disabled families	532	27.1%
White/Non-Hispanic	444	22.6%
White/Hispanic	524	26.7%
Black/African American	680	34.7%
American Indian/Alaska native	62	3.2%
Asian	187	9.6%
Native Hawaiian/Other Pacific Islander	112	5.7%
Other	0	0

¹ The total percentage is more than 100% because multiple characteristics apply to some families

SECTION III– Non-MTW Related Housing Authority Information

(Optional)

HACSM functions as a component of the San Mateo County Department of Housing (DOH). DOH administers HUD/CPD funding (e.g., CDBG, HOME, EDI and Emergency Shelter Grant) for housing rehabilitation, down-payment assistance, fair housing, public services and affordable housing development. It also assumes a very active leadership role in policy and planning through a wide-range of countywide affordable housing initiatives, for example, serving as the administrative unit of HEART, the county's housing trust fund. DOH was created in 2005 to bring more strategic focus to countywide housing solutions. DOH gives highest priority to projects and programs that invest in economically sustainable long-term solutions that: build capacity in partner agencies and collaboratives; and/or strengthen service-rich, mixed-income, mixed-use neighborhoods near public transit; and/or make a transformational difference in the life-circumstances of a greater number of households.

As part of 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. For example, HACSM works closely with the HOPE Plan, the County's 10-year plan for ending homelessness. HACSM was an active partner in developing the comprehensive plan that was released in 2006 and participates in six different multi-agency Action Teams that are implementing the "housing first" philosophy of the HOPE Plan. HACSM created a new Housing Readiness Program, more fully described in Section VI, to address the fact that the address-based Section 8 wait-list notification procedures did not work for marginally housed county residents who could not maintain a stable residential address. Through a HOPE-related partnership of safety-net agencies, 60 time-limited vouchers are being made available to hard-to-house homeless families who do not meet criteria for the agency's other homeless housing programs, the Shelter Plus Care or Supportive Housing Programs.

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:

- **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 low income family's personal, educational, and financial growth opportunities.

- **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 implement its additional flexibility regarding project-based rules in two areas: an increase in the percentage of a project that may be project-based (currently restricted to 25%) and adjustments to project selection criteria and operating rules.

- **Vouchers for HOPE Plan***

A multi-year initiative by Housing Authority / San Mateo County Department of Housing to use federal rental assistance vouchers to advance the strategic objectives of the HOPE Plan*

**The HOPE Plan, San Mateo County's ten year plan to end homelessness, calls for the creation of almost 8,000 rental housing units for Extremely Low Income (ELI) households (i.e., annual incomes below 35% of area median income), 2,400 of which would be permanent supportive housing.*

Number of Vouchers

The Housing Authority will redirect up to 50% of voucher turn-over to project-based and provider-based uses until PBV/SBV expenditures reach 25% of total housing assistance (about 1,000 vouchers). Currently, 384 project-based vouchers are in use. The Housing Authority

projects this initiative will make 600 project-based/provider-based vouchers available at the rate of about 100 to 200 per year for 3 to 6 years.

Phasing

Phase 1 (FY08-09)	Pilot tenant-based voucher program appropriate to HOPE target population (Housing Readiness Program)
Phase 2 (FY09-10)	Proceed under current rules if/as feasible and advantageous to project. Solicit requests from projects that already meet all strategic criteria and preference criteria (see below).
Phase 3 (FY10-11)	Adopt new rules to facilitate both types of voucher programs, Project-Based and Provider-Based (see below). Select up to six pilot projects that will test both program types. Solicit requests for projects that meet strategic criteria (see below).
Phase 4 (FY11-12)	Refine the programs based on Phase 3 experience and issue subsequent RFPs.

Voucher Program Types (2)

Project-based	Project-based vouchers support units in Affordable Housing (AH) developments, including new construction, acquisition/rehab and/or conversion of existing AH units to supportive housing. Project-based units may be contracted for a maximum of 15 years (may be renewable). Assistance to tenants is not time-limited.
Provider-based	Provider-based vouchers are allocated to Supportive Housing (SH) program operators to secure units typically under master-lease at multiple locations, but possibly also in sites already operated by provider. Provider-based units may be contracted for a maximum of 15 years (may be renewable). Assistance to tenants may be time-limited, depending on providers' program designs and policies, subject to HACSM's approval.

Strategic Allocation

The Housing Authority will direct vouchers to strategic priorities. All new vouchers will serve HOPE Plan implementation, creating more affordable housing which includes supportive services. Each voucher will also serve additional priorities to the greatest extent feasible. Currently recognized strategic priorities include the following:

- Create more housing (new construction)
- Create more permanently affordable housing (new or rehab)
- Create more housing within walking distance of services, amenities and transit

- Create more housing for HOPE-eligible households (ELI or SH)
- Create more supportive housing (permanent or transitional, depending on needs)
- Retain public subsidy as some form of community-held asset (public or non-profit)
- Build system capacity in community program partners

Examples of Pilot Projects in Phase 3

The following are generic descriptions of pilot projects that might be tested during Phase 3:

New Transit-Oriented Development Project	Project-based vouchers assisting ELI and supportive housing units in a new transit-oriented affordable housing development*
"Housing First" Acq./Rehab	Project-based vouchers assisting supportive housing units for chronically homeless persons in an acquisition/rehab of an existing property*
Conversion of Units	Project-based vouchers assisting units in an existing affordable project that were adapted/ rehabilitated to serve a special needs population requiring supportive services*
Community-based Supportive Housing	Provider-based vouchers assisting supportive housing units in master-leased clustered and/or scattered site locations*

**Projects subsidized with any other federal subsidy (except for generic low-income housing tax credits) to cover all or part of operating costs would not be eligible for vouchers.*

SECTION V - Proposed MTW Activities

HUD approval requested

Activity #1: Institute a biennial inspection schedule for units under contract

A. Description of activity

Current HUD regulations mandate that the PHA inspect each unit under contract at least annually in order to ensure that housing rented by eligible families is decent, safe, sanitary and in good repair. HACSM proposes implementing a biennial inspection schedule for all units, with the provision to establish exceptions, such as annually inspecting units abated in the previous 12 months. Rather than implementing a one-size-fits-all inspection schedule, HACSM intends to design and implement a flexible schedule that allows HACSM to determine an inspection schedule that, based on set criteria, encourages and rewards landlords and families that maintain their units in good order by potentially inspecting their units biennially instead of annually. An example of qualifying eligible units would include those which have not gone through the abatement process in the previous 12 months and/or have a history of compliance.

Upon request by the family, landlord, or other third parties, HACSM will conduct complaint inspections as is done currently. In addition to regularly scheduled HQS inspections, HACSM will continue to conduct random quality control inspections to ensure that both landlords and families are abiding by the HQS requirements.

Although some units may have a biennial inspection schedule, the unit must at all times meet Housing Quality Standards while it is under contract.

HACSM will eliminate the "Multi-unit Development Sampling Inspection Process" and the "Owner's Self-certification for Minor Repairs", initiatives that were approved in the FY2009 Plan (See Section VI, Ongoing Activity #10), once the flexible inspection schedule is approved and implemented.

B. Relationship to a statutory objective

HACSM expects that the above activity will substantially reduce administrative costs and achieve greater cost effectiveness by reducing the number of inspections to be done annually. The activity will also increase housing choice for families by refocusing the agency's staff time to expand its owner outreach efforts.

C. Anticipated Impact on stated objective

HACSM has 4023 units under its HCV/MTW portfolio. Based on the current inspection data, at least 95% of the units qualify for the biennial inspection schedule. A reduction of close to 2000 annual inspections will translate to a savings of 2,000 hours of staff time annually. In addition, initiating a biennial inspection schedule has the potential of saving approximately \$26,400 in direct material costs associated with the annual inspection process.

HACSM does not anticipate an increase in the number of complaint inspection requests because of the new schedule. In the past, families have reported deficiencies as they occurred. There are no correlations between inspection schedule and complaint inspections.

By reducing the frequency of subsequent inspections after initial move-ins, HACSM will be able to re-focus its efforts on the more marginal units as opposed to well-managed, well-maintained properties. The time saved will enable HACSM to reallocate its resources to concentrate in areas such as rent negotiation, quality of inspections, and owner outreach. San Mateo County remains one of the highest rent areas in the country; HACSM staff will be able to use the time saved in assisting families in locating affordable units.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established December 2009)

1. HACSM has 4023 vouchers that require annual inspections under the current system. HACSM will select 42 annual inspections as the sample size for the time study. The sample size is based on a population size of 4023 with a 95% confidence level and 15% confidence interval.
2. The time study indicated that on average, the annual inspection for each subsidized unit (including all re-scheduled, and follow up inspections to confirm required repairs) requires approximately 62 minutes per unit. And, the average mileage per unit is approximately 17 miles.
3. Direct (material) costs associated with processing annual inspections, on average, are \$6.57 per inspection. Direct costs include: postage, paper, printing, copying, and fuel cost.
4. Owner outreach/education. Situated in one of the costliest rental markets, HACSM recognizes the need to expand its effort in owner outreach and education in order to assist program participants in locating suitable units in the county. Due to the high number of cases per housing specialist, currently, almost all of the staff time is devoted to conducting inspections (annuals, interims, and move-ins), leaving very little time to implement a comprehensive owner outreach and education program.

Benchmarks

1. Reduce the number of annual inspections by 1800.
2. Save 1,860 hours of staff time annually.

3. Save \$11,826 in direct costs.
4. HACSM expects to implement an owner outreach and education program that includes:
(1) Semi-annual owner information workshops, (2) 6 field visits to owners (new and existing) per month, (3) Entering at least 16 new comparables per month in the HACSM rent reasonableness data base.

Metrics and Schedule

1. Compare number of annual inspections before and after the new initiative.
2. Conduct time study to ensure sufficient time is spent to produce quality inspections.
3. Compare direct costs before and after the new initiative.
4. Compare the number of owner information workshops, field visits to owners, and track new rent reasonableness inputs before and after implementation of the new initiative.

E. Data collection process

1. Collect data each month from HACSM's computer system, tracking spreadsheets, and manual logs.
2. Calculate number of reduced inspections by taking the difference between the number of inspections under the new initiative and the number of inspections that would have been conducted under the annual inspection requirement. Comparison will be made between 2009 and 2010 data.
3. Calculate the staff time saved and direct costs saved based on that number.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D(5) and waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

Activity #2: Expand the Section 8 Project Based Voucher Program

A. Description of activity

Under the current regulations, the Project Based Voucher program allows a Housing Authority to project-base up to 20 percent of its Housing Choice Voucher (HCV) funding. The number of units that can be selected is limited to 25% of the units in a building except when the building is a single family home, has 4 units or less, or a multifamily building that is available to qualifying families only. Qualifying families are elderly or disabled families and families receiving supportive services. In addition, after 12 months, a participating family may move with continued assistance. A Housing Authority is required to issue a Housing Choice Voucher, if one is available, to the relocating family.

HACSM proposes to expand its Section 8 Project Based Voucher program in order to advance the strategic objectives of the County's ten-year plan to end homelessness (the HOPE Plan). The program expansion will include redirecting a higher percentage of the voucher budget than the current regulations allow for the purpose of creating additional project-based units, and to support provider-based units, targeted to extremely- and very low-income households who are homeless or at-risk of homelessness due to insufficient income, disability, domestic violence, or other cause. HACSM will use a portion of voucher turn-over to achieve this goal.

In an effort to secure long-term affordable units, leverage housing development funds, and expand housing opportunities for families with special needs, such as victims of domestic violence, with safe and enriched housing, HACSM will:

1. Adopt policies that allow up to 100% of the units in a multifamily building to be project-based.
2. Increase project-based funding up to 30% of its HCV budget authority.
3. Adopt policies that may require participating families to stay more than 12 months before they may move with continued assistance. Any continued assistance would be as a part of HACSM's MTW/FSS program, a six year time-limited program with self-sufficiency case management and the potential for increased savings via escrow accounts.
4. Adopt policies to determine the length of continued assistance under the provider-based program.
5. Adopt policies to select and award provider-based units to service providers through contracts between HACSM and service organizations.
6. Allow provider-based units to be within a single structure or in scattered sites, owned or leased by the provider.
7. Use the San Mateo County Department of Housing NOFA or other competitive process to solicit proposals and allocate units to qualified projects and/or providers.

B. Relationship to a statutory objective

HACSM expects that the above activity will increase housing choices for low-income families.

C. Anticipated Impact on stated objective

HACSM will increase its voucher budget allocation to the Project/Provider-Based programs. Currently HACSM has approximately 400 project based units. As a result of this initiative, HACSM is proposing to potentially increase the number of project based units to 1,200. These programs will be one of the major resources for the development of additional affordable housing units and will enable the County to meet the goals of the HOPE Plan, San Mateo County's 10 year plan to end homeless. HACSM recognizes that the number of available "traditional" HCV vouchers will be decreased as a result.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established December 2009)

1. As of December 15, 2009, HACSM has HAP contracts with 384 Project Based units. (Please note: All HACSM Project-Based Contracts are under the Project Based *Certificate* program. The contracts were executed prior to the implementation of the Project-Based Voucher program.)
2. Based on the current HAP costs, as of December 15, 2009, HACSM spends approximately 7.4% of the HCV budget authority, (\$3,600,000) on the Project Based program.
3. Currently HACSM works with 4 Supportive Service providers and assists 60 participants with services-enriched housing.

Benchmarks

1. Increase the number of Project/Provider-Based contracted units by approximately 100 units in FY2010-2011.
2. Increase percentage of funding allocation by approximately 2% (approximately an additional \$950,000 annually).
3. Through leveraging of funds with supportive service agencies, HACSM expects 30% increase (100 participants) in the number of households served, with services-enriched housing.

Metrics and Schedule

1. Compare number of Project/Provider-Based units before and after the new initiative.
2. Compare funding allocation before and after the new initiative.
3. Compare the number of households served, with service-enriched housing provided by supportive services providers.

E. Data collection process

1. Add to HACSM existing software application additional project IDs and assign a project ID to each project or provider.
2. Track number of units and HAP expenditure under each project or provider.
3. Track family characteristics under each project or provider.
4. Use other software applications or manual logs to create quarterly reports to summarize item 2 and 3 above.
5. Monitor wait time for the “traditional” HCV waiting list.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM’s MTW Agreement, Attachment C, Paragraph D, 7 (a) (b) (c) and waives certain provisions of Sections 8 (o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102, and CFR Part 983

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

Activity #3: Revise Eligibility Standards

A. Description of activity

Currently, there are no asset limits in the determination of initial or on-going eligibility for the Section 8 voucher program. PHAs must calculate and include the income from assets in determining eligibility and rent portions. HACSM is proposing to apply an asset value limit for all new applicants and participants. If an applicant has assets valuing more than \$100,000, or a present ownership interest in a suitable home in which they have a legal right to reside, they would be determined ineligible for the program. If, after implementation of this activity, a participant has experienced an increase in assets, valuing more than \$100,000, or gained ownership interest in real property in which the participant has a legal right to reside, the participant would be determined ineligible for continued assistance. This determination would be made through the annual recertification process.

HACSM is in the process of developing a hardship policy to address households in a protected class who may be unreasonably affected by this proposal.

B. Relationship to a statutory objective

By streamlining the eligibility standards, HACSM expects to be able to further increase the housing choice for low income households through the Section 8 voucher program.

C. Anticipated Impact on stated objective

HACSM expects that by implementing an asset value limit at the time of initial eligibility or recertification, HACSM will increase the agency administrative efficiencies and process applicants in a more timely manner. HACSM also expects that as a result of this initiative, more applicants will be moved off of the waitlist and assisted with their housing needs because others with substantial assets were not admitted to the program or eligible to receive continued housing subsidy.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established June 1, 2009 – December 31, 2009)

1. Currently HACSM has 35 participants with assets valued over \$100K, one of which was admitted to the program during calendar year 2009.
2. During calendar year 2009, HACSM conducted 171 initial eligibility appointments from a waitlist of 3,600.

Benchmarks

1. HACSM expects a 100% reduction in applicants admitted to the program with assets valued over \$100K.
2. HACSM expects a 5% increase (approximately 10 additional appointments) in the number of initial eligibility appointments completed.
3. HACSM expects a 5% increase (approximately 10 additional applicants) will be moved off the waitlist and given the opportunity to have housing assistance.

Metrics and Schedules

HACSM will monitor and track, at least annually, the number of applicants (who are not eligible due to this initiative), and on-going participants with assets valued over \$100K.

E. Data collection process

HACSM will maintain and review, at least annually, electronic data on participants and applicants in regards to their asset values.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D(3), (a) and 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

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

Activity #4: Eliminate 100% excluded income from the income calculation process.

A. Description of activity

In support of the MTW goal of achieving increased cost effectiveness in its operation, HACSM will not verify, count or report income that HUD specifies as 100% excluded from the income calculation process. Examples of 100% excluded income are food stamps, income from minors, and foster care payments. HUD regulation 24 CFR 5.609 (c) provides a complete list of all income sources that HUD specifies to be excluded when calculating a family's annual income. Because this income is excluded from the income calculation process, it does not affect the amount of a family's rental assistance.

Although HUD regulates which income must not be included when calculating rental assistance, the HUD-50058 requires HACSM to report all family income, including income that is excluded from the rental assistance calculation process. Given the numerous sources of 100% excludable income, the cost and time related to verification and calculation on the 50058 of excluded income is significant and causes unnecessary administrative and financial burdens to the agency. The verification and reporting of income that has no effect on the amount of housing assistance a family receives also invites unnecessary errors in the reporting and calculation process.

It is important to note while HACSM is proposing to eliminate excluded income from the income calculation process, some sources of excluded income may continue to be considered as a result of On-Going Activity #3 – Elimination of 40% Affordability Cap at Initial Move In. A few of the excluded incomes are monetary in nature (i.e. adoption assistance payments, foster care payments, wages of full-time students over 18) and may contribute to HACSM's approval of a family renting a unit over 40% of their adjusted monthly income.

B. Relationship to a statutory objective

The proposed activity produces administrative efficiency and staff cost savings by eliminating the process of verifying, reporting, counting and then excluding income that has no bearing on the amount of housing assistance calculated.

C. Anticipated Impact on stated objective

HACSM anticipates that this activity will reduce administrative costs, increase staff productivity, and help improve accuracy of family income calculations.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established December 2009)

1. There are 1021 participant families that receive one or more types of income that are excluded from the income calculation process.
2. HACSM spends approximately \$7.28/file verifying and calculating 100% excluded income. This time equates to salary costs of approximately \$7,400 annually.

Benchmarks

1. HACSM expects a 95% decrease in the collection of tenant reported income from excluded sources.
2. HACSM expects a 75% reduction of hours per year in staff time for this activity, representing approximately \$5,575 in salary costs savings as a result of not processing and calculating 100% excluded income.

Metrics and Schedules

1. Comparison of time spent on activity under the current process versus the proposed MTW activity.
2. Comparison of total administrative costs for activity under the current process versus the proposed activity.

E. Data collection process

1. Collection of information on the number of families receiving one or more types of fully excluded income.
2. Annual analysis of the amount of staff time spent on processing and calculating excluded income.

F. Authorizations based on Attachment C

This proposed activity is authorized in HACSM's Moving to Work Agreement, Attachment C, Paragraph D (1) (c) and Attachment C, Paragraph D (3) (b) and waives certain provisions of Sections 8 (o) (5) of the 1937 Act and 24 CFR 982.516, and 982 Subpart E

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

Activity #5: Eliminate the requirement to complete new HAP contract with utility responsibility changes

A. Description of activity

CFR 982.308 (g) (2) (i) requires PHAs to execute a new HAP contract with the owner if there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances. HACSM plans to eliminate the requirement of executing a new HAP contract with the owner. Instead, upon receipt of a written notification from the tenant or the owner detailing the changes, HACSM will review the contract rent to ensure its rent reasonableness, adjust the tenant portion of rent and HAP payment if applicable, and confirm the changes by issuing a rent change notice.

It is important to note that this initiative would only apply to participants who have a HAP contract in place at the time the initiative is implemented and who do not relocate. All other new, or relocating, participants would immediately be entered into the Tiered Subsidy Table (TST) program. Due to the design of the TST initiative, the utility responsibilities are already factored in to the housing assistance, whether or not the participant or owner is responsible. For additional information on the TST program, please see on-going activity #9.

B. Relationship to a statutory objective

Reduce costs and achieve greater cost effectiveness

C. Anticipated Impact on stated objective

HACSM expects that the above activity will substantially reduce administrative costs and achieve greater cost effectiveness by reducing the amount of staff time and paperwork in processing utility or appliance changes.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established January 1, 2009 – December 31, 2009)

1. 34 HAP contracts were executed prior to the new policy.
2. 34 hours required to prepare and process utility or appliance changes (1hour/contract).

Benchmarks

1. There will be no HAP contracts executed for utility or appliance changes, representing a 100% reduction.

2. HACSM expects an 80% (approximately 27 hours at a rate of 12 minutes/contract) reduction in staff time required to prepare and process utility changes.

Metrics and Schedules

Compare number of new contracts executed due to utility changes before and after the new initiative.

E. Data collection process

1. Collect data on utility or appliance change requests.
2. Document time spent on processing utility or appliance changes under the new policy.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section D(2)(b) and waives certain provisions of Section 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451, and 983 Subpart E

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

Activity #6: Apply Current Payment Standards at Interim Reexaminations

A. Description of activity

Current HUD regulations require that when the payment standard increases during the term of the HAP Contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family at the family's first regular reexamination on or after the effective date of the increase in the payment standard. If the payment standard decreases during the term of the HAP Contract, the lower payment standard generally will be used at the family's second regular reexamination following the effective date of the decrease in payment standard.

In addition, irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Under HACSM's biennial reexamination schedule for elderly and disabled households (see On-Going Activity #6), reexaminations are now conducted every two years. In addition, other families report changes in family composition that may impact the payment standard used. The long span of time between reexaminations may create a financial hardship for families who experience a decrease in their income or a higher HAP cost for HACSM for families who experience an increase on the contract rent that would result in an interim adjustment. If HACSM continues to apply the payment standard used at the time of the last reexamination, the family may experience a higher rent burden for a longer time. Additionally, using current payment standards will eliminate HACSM's responsibility of having to track which payment standard is correct and alleviate the confusion and inconsistency in determining the family's first regular reexamination on or after the effective date of the increase in the payment standard or the family's second regular reexamination following the effective date of the decrease in payment standard.

To reduce the family's rent burden and eliminate the confusion among staff and to increase housing choice for families, HACSM proposes to apply the current payment standard to the calculation of the monthly housing assistance payment at whatever time the action is being processed (i.e. interim reexaminations, annual reexaminations). HACSM will continue to give the family at least 30 days notice of the rent increase in the event the family's rent portion increases as a result of this proposal.

It is important to note that this initiative would only apply to participants who have a HAP contract in place at the time the initiative is implemented and who do not relocate. All other new, or relocating, participants would immediately be entered into the Tiered Subsidy Table (TST) program. For additional information on the TST, please see on-going activity #9.

B. Relationship to a statutory objective

HACSM anticipates that this activity will reduce administrative costs, increase staff productivity, and help improve accuracy of family income calculations.

C. Anticipated Impact on stated objective

HACSM anticipates that the proposed activity will increase staff productivity and accuracy while addressing household changes in a more timely and cost effective manner. In some cases increased assistance may allow the family to remain in their home, sparing them the expense and inconvenience of moving and relieving HACSM of the administrative burden of processing their move to another unit.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established January 2009 – December 2009)

1. HACSM processed a total of 90 interim reexaminations during the month of November 2009. When annualized, HACSM processed, on average approximately 1080 interim reexaminations in the last 12 month period.
2. HACSM experienced approximately a 1-2% rate of error in the application of an incorrect payment standard in files reviewed by the Quality Assurance Unit. When applied to all 4023 vouchers, that rate would reflect approximately 80 files annually that were processed, and would require correction of the payment standard.

Benchmarks

1. HACSM expects that the average number of interims to remain constant during the next calendar year.
2. HACSM expects that the rate of errors in the application of payment standards to be reduced to less than 1% (approximately 40 files) due to this initiative.

Metrics and Schedules

1. HACSM will compare the number of interim appointments required during the 12 month period before and after the implementation of this initiative.
2. HACSM will continue to monitor the file review error rate during the file review process before and after implementation.

E. Data collection process

HACSM will review information obtained from the interim reexaminations and Quality Assurance Unit at least annually.

F. Authorizations based on Attachment C

This proposed activity is authorized in the HACSM Moving to Work Agreement, Attachment C, Paragraph D (1)(c) and Paragraph D (2)(a) and waives certain provisions of Section 8 (o) (1), 8 (o) (2), 8 (o) (3), 8 (o) (5) and 8 (o) (13) (H)-(I) of the 1937 Act, and 24 CFR 982.503, 24 CFR 982.505 (5), 24 CFR 982.508, 24 CFR 982.516 and 24 CFR 982.518 as necessary to implement HACSM's MTW Plan

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.

SECTION VI – On-Going MTW Activities

HUD approval previously granted

In April 2008, HACSM signed HUD's MTW "Standard Agreement" which extended HACSM's original MTW contract to the year 2018 and expanded the potential MTW flexibilities to all HCV vouchers and public housing programs.

HACSM's original MTW program consisted of a designated carve out of 300 vouchers. The original agreement allowed HACSM to implement the following activities, which continue to be key components of the MTW/Self-Sufficiency (300 voucher) program:

- Housing assistance is limited to a six-year term
- Participation in the HACSM's Family Self-Sufficiency program is mandatory
- No limits on the percentage of household income which could be spent on housing costs
- Escrow accounts are established for families whose experience in increase in their earned income, complete educational programs, increase their credit score, or participate in a HACSM sponsored financial planning and educational program

Following the Executive Summary is a breakout of each activity, its intended purpose, and any anticipated changes in the coming year.

Executive Summary:

On-Going Activities	Date First Implemented	Update	Anticipated Changes
1) MTW/FSS Program (in coordination with community self-sufficiency partners)	5/1/2000	Still in effect	Modify program term eff. 7/1/2010
2) Housing Readiness Program (in coordination with community supportive services providers)	7/1/2008	Still in effect	Increase # of slots
3) Elimination of 40% affordability cap at initial move in/lease up	5/1/2000	Expanded to entire HCV program July 2009	None
4) Escrow Accounts	5/1/2000	Simplification of escrow calculation and implement same calculation process for MTW/FSS and HCV/FSS programs effective July 2009	None

On-Going Activities	Date First Implemented	Update	Anticipated Changes
5) Expand usage of project-based vouchers at HACSM developments undergoing disposition process	7/1/2008	Awaiting HUD approval of the Demo/Dispo application.	None
6) Biennial re-certification schedule for elderly/disabled households	7/1/2009	Still in effect. Currently in the implementation stage.	None
7) Simplify Rent Calculation Process	7/1/2009	Still in effect. Currently in the implementation stage.	None
8) Simplify Third-Party Verification Process	7/1/2009	Still in effect. Currently in the implementation stage.	None
9) Tiered Subsidy Tables	1/1/2010	Still in effect. Currently in the initial implementation stage.	None
10) Simplify HQS Processes	7/1/2009	Still in effect. Currently in the implementation stage.	None
11) Eliminate competitive process for allocation of Project Based vouchers to formerly public housing units	1/1/2010	Awaiting HUD approval of the Demo/Dispo application.	None
12) Waive 12 month stay requirement for residents in formerly public housing units converted to project based units	1/1/2010	Awaiting HUD approval of the Demo/Dispo application.	None

On-Going Activities	Date First Implemented	Update	Anticipated Changes
13) Accept lower HAP for in place Public Housing residents, at conversion to PBV	1/1/2010	Awaiting HUD approval of the Demo/Dispo application.	None
14) Establish flat or market rate policy for over income Public Housing residents at conversion of Public Housing units to Project Based units	1/1/2010	Awaiting HUD approval of the Demo/Dispo application.	None
15) Single block-grant formula for all MTW programs	7/1/2008	Still in effect. Awaiting HUD approval of Amendment #1 of Attachment A.	None

On-going Activity #1: MTW/FSS Program (in coordination with community self-sufficiency partners)

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.

HACSM plans to modify the maximum time for assistance to five years for families that are admitted to the program after 7/1/2010.

B. Update on the status 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.

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.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #2: MTW Housing Readiness Program

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

HACSM received approval for a new program, "Housing Readiness" in its 2008-2009 MTW Annual Plan and began implementation in January 2009.

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 do 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 alternative affordable housing programs, managed by other community partners. This program responds to critical needs identified in San Mateo County's HOPE Plan, a comprehensive 10-year plan to end homelessness and follows the "housing first" strategy. The program includes formal research components via the HUD Homeless Management Information Systems (HMIS).

HACSM plans to allocate additional vouchers during FY2010 to assist an additional 20 homeless individuals and families. The 60 vouchers used during FY2009 were funded from the original 300 MTW voucher allocation. The additional 20 vouchers planned for FY2010 will be funded through the HACSM HCV program.

B. Update on the status of the activity

The Housing Readiness Program began processing applicants for eligibility in December 2008 and all 60 vouchers are currently utilized. We look forward to reporting back next year as to the impact of the program.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM has entered into a research study with a Master's in Public Policy Degree graduate student in from Mills College. The design of this study is to review the demographics of the

60 participants, the activities of the referring supportive service agencies, and the resulting success of participants.

The results of this research study should be concluded in early 2010 and provide HACSM the evaluation tools for any necessary program re-design.

On-going Activity #3: Elimination of 40% Affordability Cap

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

In 2000, the original MTW contract 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 traditional 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 original MTW participants. Rent reasonableness standards remain in effect and all contract rents are subject to a rent reasonableness determination, by HACSM.

In July 2009, HACSM expanded this initiative to all HCV households.

HACSM continues to play 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 exceeds 50%.

B. Update on the status of the activity

For the original MTW/FSS Participants, 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.

Since July 2009, with the expansion of this initiative to all HCV voucher holders, 53 new and/or relocating voucher holders have moved into units with tenant rent portions greater than 40%. As described above, HACSM worked with each family to determine overall affordability, rent reasonableness, and review of the family's on-going responsibilities. As of December 2009, no participants have been evicted or terminated due to non-payment of rent as a result of this increased flexibility. HACSM is continuing to actively monitor families who move into units at more than 40% of their monthly adjusted income.

- C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

- D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #4: Escrow Accounts

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

MTW participants (from the original 300 carve out) are required to participate in the FSS program, which includes the use of escrow accounts to encourage savings and increased self-sufficiency.

B. Update on the status 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.

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

In July 2009, HACSM modified 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. Additionally, HACSM created the same calculation method for both the MTW FSS and HCV FSS programs further streamlining the administrative processes for both programs.

To receive the escrow savings at the end of their participation, FSS participants 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.

FSS participants 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 provided that 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 escrow amounts are calculated and credited at the end of the FSS Contract term, interim withdrawals are eliminated.

Due to the six year contract of participation, and the fact that most FSS participants joined the program in 2008, HACSM is not able, at this time, to give specific information on the impact of this program change.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #5: Expand usage of project-based vouchers at HACSM developments undergoing disposition process

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

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

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

HACSM will submit a disposition application to HUD in early 2010 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 commitment of maintaining all of the housing units at an affordable level.

B. Update on the status of the activity

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 permissible.

HACSM is in the process of forming an HACSM-affiliated non-profit entity.

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. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #6: Institute biennial re-certification for elderly and/or disabled HCV households

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

In July 2009, HACSM initiated a biennial re-certification schedule for all elderly and/or disabled HCV households. At that time, 1873 voucher holders, approximately 48% of the HCV participant families, qualified as elderly or disabled families. Current HUD regulations mandate annual eligibility recertification for all HCV households. These appointments involve an abundance of paperwork and detail on the part of HACSM staff and 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. By initiating a biennial recertification schedule, HACSM anticipated a 24% time savings and substantial cost savings in the overall HCV program recertification process.

HACSM expects that this initiative will also have the potential to assist elderly and disabled families to rent higher quality units and achieve greater self-sufficiency. Elderly and disabled families who lose a source of income or experience a change in family composition will continue to be eligible for an interim recertification to adjust their rent portion, between biennial re-certifications.

B. Update on the status of the activity

HACSM implemented the biennial schedule for elderly/disabled participants, July 1, 2009, beginning with the October 2009 re-certification appointments. Due to the transition process, the full implementation will not be completed until 2012. To date, HACSM staff have found this initiative very helpful for the timeliness of their work and a relief for the participants. Due to the significant financial challenges with the California economy, many participants who qualify for biennial re-certification appointments have also experienced decreases in their SSI/SS benefits as well as decreases in other state funded programs. HACSM staff were able to better keep up with the requests for interim appointments due to this initiative.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #7: Simplify Rent Calculation Process

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

In July 2009, HACSM implemented several modifications to the current rent calculation policies and procedures to create a more transparent process for participants, a streamlined and more efficient practice for HACSM and overall improvement in the accuracy of the calculations.

○ Standardize Utility Allowances by Unit Size

HACSM delayed the implementation of the standard utility deduction initiative.

○ Change the Definition of Income

HACSM proposed 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. HACSM also eliminated the imputed asset rate calculation and for rent calculations, simply used the actual interest earned.

As part of this activity, HACSM also eliminated the Earned Income Disallowance (EID). Due in part to the biennial recertification timeline for elderly and disabled families, an individual who is eligible for EID will essentially receive a 100% disallowance of employment income through this new schedule and HACSM's current interim policy.

B. Update on the status of the activity

HACSM is still in the initial implementation of this initiative. The full implementation will require a minimum of two years, due to the biennial re-certification schedule for all elderly/disabled households.

Due to the implementation of "On-going Activity #9 – Tiered Subsidy Tables" HACSM is continuing to delay its request to implement a standard utility deduction based on unit size.

As a result of the new Proposed Activity #4, eliminating 100% of excluded income from the rent calculation process, HACSM has not moved forward with including previously excluded income sources in the rent calculation process. Again, applying both of these initiatives would be counter-productive to the goal of decreasing program complexity and increasing administrative efficiencies and cost savings.

As of December 2009, HACSM has not received any hardship requests due to the elimination of the Earned Income Disallowance (EID). Most participants who would be

eligible for this disallowance are already receiving financial benefit, and the potential to increase their savings, as a result of the biennial recertification schedule for elderly/disabled households.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #8: Simplify Third-party Verification Processes

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

Effective July 1, 2009, HACSM implemented a simplified 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. HACSM has continued to use the Enterprise Income Verification (EIV) system for verification of participant identity, wage, and assistance benefits.

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

HACSM increased the threshold at which assets require third-party verification from \$5,000 to \$50,000 for all HCV programs. In place of third-party verification, HACSM began accepting the family provided documentation including, current statements from the financial institution(s) showing the balance of the asset account(s).

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

- **Streamline verification of eligible medical expenses**

HACSM instituted 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.

Eligible families who claim medical expenses are now 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 is also randomly selecting 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 instituted 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.

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, are no longer acceptable.

To reduce cases of over-reporting child care expenses and potential fraud, HACSM may require participating families to provide copies of their Federal tax return, if available, for proof of child care expenses claimed. HACSM is also randomly selecting 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**

HACSM has increased the timeline for verification documentation to 120 days for HCV applicants and participants.

B. Update on the status of the activity

Simplifying the third-party verification process immediately increased administrative efficiencies due to the more streamlined process for handling of files and has accelerated the timeline for tenant's participation. This initiative, as with many of the others, will not be completely implemented until 2012 due to the biennial re-certification schedule.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #9: Institute Tiered Subsidy Table (TST)

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

In an effort to complete a rigorous impact study, HACSM delayed the start of this initiative. HACSM amended its Annual Plan, with a full public process during the fall of 2009, and received HUD approval, effective January 1, 2010.

As of January 1, 2010, HACSM began the implementation of a TST (*see Appendix Six*) for all HCV applicants and relocating participants, Project Based participants, and the original MTW program 300 voucher participants, based on their voucher bedroom size and annual adjusted 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, and disability assistance). For mixed families (ie: households with ineligible family members), the subsidy is prorated based on the number of eligible and ineligible family members.

Each TST (one for Project Based Properties and one for Tenant Based Properties), includes HACSM's total contribution to the participant's housing costs, rent and utilities. As a result of this policy change, HACSM will no longer make separate Utility Assistance Payments (UAP) to participants. HACSM will continue to support the participant's total housing costs, rent and utilities, through the subsidy provided on the TST. The utility cost to participants has been factored into the subsidy amount per bedroom size.

As a result of this initiative, HACSM will no longer be utilizing Payment Standards for the identified group, but will use the Fair Market Rent (FMR) schedule and utility usage analysis, to establish the subsidy amounts. Due to this initiative, HACSM has created an alternative RTA form, HAP contract, and Voucher form agreement.

B. Update on the status of the activity

At the time of this report, HACSM is in the very early stages of this activity, including staff training, participant and landlord outreach and technology transition. HACSM expects that full implementation will not be attained until 2013-2014 due to the biennial re-certification schedule for all elderly/disabled households.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #10: Simplify HQS Inspection Process

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

Effective July 2009, HACSM implemented several initiatives to simplify the annual HQS inspection process, including: reducing the total number of units inspected each year, implementing a self-certification process for certain fail items, and allowing HACSM to inspect units at HACSM-owned properties.

○ Sampling of Multi-unit Developments

For owners with ten or more subsidized Section 8 units in their development 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 selected a 25% random sample of units for inspection. Upon completion, when the 25% random sample met HQS, the owner was given the opportunity to self-certify that the remaining units met the same standards and no further inspections were performed in that year. Subsequent to the initial inspection, the Quality Assurance unit conducted QA inspections on a random sample of all subsidized units (both recently inspected and non-inspected) within the complex.

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

○ Self-Certification for Repairs

Effective July 1, 2009, HACSM implemented an initiative allowing 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.

○ HACSM to inspect HACSM-owned properties

Effective July 1, 2009, HACSM began to inspect HACSM-owned or affiliated properties. Quality Assurance inspections continue to be performed as a part of this initiative.

B. Update on the status of the activity

Effective July 1, 2009, HACSM began the initial implementation of the above activities. To date, all multi-unit developments have been inspected and the QA department is in the process of completing their inspections.

While the ability of owners to self-certify minor repairs is an incentive for owners and a time saving feature for HACSM, in practice, HACSM inspectors have found that most units requiring re-inspection have a combination of repair needs, and do not qualify for owner self-certification. HACSM will continue to monitor this initiative and report back its' effectiveness in the August 2010 report. If the results of this initiative do not meet the proposed benchmarks and the HACSM staff do not realize the potential benefits, HACSM is planning to review and possibly discontinue the initiative as of July 1, 2010.

The full implementation of this initiative should be completed by June 2010.

It is important to note, HACSM has proposed a new MTW activity, "Institute a biennial inspection schedule for units under contract," for July 1, 2010. If this activity is approved and implemented, HACSM will discontinue the "Multi-Unit Inspection Sampling" as it would increase the administrative processes to run both initiatives.

HACSM is also proposing the modify its ability to self-inspect it's owned or affiliated properties to include the provision that HACSM is not required to submit a copy of each inspection to the HUD Field Office. HACSM maintains all required paperwork as part of its records retention program policies and can provide any paperwork as needed, or requested by the HUD Field Office. By implementing this initiative, HACSM will be able to further streamline its program and increase its fiscal conservancy.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #11: Eliminate the competitive process for allocation of Project Based Vouchers (PBV) to former public housing units

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

Effective January 1, 2010, HACSM will allocate project-based vouchers to its former public housing units without the use of a competitive process. The initiative is designed to enable HACSM to allocate project-based vouchers for up to 100% of former public housing units.

Currently HACSM operates two public housing developments: Midway Village, a 150 family unit complex located in Daly City and, El Camino Village, a 30 family unit complex located in Colma. The proposed activity will allow current public housing residents to maintain essentially the same rental subsidy benefits due to the fact that the Section 8 voucher rent calculation process is very similar to that used to compute rent in public housing. In addition, the residents will enjoy the positive impact of being able to use the voucher program's relocation feature to move to a different rental property if they so choose. This benefit is even more pronounced in the case of the Midway Village family development due to its long history as a remediated toxic soil site and the strong desire expressed by some residents to have a voucher in order to relocate.

The proposed amendment will also reduce costs and increase cost effectiveness by reducing the administrative burden and direct costs normally associated with developing and issuing an extensive Request for Proposals (RFP), reviewing and processing the applications submitted, and waiting for HUD's review and approval of the HACSM-owned project. Cost effectiveness will also be achieved with respect to HACSM's planned disposition of its public housing units, as the proposed activity will be critical in helping HACSM create a stable and reliable financial outlook for these units that will provide timely maintenance and upgrades and preserve the affordability of these units for the residents.

B. Update on the status of the activity

HACSM will submit its demo/disposition application in early 2010.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #12: Waive the 12 Month minimum stay requirement in Project Based Voucher rules for residents in public housing units at the time of the issuance of replacement vouchers

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

Effective January 1, 2010, with the approval of HACSMs' demo/dispo application, HACSM will be able to offer residents of public housing units that are undergoing disposition from public housing status and who will receive PBV assistance, the option to relocate immediately or at any time thereafter, using a tenant transfer voucher. Existing public housing residents at the time of disposition will not be required to stay in their unit for 12 months after conversion to PBV assistance to receive the tenant transfer voucher.

- B. Update on the status of the activity

HACSM will submit its demo/disposition application in early 2010.

- C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

- D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #13: Accept lower HAP by modifying PBV rules for in-place residents at former Public Housing Developments

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

Effective January 1, 2010, HACSM has the ability at the time of disposition, to determine that if a public housing resident is residing in an oversized unit and HACSM does not have the proper size unit available for the resident to relocate, HACSM will accept a lower HAP based on the unit size the resident qualifies for and not the actual unit size it is occupying. This policy will ensure residents that remain in former public housing units after disposition, and who are "over-housed", i.e. occupying units that have more bedrooms than permitted under voucher unit size rules, have continued access to housing assistance in their current unit. However, as is the current policy, as units of the appropriate size become available at the subject project based property, the over-housed resident will be required to move into the newly available unit.

By having this flexibility, due to the MTW program, HACSM will be further able to ensure that public housing residents at the time of disposition would not have any loss of benefit.

B. Update on the status of the activity

HACSM will submit its demo/disposition application in early 2010.

C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #14: Establish flat rent or market rate policy by modifying PBV rules for in-place residents at former Public Housing Developments

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

Effective January 1, 2010, HACSM has the permission from HUD, to permit residents of public housing undergoing the disposition process that are not eligible to receive a voucher due to their exceeding the income limitations of the voucher program to have the option to remain in the unit at the higher of the flat rate or market rate for the unit.

Residents, who at the time of disposition are over the HCV income eligibility limits, may remain in the same unit for a maximum of 12 months. In addition, should the former resident's income level in the subsequent six months (after vacating the public housing development) decrease to a level that they would be income eligible, they will be allowed to re-apply to the project based wait list with a preference. At such time as the resident vacates the unit, it would convert to a standard project-based unit as soon as it becomes vacant. This policy would ensure that current "over income" residents are not displaced or harmed due to the disposition process.

- B. Update on the status of the activity

HACSM will submit its demo/disposition application in early 2010.

- C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

- D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

On-going Activity #15: Single block-grant formula for all MTW programs

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

On July 1, 2008, HACSM received HUD approval to block grant all MTW programs. Prior to July 1, 2008, HACSM was required to maintain two programs, the traditional HCV program and its original MTW program.

HACSM firmly believed that the financial and programmatic unification would allow the agency to streamline administrative practices, simplify rent and occupancy policies and maximize financial resources. With reduction in program costs and increase in efficiency, HACSM may assist the maximum number of qualified households intended by HUD's allocation.

In FY 2008-2009, HACSM submitted an amendment to Attachment A, further clarifying its desire to block grant all MTW program funds.

- B. Update on the status of the activity

As of January 2010, HACSM is still negotiating with HUD regarding the amendments to Attachment A. Once the amendment has been approved, HACSM will as of January 1, 2010 utilize the ability of block granting for further administrative efficiencies.

- C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations

HACSM does not anticipate any changes, modifications, or additions to Attachment C authorizations for July 1, 2010.

- D. Describe if the Agency is using outside evaluators

HACSM is not using outside evaluators.

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.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2010 grants)		
a) Public Housing Operating Fund <i>2010</i>	125,697.00	* See Appendix One
b) Public Housing Capital Fund <i>(estimated for 2010)</i>	291,537.00	* See Appendix One
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance HCV (est.)	53,019,383.00	
MTW (est.)	4,786,324.00	
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 Programs/Grants (list below)		
Moderate Rehabilitation	1,300,000.00	Section 8 - Other
Family Self-Sufficiency Coordinator	132,000.00	Section 8 supportive services
2. Prior Year Federal Grants (unobligated funds only) (list below) <i>(as of 12/31/09)</i>		
2009 Capital Funds grant	197,168.00	Public housing capital improvements
2009 ARRA Capital Funds grant	278,154.00	Public housing capital improvements
2008 Capital Funds Grant	17,058.00	Public housing capital improvements
Sub-total	60,147,321.00	
3. Public Housing Dwelling Rental Income	1,231,000.00	Public housing operations

4. Other income (list below)		
Interest on Investments:	80,000.00	Public housing operations
Other income: Legal fees, maintenance charges to tenants, late fees, NSF check charges, etc.	62,000.00	Public housing operations
Rental income from Housing Authority owned units	758,000.00	Public housing operations
5. Non-federal sources (list below)		
Sub-total	2,131,000.00	
Total resources	\$62,278,321.00	

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 Three.

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 is developing a comprehensive Quality Assurance Program and is currently performing internal evaluations of each MTW proposed initiative to address any program issues immediately to 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, in 2009, HACSM elected to use the waiver provided in the Amended and Restated Moving To Work Agreement, Section 2 (G), and remove its programs from SEMAP submissions. As stated above, HACSM is developing 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
Part I: Summary

U. S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

PHA Name: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program No: CA39P01450108 Date of CFFP: N/A Replacement Housing Factor Grant No:		FFY of Grant: 2008 FFY of Grant Approval: 2008	
Original Annual Statement		Reserved for Disasters/Emergencies		Revised Annual Statement/Revision Number <u>2</u>	
Performance and Evaluation Report for Period Ending		Final Performance and Evaluation Report for Program Year Ending			
<input type="checkbox"/>	Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1
<input type="checkbox"/>			Original	<input type="checkbox"/> Revised 2	Obligated
					Expended
	1	Total Non-Capital Funds			
	2	1406 Operating Expenses (may not exceed 20% of line 20) 3	57,910.00	57,910.00	57,910.00
	3	1408 Management Improvements	15,000.00	5,000.00	0.00
	4	1410 Administration	20,000.00	25,000.00	20,000.00
	5	1411 Audit	0.00	0.00	0.00
	6	1415 Liquidated Damages	0.00	0.00	0.00
	7	1430 Fees and Costs	15,000.00	15,000.00	11,201.00
	8	1440 Site Acquisition	0.00	0.00	0.00
	9	1450 Site Improvement	59,500.00	90,207.00	0.00
	10	1460 Dwelling Structures	92,200.00	54,030.69	28,461.92
	11	1465.1 Dwelling Equipment-Nonexpendable	4,500.00	5,272.03	3,511.31
	12	1470 Nondwelling Structures	2,500.00	10,018.20	10,018.20
	13	1475 Nondwelling Equipment	20,939.00	27,111.08	23,120.72
	14	1485 Demolition	0.00	0.00	0.00
	15	1492 Moving to Work Demonstration	0.00	0.00	0.00
	16	1495.1 Relocation Costs	2,000.00	0.00	0.00
	17	1499 Development Activities 4	0.00	0.00	0.00
	18a	1501 Collateralization or Debt Service Paid by the PHA	0.00	0.00	0.00
	18b	9000 Collateralization of Debt Service paid Via System of Direct Payment	0.00	0.00	0.00
	19	1502 Contingency (may not exceed 8% of Line 20)	0.00	0.00	0.00
	20	Amount of Annual Grant (sums of lines 2-20)	\$289,549.00	\$289,549.00	\$154,223.15
	21	Amount of Line 21 Related to LBP Activities	0.00	0.00	0.00
	22	Amount of Line 21 Related to Section 504 Compliance	0.00	0.00	0.00
	23	Amount of Line 21 Related to Security - Soft Costs	0.00	0.00	0.00
	24	Amount of Line 21 Related to Security - Hard Costs	0.00	0.00	0.00
	25	Amount of Line 21 Related to Energy Conservation Measures	\$17,500.00	\$8,726.55	\$5,974.54
Signature of Executive Director			Signature of Public Housing Director		
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.

Annual Statement /Performance and Evaluation Report
Capital Funds Program and Capital Fund Program Replacement Housing Factor and
Capital Funds Financing Program
Part II: Supporting Pages

U. S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

PHA Name: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program No: CA39P01450108 Replacement Housing Factor Grant No: CFFP (Yes/No) No						Federal FFY of Grant: 2008
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised 1	Funds Obligated 2	Funds Expended 2	
HA - Wide	Operations	1406		57,910.00	57,910.00	57,910.00	57,910.00	
	Management Improvements:	1408		15,000.00	5,000.00	0.00	0.00	
	Technical & non-technical training/assistance							
	(HUD program systems updates, tracking, etc.)							
	Policies updates/changes							
	Computer software updates, staff training							
	Administration (<i>maximum 10% of total grant</i>)	1410		20,000.00	25,000.00	20,000.00	20,000.00	
	Procurement-Contractors, monitoring, report,							
	documentation functions							
	Fees & Costs:	1430		15,000.00	15,000.00	11,201.00	11,201.00	
	Planning,consortium fees,update annual plan, energy audit							
	update utility allowance, <i>physical needs assessment</i>							
	Mold remediation, services and repairs, <i>Section 106 Review</i>							
	Site Improvement:	1450						
	Tree trimming (continuance)			4,000.00	0.00	0.00	0.00	Moved to 2009
	Concrete repair/replacement and fence repairs/replacement			27,000.00	0.00	0.00	0.00	Postponed
	Exterior lighting (continuance)			3,500.00	0.00	0.00	0.00	Moved to 2009
	Landscaping improvements (to low maintenance design)			12,000.00	0.00	0.00	0.00	Postponed
	Sewer lines repairs/replacement			6,000.00	0.00	0.00	0.00	Postponed
	Waste receptacles			2,000.00	0.00	0.00	0.00	Moved to 2009
El Camino Village	Retaining wall (erosion control)			5,000.00	0.00	0.00	0.00	Moved from 2009
El Camino Village	Repair/replacement podium			0.00	90,207.00	0.00	0.00	Moved from 2006
HA - Wide	Dwelling Structures:	1460						
	Comprehensive Modernization:							
	Bathroom shower surround replacement			1,000.00	0.00	0.00	0.00	
	Painting/ exterior/interior			25,000.00	14,000.00	5,750.46	5,750.46	
	Weather stripping (air sealing)			1,500.00	0.00	0.00	0.00	Moved to 2009
	Window screens replacement & window blinds		Partial	20,000.00	17,725.00	6,460.35	6,460.35	
	Subtotal			214,910.00	224,842.00	101,321.81	101,321.81	

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

Page 2 of 3

2 To be completed for the Performance and Evaluation Report

form HUD-50075.1 (4/2008)

Annual Statement /Performance and Evaluation Report
Capital Funds Program and Capital Fund Program Replacement Housing Factor and
Capital Funds Financing Program
Part II: Supporting Pages

U. S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

PHA Name:		Grant Type and Number:						Federal FFY of Grant:	
Housing Authority of the County of San Mateo		Capital Fund Program No: CA39P01450108						2008	
		Replacement Housing Factor Grant No: CFFP (Yes/No) No							
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised	Funds Obligated	Funds Expended		
CA014003	Comprehensive Modernization:								
Midway Village	Kitchen cabinets, countertops, sinks, (continuation)	1460	3	8,500.00	12,000.00	6,936.71	6,936.71		
	Bathroom exhaust fan, medicine cabinet, fixture replacements		14	6,000.00	546.14	546.14	546.14		
	Dry rot repair (trim and siding of exterior of buildings)		Partial	0.00	0.00	0.00	0.00	Postponed	
	Floor covering replacement		4 units	12,000.00	6,033.00	6,033.00	6,033.00		
	Patio door with hardware		Partial	10,000.00	0.00	0.00	0.00	Moved to 2009	
	Pest control (termites) and dry rot repairs		Partial	1,200.00	0.00	0.00	0.00	Postponed	
	Water heaters/furnaces (Energy Star)		Partial	7,000.00	3,726.55	2,735.26	2,735.26		
HA-Wide	Dwelling Equipment	1465							
	Ranges/Refrigerators (Energy Star)		Partial	4,500.00	5,000.00	3,239.28	3,239.28		
	Dishwasher		1	0.00	272.03	272.03	272.03		
HA-Wide	Non-Dwelling Structures	1470							
	Security improvement (door buzzer for office)			0.00	0.00	0.00	0.00		
	Dry rot repair office/community room			0.00	0.00	0.00	0.00	Moved to 2009	
	Energy conservation upgrades/ improvements		12 units	1,000.00	0.00	0.00	0.00	Moved to 2009	
	Conversion of non-dwelling space into resident service center			1,500.00	0.00	0.00	0.00	Postponed	
	Expand maintenance facilities			0.00	10,018.20	10,018.20	10,018.20	Moved from appd year 2013	
HA-Wide	Non- Dwelling Equipment	1475							
	Vehicles/ utility golf cart (2009 Ford Ranger & Cargo Van (partial pmt this grant))			15,000.00	13,856.08	13,856.08	13,856.08		
	Tools /equipment (15 amp Sawzall, work benches, and pole chain saw, sewer machine, power tools, glass cutter, etc.)		Various	4,000.00	13,255.00	9,264.64	9,264.64		
	Copier and fax machine for ECV			1,939.00	0.00	0.00	0.00	Postponed	
	Office equipment/desks/chairs /cabinets (general)			0.00	0.00	0.00	0.00	Postponed	
HA-Wide	Relocation	1495		2,000.00	0.00	0.00	0.00		
	Subtotal			74,639.00	64,707.00	52,901.34	52,901.34		
	TOTAL CAPITAL FUNDS -2008			\$289,549.00	\$289,549.00	\$154,223.15	\$154,223.15		

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

Page __3__ of __3__

form HUD-50075.1 (4/2008)

**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 I: Summary			
PHA Name: <div style="text-align: center; font-weight: bold;">Housing Authority of the County of San Mateo</div>	<table style="width:100%; border: none;"> <tr> <td style="width:60%; border: none; vertical-align: top;"> Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Date of CFFP: _____ </td> <td style="width:40%; border: none; vertical-align: top;"> Replacement Housing Factor Grant No: </td> </tr> </table> <div style="border: 1px solid black; padding: 2px; text-align: right; font-weight: bold;"> FFY of Grant: 2009 FFY of Grant Approval: 2009 </div>	Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Date of CFFP: _____	Replacement Housing Factor Grant No:
Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Date of CFFP: _____	Replacement Housing Factor Grant No: 		

Type of Grant <div style="display: flex; justify-content: space-between;"> <div> Original Annual Statement Performance and Evaluation Report for Program Year Ending _____ </div> <div> Reserved for Disasters/Emergencies Performance and Evaluation Report for Program Year Ending _____ </div> <div> Revised Annual Statement/Revision Number <u> 1 </u> Final Performance and Evaluation Report for Program Year Ending _____ </div> </div>					
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Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1	
		Original	Revised 2	Obligated	Expended
<input type="checkbox"/> 1	Total non-Capital Funds <input type="checkbox"/>				
<input type="checkbox"/> 2	1406 Operating Expenses (may not exceed 20% of line 20) 3	57,910.00	<input type="checkbox"/> 59,898.00		
3	1408 Management Improvements	10,000.00	10,000.00		
4	1410 Administration (may not exceed 10% of line 20)	28,955.00	28,955.00		
5	1411 Audit	5,000.00	5,000.00		
6	1415 Liquidated Damages	0.00	0.00		
7	1430 Fees and Costs	15,000.00	15,000.00		
8	1440 Site Acquisition	0.00	0.00		
9	1450 Site Improvement	105,000.00	105,000.00		
10	1460 Dwelling Structures	59,000.00	59,000.00		
11	1465.1 Dwelling Equipment-Nonexpendable	6,000.00	6,000.00		
12	1470 Non-dwelling Structures	0.00	0.00		
13	1475 Non-dwelling Equipment	2,684.00	2,684.00		
14	1485 Demolition	0.00	0.00		
15	1492 Moving to Work Demonstration	0.00	0.00		
16	1495.1 Relocation Costs	0.00	0.00		
17	1499 Development Activities 4	0.00	0.00		
18a	1501 Collateralization or Debt Service paid by the PHA	0.00	0.00		
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	0.00	0.00		
19	1502 Contingency (may not exceed 8% of line 20)	0.00	0.00		
20	Amount of Annual Grant (sums of lines 2-19)	\$289,549.00	\$291,537.00		
21	Amount of Line 20 Related to LBP Activities	0.00	0.00		
22	Amount of Line 20 Related to Section 504 Compliance	0.00	0.00		
23	Amount of Line 20 Related to Security - Soft Costs	0.00	0.00		
24	Amount of Line 20 Related to Security - Hard Costs	0.00	0.00		
25	Amount of Line 20 Related to Energy Conservation Measures	\$36,000.00	\$36,000.00		

Signature of Executive Director _____ Date _____	Signature of Public Housing Director _____ Date _____
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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.

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: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Replacement Housing Factor Grant No.				CFFP (Yes/ No): No		Federal FFY of Grant: 2009
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	
HA - Wide	Operations	1406		57,910.00	59,898.00			
	Management Improvements:(limited to 20% of grant)	1408						
	Technical & non-technical training/assistance (HUD program systems updates, tracking, etc.)			10,000.00	10,000.00			
	Policies updates/changes							
	Computer software updates, staff training							
	Administration (limited to 10% of grant)	1410		28,955.00	28,955.00			
	Procurement-Contractors, monitoring, report, documentation functions							
	Audit (portion related to CFP)	1411		5,000.00	5,000.00			
	Fees & Costs:	1430		15,000.00	15,000.00			
	Planning,consortium fees,update annual plan, energy audit							
	update utility allowance							
	Mold/asbestos testing							
	Site Improvement:							
	Landscaping improvements	1450		15,000.00	15,000.00			
	Fire hydrant repairs/replacements	1450		20,000.00	20,000.00			
	Card Key upgrade (security)	1450		5,000.00	5,000.00			
	Tree trimming/removal/replacement	1450		5,000.00	5,000.00			
(continued next page)			Subtotal	\$161,865.00	\$163,853.00			

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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: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program Grant No: CA39P01450109 Replacement Housing Factor Grant No.				CFPP (Yes/ No): No		Federal FFY of Grant: 2009
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	
HA - Wide	Site Improvement: <i>(continued from previous page)</i>							
	Concrete repair/replacement	1450		5,000.00	5,000.00			
	Fence repair/replacement	1450		5,000.00	5,000.00			
	Retaining wall repair/replacement	1450		15,000.00	15,000.00			
	Storm drain/grading upgrades/erosion control (partial)	1450		35,000.00	35,000.00			
	Dwelling Structures:							
	Improve interior lighting (more efficient conservation, (Energy Star rated)	1460		5,000.00	5,000.00			
	Window screens, all windows and blind replacement to more durable shutters <i>(continued from 2008)</i>	1460		15,000.00	15,000.00			
	Floor covering replacement	1460		10,000.00	10,000.00			
	Kitchen cabinet replacement <i>(continuation)</i>	1460	4 units	12,000.00	12,000.00			
	Dry rot repair (utility boxes, siding, trim)	1460		2,000.00	2,000.00			
	Mold/asbestos remediation	1460		5,000.00	5,000.00			
	Water heaters <i>(Energy Star rated)</i>	1460	10 ea	5,000.00	5,000.00			
	Patio doors replacement (with more energy efficient)	1460	8 units	5,000.00	5,000.00			
	Dwelling Equipment:							
	Ranges and refrigerators (Energy Star rated)(energy efficient)	1465	5 ea	6,000.00	6,000.00			
	Non-Dwelling Equipment:							
	Tools	1475	Various	2,684.00	2,684.00			
				\$289,549.00	\$291,537.00			

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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. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program Grant No: CA39S014501-09 Date of CFFP: _____		FFY of Grant: 2009 FFY of Grant Approval: 2009	
Type of Grant Original Annual Statement Reserved for Disasters/Emergencies Revised Annual Statement/Revision Number <u> 2 </u> Performance and Evaluation Report for Period Ending _____ Final Performance and Evaluation Report for Program Year Ending _____					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1	
		Original	Revised 2	Obligated	Expended
<input type="checkbox"/> 1	Total non-Capital Funds		<input type="checkbox"/>		
<input type="checkbox"/> 2	1406 Operating Expenses (may not exceed 20% of line 20) 3	0.00	0.00	0.00	0.00
3	1408 Management Improvements	0.00	0.00	0.00	0.00
4	1410 Administration (may not exceed 10% of line 20)	15,000.00	0.00	0.00	0.00
5	1411 Audit	0.00	0.00	0.00	0.00
6	1415 Liquidated Damages	0.00	0.00	0.00	0.00
7	1430 Fees and Costs	40,000.00	40,000.00	23,605.00	0.00
8	1440 Site Acquisition	0.00	0.00	0.00	0.00
9	1450 Site Improvement	156,511.00	111,422.00	88,357.16	88,357.16
10	1460 Dwelling Structures	0.00	0.00	0.00	0.00
11	1465.1 Dwelling Equipment-Nonexpendable	0.00	0.00	0.00	0.00
12	1470 Non-dwelling Structures	155,000.00	215,089.00	0.00	0.00
13	1475 Non-dwelling Equipment	0.00	0.00	0.00	0.00
14	1485 Demolition	0.00	0.00	0.00	0.00
15	1492 Moving to Work Demonstration	0.00	0.00	0.00	0.00
16	1495.1 Relocation Costs	0.00	0.00	0.00	0.00
17	1499 Development Activities 4	0.00	0.00	0.00	0.00
18a	1501 Collateralization or Debt Service paid by the PHA	0.00	0.00	0.00	0.00
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	0.00	0.00	0.00	0.00
19	1502 Contingency (may not exceed 8% of line 20)	0.00	0.00	0.00	0.00
20	Amount of Annual Grant (sums of lines 2-19)	\$366,511.00	\$366,511.00	\$111,962.16	\$88,357.16
21	Amount of Line 20 Related to LBP Activities	0.00	0.00	0.00	0.00
22	Amount of Line 20 Related to Section 504 Compliance	0.00	0.00	0.00	0.00
23	Amount of Line 20 Related to Security - Soft Costs	0.00	0.00	0.00	0.00
24	Amount of Line 20 Related to Security - Hard Costs	0.00	0.00	0.00	0.00
25	Amount of Line 20 Related to Energy Conservation Measures	0.00	0.00	0.00	0.00
Signature of Executive Director _____ Date _____		Signature of Public Housing Director _____ 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.

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. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages								
PHA Name: Housing Authority of the County of San Mateo		Grant Type and Number: Capital Fund Program Grant No: CA39S014501-09 Replacement Housing Factor Grant No.				CFFP (Yes/ No): No		Federal FFY of Grant: 2009
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	
CA014	Administration:	1410		15,000.00	0.00	0.00	0.00	
HA- Wide	Program monitoring, reporting, supplies, etc.							
HA - Wide	Fees & Costs:							
	Architect fees	1430		40,000.00	40,000.00	23,605.00	0.00	Under contract
HA - Wide	Site Improvements:							
	Tree trimming (52 Eucalyptus & removal of a Pine tree)	1450	Various	19,500.00	19,500.00	19,500.00	19,500.00	Complete
	Sidewalk <i>(no rails)</i>	1450	10,000 lf	91,922.00	91,922.00	68,857.16	68,857.16	Under contract
	Landscaping	1450	15,000 sf	45,089.00	0.00	0.00	0.00	Will use regular 2009 Cap Funds
	Retaining walls to correct erosion	1450		0.00	0.00	0.00	0.00	Will use regular 2009 Cap Funds
	Exterior lighting	1450	25 lights	0.00	0.00	0.00	0.00	Will use regular 2009 Cap Funds
	Fire hydrant replacement	1450	13	0.00	0.00	0.00	0.00	Will use regular 2009 Cap Funds
HA - Wide	Dwelling Structures:							
	Roof repairs (tar and gravel)	1460	1 bldg	0.00	0.00	0.00	0.00	Will use regular 2009 Cap Funds
	Window coverings (2" faux wood blinds)	1460	65 units	0.00	0.00	0.00	0.00	Using 2008/2009 Cap Funds
	Exterior painting	1460	12 bldgs	0.00	0.00	0.00	0.00	Using 2008/2009 Cap Funds
	Non-Dwelling Structures:							
	Conversion of non-dwelling space into resident services center	1470	1	155,000.00	215,089.00	0.00	0.00	Bids recv'd 2/12/10
	TOTAL CAPITAL FUNDS FOR 2009 ARRA			\$366,511.00	\$366,511.00	\$111,962.16	\$88,357.16	

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

U. S. Department of Housing and Urban Development

Office of Public and Indian Housing

Expires: 4/30/2011

Part I: Summary

PHA Name/Number		Locality (City/County& State)			Original <input type="checkbox"/>	Revision No. <u>1</u>
Housing Authority of the County of San Mateo - CA014		Belmont/San Mateo County/CA				
A.	Development Number and Name HA-Wide	Work Statement for Year 1 FFY <u>2009</u>	Work Statement for Year 2 FFY <u>2010</u>	Work Statement for Year 3 FFY <u>2011</u>	Work Statement for Year 4 FFY <u>2012</u>	Work Statement for Year 5 FFY <u>2013</u>
B.	Physical Improvements Subtotal	Annual Statement	- 173,095.00	- 173,824.00	- 91,549.00	- 150,549.00
C.	Management Improvements		20,000.00	25,000.00	15,000.00	25,000.00
D.	PHA-Wide Non-dwelling Structures and Equipment		14,000.00	10,000.00	113,000.00	33,000.00
E.	Administration		28,954.00	26,725.00	25,000.00	25,000.00
F.	Other		28,500.00	29,000.00	20,000.00	31,000.00
G.	Operations		25,000.00	25,000.00	25,000.00	25,000.00
H.	Demolition		0.00	0.00	0.00	0.00
I.	Development		0.00	0.00	0.00	0.00
J.	Capital Fund Financing - Debt Service		0.00 -	0.00 -	0.00 -	0.00 -
K.	Total CFP Funds		\$289,549.00	\$289,549.00	\$289,549.00	\$289,549.00
L.	Total Non-CFP Funds		0.00	0.00	0.00	0.00
M.	Grand Total		\$289,549.00	\$289,549.00	\$289,549.00	\$289,549.00

Expires: 4/30/2011

Part II: Supporting Pages - Physical Needs Work Statement(s)

Work Statement for Year 1 FFY <u>2009</u>	Work Statement for Year <u>2010</u> FFY <u>2010</u>			Work Statement for Year <u>2011</u> FFY <u>2011</u>		
	Development Number/Name General Description of Major Work Items	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Items	Quantity	Estimated Cost
See	CA014 - PHA Wide			CA014 - PHA Wide		
Annual	Site Improvements:			Site improvements:		
Statement	Landscaping/tree trimming	Various	20,000.00	Landscaping improvements	Various	20,000.00
	Roofing /Gutter repair replacement	3 bldgs.	48,000.00	Concrete walkways,patios	Various	38,824.00
	Concrete/asphalt repair, replacement	Various	20,000.00	repair/replacement		-
				Re-Seal Asphalt Paving	15,000 sf	35,000.00
	Dwelling Structures:					
	Window replacement (for energy conservation)	3 units	8,000.00	Dwelling Structures:		
	Dry rot repair	Various	12,000.00	Windows replacement	4 units	10,000.00
	Painting interior	6 units	10,000.00	Roofing /Gutters repair, replacement	2 bldgs.	30,000.00
	Interior light fixtures	10 units	5,000.00	Water heater closet door replacement	20	14,000.00
	Tub enclosure replacement	3	10,000.00	(exterior)		-
	Exterior painting (partial)	7 bdgs.	36,595.00	Termite Inspections/Repairs	Various	15,000.00
	Water heaters	6	3,500.00	Water heaters	5	3,000.00
				Patio Doors	4	3,000.00
				Tub enclosure replacement	1	5,000.00
	Subtotal		\$173,095.00		Subtotal	\$173,824.00

Capital Fund Program Five-Year Action Plan

. Department of Housing and Urban Development

Office of Public and Indian Housing

Expires: 4/30/2011

Part II: Supporting Pages - Physical Needs Work Statement(s)

Work Statement for Year 1 FFY <u>2009</u>	Work Statement for Year <u>2012</u> FFY <u>2012</u>			Work Statement for Year <u>2013</u> FFY <u>2013</u>		
	Development Number/Name General Description of Major Work Items	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Items	Quantity	Estimated Cost
	See	CA014 - PHA Wide		CA014 - PHA Wide	—	—
Annual	Site Improvement:			Site improvements:		
Statement	Landscaping /Tree trimming	2 trees removed	1,000.00	Continuation Lighting improvements	4 poles	15,000.00
	Exterior lighting improvements	15 light poles	64,549.00			-
	Asphalt repair	Various	10,000.00	Accessibility improvements	Various	10,000.00
				Tree trimming/removal	Various	8,000.00
	Dwelling Structure:					
	Gutter repair/replacement	1 bldg. Partial	1,000.00			
	Windows replacement (for energy conservation)	1 units	6,000.00	Dwelling Structures:		
	Weatherstripping	4 units	5,000.00	Mold remediation services	3 units as needed	15,000.00
	Water Heaters	7.00	4,000.00	Pest control services/repairs	Various	10,000.00
				Energy conservation improvements	9 units	13,000.00
				(fluorescent lighting)		-
				Carpeting and flooring replacement	4 units	17,000.00
				Window covering replacement	4 units	2,000.00
				Bathroom/plumbing fixtures replacement	15 units	21,725.00
				Painting of buildings (exterior)	2 bldgs.	9,824.00
				Gutter and downspout repair/replacement	Various	12,000.00
				Kitchen cabinets replacement	3 units	12,000.00
				Windows replacement (for energy	1 unit	5,000.00
				conservation)		-
		Subtotal	\$91,549.00		Subtotal	\$150,549.00

Capital Fund Program Five-Year Action Plan

. Department of Housing and Urban Development

Office of Public and Indian Housing

Expires: 4/30/2011

Part III: Supporting Pages - Management Needs Work Statement(s)				
Work Statement for Year 1 FFY <u>2009</u>	Work Statement for Year <u>2010</u> FFY <u>2010</u>		Work Statement for Year <u>2011</u> FFY <u>2011</u>	
	Development Number/Name General Description of Major Work Items	Estimated Cost	Development Number/Name General Description of Major Work Items	Estimated Cost
See	CA014 - PHA Wide		CA014 - PHA Wide	
Annual	Operations	25,000.00	Operations	25,000.00
Statement				
	Management improvements: (limited to 20% of grant)	20,000.00	Management improvements: (limited to 20% of grant)	25,000.00
	Technical & non-technical training/assistance		Technical & non-technical training/assistance	
	(HUD program systems updates, tracking, etc.)		(HUD program systems updates, tracking, etc.)	
	Policies updates/changes		Policies updates/changes	—
	Computer software updates, staff training		Computer software updates, training	
	Administration:	28,954.00	Administration:	26,725.00
	Procurement-Contractors, monitoring, report,		Procurement-Contractors, monitoring, report,	
	documentation functions		documentation functions	
	Fees & Costs:	25,000.00	Fees & Costs:	
	Planning, consortium fees, update annual		Planning, consortium fees, update annual	25,000.00
	agency plan,Update utility allowance,		agency plan,Update utility allowance,	
	Dwelling equipment :		Dwelling Equipment	
	Appliances 3 sets	3,500.00	Stoves-Refrigerators 4 sets	4,000.00
	Non-Dwelling equipment:		Non- Dwelling equipment:	
	Generator for emergency purposes	4,000.00	Plumbing equipment /snake/video camera for sewer lines	10,000.00
	Office/Maintenance equipment,furniture	10,000.00		
	Subtotal	\$116,454.00	Subtotal	\$115,725.00

Capital Fund Program Five-Year Action Plan

. Department of Housing and Urban Development

Office of Public and Indian Housing

Expires: 4/30/2011

Part III: Supporting Pages - Management Needs Work Statement(s)				
Work Statement for Year 1 FFY 2009	Work Statement for Year <u>2012</u> FFY <u>2012</u>		Work Statement for Year <u>2013</u> FFY <u>2013</u>	
	Development Number/Name General Description of Major Work Items	Estimated Cost	Development Number/Name General Description of Major Work Items	Estimated Cost
	See CA014 - PHA Wide		CA014 - PHA Wide	
Annual Statement	Operations	25,000.00	Operations:	25,000.00
	Management improvements: (limited to 20% of grant)	15,000.00	Management improvements: (limited to 20% of grant)	25,000.00
	Technical & non-technical training/assistance		Staff training	
	(HUD program systems updates, tracking, etc.)		Technical & non-technical training/assistance	
	Policies updates/changes		(HUD program systems updates, tracking, etc.)	
	Computer software updates, training		Policies updates/changes	
			Computer software updates	
	Administration:	25,000.00	Administration	25,000.00
	Procurement-Contractors, monitoring, report,		Procurement-Contractors, monitoring, report,	
	documentation functions		documentation functions	
	Fees & Costs:		Fees & Costs:	25,000.00
	Planning, consortium fees, update annual	20,000.00	Planning, consortium fees, update annual	
	agency plan,Update utility allowance,		agency plan,Update utility allowance,	
	Energy audit (required every 5 years)		Energy audit (required every 5 years)	
	Non- Dwelling Structure:		Dwelling Equipment (Non-Expendable):	
	Reconfigure/Remodeling rental office (add	113,000.00	Appliances	3 sets
	apprx. 297 sq ft.)			3,000.00
			Non-dwelling equipment:	
			Vehicles/electric industrial vehicle/pickup (energy efficient)	28,000.00
			Tools	2,000.00
			Computer hardware	3,000.00
			Relocation costs:	
			Temporary relocation due to modernization	3,000.00
	Subtotal	\$198,000.00	Subtotal	\$139,000.00

Appendix Two

Documentation of the Public Review Process

HACSM continues to be highly committed to engaging the San Mateo County (SMC) residents and all stakeholders in this demonstration program.

Throughout the fall of 2009, HACSM was in the process of amending the 2009-2010 Annual Plan and thus had on-going conversations with public housing residents, Section 8 participants, the MTW Advisory Committee made up of community leaders, support services providers, self-sufficiency counselors, legal advocacy representatives and the HACSM staff.

In early December 2009, HACSM held a public session via the SMC Board of Supervisors Housing, Health and Human Services Committee meeting to present and elicit preliminary feedback on the proposed MTW activities for July 2010. A copy of the memo is attached.

In January 2010, HACSM posted the Annual Plan for public comment commencing January 11, 2010 – February 25, 2010. A copy of the notice is attached.

On February 25, 2010, HACSM held a Public Hearing on the 2010-2011 MTW Annual Plan. One individual attended the Public Hearing, representing a coalition of Bay Area legal aid agencies and presented HACSM with a letter (attached) regarding the MTW Administrative Plan and Violence Against Women Act (VAWA). At the Public Hearing, HACSM clarified that the MTW designation does not relieve HACSM of its responsibilities regarding VAWA or other Federal laws. HACSM agreed to subsequently meet with the coalition to discuss their concerns and desires for modifications to the HACSM policies regarding VAWA.

HACSM received no further comments during the comment period or public hearing. The minutes from the public hearing are attached.



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

DATE: December 1, 2009

TO: Housing, Health, and Human Services Committee
FROM: Duane Bay, Director, Department of Housing
SUBJECT: Moving to Work (MTW) Annual Plan – FY 2010-2011

The purpose of this report is to give the Housing, Health, and Human Services Committee (HHH) a summary of proposed initiatives the Housing Authority of the County of San Mateo (HACSM) intends to implement effective July 1, 2010 as part of its 2010-2011 MTW Annual Plan process.

Throughout the calendar year 2009, HACSM provided several updates to the HHH Committee and obtained Board approval on items relating to its MTW Annual Plan process. The MTW initiatives are part of a Voucher Program Redesign; this program redesign is a multi-phase process which may include Plan amendments throughout the fiscal year.

In March 2010, HACSM will be requesting Board and HUD approval on the following proposed MTW activities for FY 2010-2011:

- Institute a flexible inspection schedule for all subsidized units

HACSM proposes to “re-inspect” subsidized units every 18-24 months. This program modification will apply to almost all households, and will therefore reduce re-inspection case load by up to 45%.
- Initiate a Provider Based Program

HACSM proposes to develop a Provider Based program to target segments of San Mateo County underserved, or not served, due to the current Section 8 program regulations.
- Revise Initial Eligibility Standards

HACSM proposes to add an asset value limit of \$100K for initial eligibility for the Section 8 voucher program.
- Eliminate the requirement to generate a new Housing Assistance Payment (HAP)

contract with any change to utility responsibilities.

HACSM proposes to streamline administrative processes and increase time and cost savings through this regulatory easement.

- Eliminate 100% excluded income from the income calculation process

HACSM proposes to eliminate the requirement to receive all sources of income from participants and then subsequently exclude specific income, such as food stamps, in the rent calculation process.

- Institute a change in Payment Standards at next action

HACSM proposes to simplify the administrative complexity in a tenant's rent calculation, and at any HUD-determined change in the Fair Market Rents, modify the payment standards at the next action with participants.



Department of Housing

264 Harbor Boulevard, Building A • Belmont, CA 94002

2010-2011 Moving To Work (MTW) Annual Plan

Notice of Public Hearing

The Housing Authority of the County of San Mateo (HACSM) will hold a Public Hearing to receive public comment regarding the proposed MTW Annual Plan:

Date: Thursday, February 25, 2010, 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, and online at www.smchousing.org beginning January 11, 2010. The HACSM will be accepting written comments regarding the proposed MTW Annual Plan from January 11, 2010 – February 25, 2010. 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 email: janderson@smchousing.org

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. In July 2008, the MTW demonstration program was expanded to all Housing Choice Voucher (HCV) and Public Housing programs. 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 low income 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 proposed activities, which upon approval, will begin July 1, 2010.

- ✚ Institute a flexible Housing Quality Standards (HQS) inspection schedule
- ✚ Revise initial eligibility standards
- ✚ Eliminate excluded income from the calculation process
- ✚ Apply current payment standards at interim reexaminations

**AFFIDAVIT OF PUBLICATION
SAN MATEO DAILY JOURNAL**

**STATE OF CALIFORNIA
County of San Mateo**

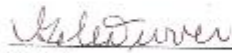
The undersigned declares: That at all times hereinafter mentioned, affiant was a permanent resident of the United States, over the age of eighteen years old, and was at and during all said times, The Office Manager of the San Mateo Daily Journal, a newspaper published daily in the County of San Mateo, State of California. The notice mentioned was set in type no smaller than nonpareil and was preceded with words printed in black face type not smaller than size 6, describing and expressing in general terms, the purpose and character of the notice intended to be given; that the

PUBLIC NOTICE

**HOUSING AUTHORITY
OF THE COUNTY OF SAN MATEO**

Of which the annexed is a printed copy was published and printed in said newspaper on the 11th Day of January 2010.

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


Gale Divver

Dated at San Mateo, California,
this 11th day of January 2010

203 Public Notices	203 Public Notices
PUBLIC NOTICE	
The Housing Authority of the County of San Mateo announces a Public Hearing.	
DATE:	February 23, 2010
TIME:	10:00AM – 12:00PM
PLACE:	Harbor Blvd. Complex, Veranda Room, 284 Harbor Blvd. Bldg A., Belmont, CA 94002
The purpose of the hearing is to obtain input from County residents and other interested parties in reference to the 2010-2011 MTW Annual Plan to be submitted to the U.S. Department of Housing and Urban Development. A copy of the 2010-2011 MTW Annual Plan will be available from 8:30 a.m. to 4:00 p.m. commencing January 11, 2010 at:	
Housing Authority of the County of San Mateo 284 Harbor Blvd. Bldg. A Belmont, CA 94002	
For further information please call, (650)802-3358.	
Published in the San Mateo Daily Journal, January 11, 2010.	

Public Hearing - Minutes
MTW Annual Plan 2010 – 2011
February 25, 2010

Attendees: Lynda Burton, Legal Aid Society

William Lowell, Cindy Chan, Debbie McIntyre, Jennifer Anderson, Mariella Dunleavy – Housing Authority

The meeting started at 10:00 a.m.

Introductions were made.

William Lowell gave a brief background as to how the Housing Authority of the County of San Mateo became a MTW Agency and what it entails.

The Plan will go to the Board of Supervisors on March 23, 2010 and then will go to HUD in the middle of April for their approval.

Ms. Burton passed out a handout which had comments and proposals from the Legal Aid Society and their concerns regarding VAWA.

She was assured that the HACSM does follow VAWA in both the Administrative Plan and MTW Annual plan and that we always welcome feedback and suggestions.

It was decided that key players from Legal Aid and HACSM should set up a meeting at a later date and talk about their suggestions.

The meeting ended at 10:25 a.m.

LEGAL AID SOCIETY
OF SAN MATEO COUNTY

February 25, 2010

Mr. William Lowell
Deputy Director
Housing Authority of San Mateo
264 Harbor Boulevard
Belmont, CA 94002

RE: Proposed Moving to Work Plan for 2010-2011

Dear Mr. Lowell:

We write to comment on the Moving to Work Annual Plan for 2010 - 2011. Legal Aid Society of San Mateo County, Bay Area Legal Aid, Community Overcoming Relationship Abuse and the National Housing Law Project provide legal services and advocacy for domestic violence victims in San Mateo County. We want to thank you for your continued commitment to addressing the housing needs of domestic violence victims.

In 2008, legal service providers commented on the Section 8 Administrative Plan and the ACOP and suggested modifications of these documents to implement the VAWA 2005 housing protections. At that time, the Housing Authority expressed its understanding of the needs of domestic violence victims and an interest in modifying its plans to incorporate the VAWA 2005 protections. We thank you for your openness to the input our agencies had on your plans. We would like to take this opportunity refocus the Housing Authority on ongoing issues for domestic violence victims utilizing the Housing Authority programs.

As you may know, there is a strong link between domestic violence and homelessness. Among cities surveyed in 2005, 50% identified domestic violence as a primary cause of local homelessness.¹ In the Violence Against Women Act (VAWA) Title VI entitled "Housing Opportunities and Safety for Battered Women and Children", Public Law 109-162 Title VI., Congress made a number of

¹ National Coalition for the Homeless, Fact Sheet, WHO IS HOMELESS?, published July 2009, citing 2005 U.S. Conference of Mayor's Study available at: <http://www.nationalhomeless.org/factsheets/who.html>

THE NATALIE LANAM JUSTICE CENTER

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specific findings about the intersection between housing and domestic violence. These findings include:

- 44% of homeless women identified the primary cause of their homelessness as domestic violence;
- 92% of homeless women have experienced severe physical or sexual abuse at some point in their lives;²

The Housing Authority can play a critical role in preventing homelessness in the population of domestic violence survivors already utilizing the subsidized and public housing resources in the county. It can also play a critical role in providing short term assistance to domestic violence survivors that can have a long term positive impact.

I. The Housing Authority's Administrative Plan

A. *VAWA Compliance.* The following portions of the Housing Authority's current Administrative Plan do not comply with the requirements of VAWA:

- **Documentation of DV:** Pages 12-8, 12-13: The Housing Authority of the County of San Mateo (HACSM) requires victims to both sign a statement stating that incidents of domestic violence occurred and provide a police report, court record, or signed statement from a qualified third party. This is not required by VAWA. Victims are only required to provide one of the 3 types of documentation—the HUD certification form, a police or court record, OR a signed statement from a third party. 42 U.S.C. § 1437f(ee)(1)(A) and 42 U.S.C. § 14374(ee)(1)(C). The HUD regulations relevant to VAWA make clear that the certification requirement "may be based solely on the personal signed attestation of the victim." See 24 C.F.R. § 5.2007(a)(1)(i).
- **Applicants to the Program are not given 14 business days to certify as victims of domestic violence:** According to VAWA an individual must provide certification of domestic violence within 14 business days after receiving a written request. 42 U.S.C. § 1437 (ee)(1)(B). HACSM's administrative plan does not require that a victim of domestic violence that is applying to the program receive a written request for

² See Battered Women's Legal Advocacy Project, Fact Sheet 2005 VAWA AMENDMENT ADDS NEW HOUSING RIGHTS FOR VICTIMS OF DOMESTIC VIOLENCE IN FEDERALLY ASSISTED HOUSING PROGRAM

certification. Instead, the victim is supposed to submit their certification with their request for an informal hearing or request an extension. Page 3-28. HACSM may then grant an extension of 10 days. Page 3-28. In the absence of a written request for certification many victims of domestic violence may not know that they can certify as a victim, how to certify or how long they have to provide their certification to HACSM.

We urge the Housing Authority to change its administrative plan so that it is in compliance with VAWA.

B. *Policies that are in conflict with the purpose of VAWA.* The following portions of the Housing Authority's administrative plan conflict with the purposes of VAWA. They make it difficult for victims of domestic violence to obtain subsidized housing and/or to successfully participate in a subsidized housing program.

- **Actual and imminent threat:** Page 12-14: HACSM has troublesome language in its administrative plan stating that if it "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the participant's tenancy is not terminated, the HACSM will bypass the standard process and proceed with the immediate termination of the family's assistance." HACSM should not be able to bypass standard process in cases where there is domestic violence. This is contrary the purposes of VAWA and contradicts the protections from eviction and termination of assistance due to domestic violence that are found in VAWA. 42 U.S.C. § 1437 f(c)(9)(B), 42 U.S.C. § 1437f(d)(1)(B)(ii), 42 U.S.C. § 1437f(o)(7)(C), 42 U.S.C. § 1437f(o)(20)(A).
- **Family Break-Up:** When a victim of domestic violence leaves or wants to leave her batterer it is difficult for her to get the family's housing subsidy if her batterer is listed as head of household on the voucher. Clients at Legal Aid Society of San Mateo County have come to our office with this problem and we would like HACSM to adopt a policy that would help victims of domestic violence to get their housing subsidy when the family breaks up. Page 3-2: The administrative plan states that in cases of family break-up, it is bound by court orders regarding disposition of property. It also lists a variety of factors that the (HACSM) will consider in determining which family members will continue to receive assistance if the family breaks up, including the interest of minor children, risks resulting from domestic violence, and the recommendations of social service professionals. We would like the administrative plan to state that "head of household status shall not be determinative in deciding who will retain the voucher assistance" and "in cases of domestic violence the

victim of domestic violence shall receive the voucher. The Housing Authority of the County of San Mateo shall make every effort to expedite the issuance of the voucher in the victim's name in the interests of her and her children's safety."

- **Information provided to prospective owners:** Page 9-1: HACSM provides information regarding a voucher holder's tenancy history for the past three years to prospective owners. Sharing tenancy history information with prospective owners can cause serious problems for victims of domestic violence. If the prospective owner contacts a victim's current or former landlord, the abuser may be able to track the victim's location. Victims of domestic violence should be exempted from this requirement.
- **Applicants must exclude the batterer from their household or provide proof of treatment:** Page 3-29 of HACSM's administrative plan states that an applicant who is a victim of domestic violence must exclude the batterer from the household or provide a statement signed by the victim and the batterer that the batterer has successfully completed batterer's treatment. This requirement ignores the realities of domestic violence. A victim of domestic violence does not have the power to control their batterer. By requiring them to exclude a batterer or sign a statement stating that the batterer has successfully completed treatment the victim is in a situation where she must put herself and possibly her children in physical danger or be denied subsidized housing. We urge the Housing Authority to get rid of this requirement.
- **Absence of entire family from unit for 30 days the unit will be considered vacant:** Page 6-5 of HACSM's administrative plan states that if the entire family is absent from the assisted unit for more than 30 consecutive days, without the knowledge and permission of the HACSM, the unit will be considered vacated and the family's assistance will be terminated. HACSM provides an exception to this policy if the family's absence was due to disability. We encourage HACSM to create an exception for families who flee their assisted units due to domestic violence. As you may be aware, incidents of violence often increase once the domestic violence survivor takes steps to leave the batterer. As a result, a domestic violence survivor may be forced to enter a shelter or other safe location while she develops a safety plan and/or obtains a protective order. The survivor may fear disclosing her location to any outside entity, such as housing authority staff, due to concerns that the batterer will be able to track her location. In these circumstances, HACSM should permit

reinstatement of the voucher if the survivor provides verification of the domestic violence.

- **Admissions preference for victims of domestic violence:** we would also like to see an admissions preference for victims of domestic violence. A safe affordable home is necessary to protect the victim and their family from further violence.

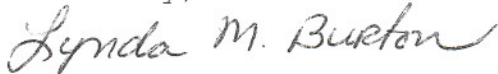
II. The Housing Authority's Moving to Work Annual Plan 2010-2011

We would like the Moving to Work Plan to clearly state that HACSM will comply with the Violence Against Women Act Reauthorization of 2005. In addition, we would like a stated goal to be to assist victims of domestic violence to obtain and stay in affordable housing. Finally, we would like the HACSM to work to create housing for victims of domestic violence separate from housing for other groups of people who are homeless or at risk of homelessness. Victims of domestic violence need safe housing and services specific to their situation. Placing victims of domestic violence in housing that serves the general homeless or at-risk of homelessness group may be detrimental to their recovery process.

CONCLUSION

Thank you for the opportunity to submit these comments. We look forward to discussing these issues with you in greater depth.

Sincerely,



LYNDA M. BURTON
DAVID CARDUCCI
RACHEL PINSKY
Legal Aid Society of San Mateo County
521 East 5th Avenue
San Mateo, CA 94402-1302
(650) 558-0915



TULIN ACIKALIN
Bay Area Legal Aid
539 Middlefield Road
Redwood City, CA 94063-1623
(650) 358-0745

Regina Neu

REGINA NEU, Interim Executive Director
CORA (Community Overcoming Relationship Abuse)
P. O. Box 5090
San Mateo, CA 94402
(650) 652-0800

Meliah Schultzman

MELIAH SCHULTZMAN
National Housing Law Project
614 Grand Avenue, Suite 320
Oakland, CA 94610
(510) 251-9400

HOUSING AUTHORITY LTR

Appendix Three

Board Resolution adopting 50077-MTW

Appendix Four

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 1st day of May 2000, HUD and the Agency executed an MTW Agreement, and on the 30th 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.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², 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

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

² 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 Act³;
 - (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.

³ 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 $[MTWPUC \times MTW \text{ Units} \times 12]$ 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 ($\text{MTW PUC} \times \text{MTW units} \times 2$) 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>
I. Introduction	
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>
III. Long-term MTW Plan	
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.
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each proposed MTW activity;</p> <p>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</p> <p>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</p> <p>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;</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>(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>
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)	
<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>
VI. Sources and Uses of Funding	
<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>
VII. Administrative	
<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>

VIII. Reporting Compliance with Statutory MTW Requirements																																																											
<u>Annual MTW Plan</u>	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.																																																										
<u>Annual MTW Report</u>	<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;">Initial Incomes of Families Assisted by MTW</p> <table border="1"> <thead> <tr> <th>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 assisted¹</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 ¹												Number of families with incomes below 50% of area median												Percentage of families with incomes below 50% of area median											
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¹ "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 ²	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) ³	
Total number of families Served this Fiscal Year ⁴	
Numerical Difference ⁵	
Percentage Difference	

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

--

² “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.

³ 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.”

⁴ 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.

⁵ 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 ⁶	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 ⁷							100%
Number of families served by family size this Fiscal Year ⁸							
Percentages of families served by family size this Fiscal Year ⁹							100%
Percentage Difference							

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

⁶ “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.

⁷ 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.”

⁸ 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.

⁹ 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 Five

Amendment to Attachment A of the Restated Agreement

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 2010 (January 1, 2010 through December 31, 2010).
2. In accordance with the Fiscal Year 2010 Appropriations Act, all funding for the period of October 1, 2008 through September 30, 2009, per the Voucher Management System (VMS), will become the Agency's baseline going forward. 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. This paragraph applies to all 4,023 MTW Vouchers.
3. Initial year (CY 2010) HCVP housing assistance payment (HAP) funding will be calculated based on: (1) the HCV HAP Budget Authority eligibility approved for CY 2009, and (2) adjusted by the Annual Adjustment Factor (AAF), and (3) by the applicable proration factor. This paragraph applies to all 4,023 MTW Vouchers.
4. Subsequent years' HCVP HAP will be equal to the previous year's total HAP funding eligibility prior to proration, adjusted by the subsequent year's AAF and applicable proration factor.
5. Administrative fee funding in the initial year will be based upon the Agency's baseline number of units leased in CY 2009, adjusted for the 300 MTW Vouchers for which Administrative fees are already included in the HAP baseline calculated under Section C.3 above, and will be subject to proration. Subsequent year's Administrative fee funding will be based on the base year's units leased times the current year's rates and adjusted by the current year's proration. Should the agency receive additional Vouchers, administrative fees will be paid on these additional Vouchers in accordance with Appropriations requirements.
6. 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.
7. 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.
8. Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW Agencies.

9. The Agency will continue to be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.
10. HACSM will retain any existing levels of Net Restricted Assets as of December 31, 2009.
11. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) as of December 31, 2009 shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.
12. 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: _____

Date: _____

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: _____

ITS: Assistant Secretary

Date: _____

Appendix Six

Tiered Subsidy Tables (TST)

Tenant Based Properties - Tiered Subsidy Table

2010 (Proposed) FMR Rates

T portion = 30%

3K Tiers

Minimum Rent \$50

Annual Adj Income		0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6 Bdrm
0	1999	1002	1243	1604	2253	2383	2423	2794
2000	4999	928	1206	1567	2216	2346	2386	2757
5000	7999	853	1131	1492	2141	2271	2311	2682
8000	10999	778	1056	1417	2066	2196	2236	2607
11000	13999	703	981	1342	1991	2121	2161	2532
14000	16999	628	906	1267	1916	2046	2086	2457
17000	19999	553	831	1192	1841	1971	2011	2382
20000	22999	478	756	1117	1766	1896	1936	2307
23000	25999	403	681	1042	1691	1821	1861	2232
26000	28999	328	606	967	1616	1746	1786	2157
29000	31999	253	531	892	1541	1671	1711	2082
32000	34999	178	456	817	1466	1596	1636	2007
35000	37999	103	381	742	1391	1521	1561	1932
38000	40999	28	306	667	1316	1446	1486	1857
41000	43999	0	231	592	1241	1371	1411	1782
44000	46999	0	156	517	1166	1296	1336	1707
47000	49999	0	81	442	1091	1221	1261	1632
50000	52999	0	6	367	1016	1146	1186	1557
53000	55999	0	0	292	941	1071	1111	1482
56000	58999	0	0	217	866	996	1036	1407
59000	61999	0	0	142	791	921	961	1332
62000	64999	0	0	67	716	846	886	1257
65000	67999	0	0	0	641	771	811	1182
68000	70999	0	0	0	566	696	736	1107
71000	73999	0	0	0	491	621	661	1032
74000	76999	0	0	0	416	546	586	957
77000	79999	0	0	0	341	471	511	882
80000	82999	0	0	0	266	396	436	807
83000	85999	0	0	0	191	321	361	732
86000	88999	0	0	0	116	246	286	657
89000	91999	0	0	0	41	171	211	582
92000	94999	0	0	0	0	96	136	507
95000	97999	0	0	0	0	21	61	432
98000	100999	0	0	0	0	0	0	357
101000	103999	0	0	0	0	0	0	282
104000	106999	0	0	0	0	0	0	207
107000	109999	0	0	0	0	0	0	132
110000	112999	0	0	0	0	0	0	57
113000	115999	0	0	0	0	0	0	0

Project Based Properties - Tiered Subsidy Table

2010 (proposed) FMR Rates
T portion = 30%
3K AAI Tiers
\$50 minimum
rent

AAI		0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	SRO
0	1999	865	1074	1410	1830	1936	649
2000	4999	791	1037	1373	1793	1899	593
5000	7999	716	962	1298	1718	1824	537
8000	10999	641	887	1223	1643	1749	481
11000	13999	566	812	1148	1568	1674	425
14000	16999	491	737	1073	1493	1599	368
17000	19999	416	662	998	1418	1524	312
20000	22999	341	587	923	1343	1449	256
23000	25999	266	512	848	1268	1374	200
26000	28999	191	437	773	1193	1299	143
29000	31999	116	362	698	1118	1224	87
32000	34999	41	287	623	1043	1149	31
35000	37999	0	212	548	968	1074	0
38000	40999	0	137	473	893	999	
41000	43999	0	62	398	818	924	
44000	46999	0	0	323	743	849	
47000	49999	0	0	248	668	774	
50000	52999	0	0	173	593	699	
53000	55999	0	0	98	518	624	
56000	58999	0	0	23	443	549	
59000	61999	0	0	0	368	474	
62000	64999	0	0	0	293	399	
65000	67999	0	0	0	218	324	
68000	70999	0	0	0	143	249	
71000	73999	0	0	0	68	174	
74000	76999	0	0	0	0	99	
77000	79999	0	0	0	0	24	
80000	82999	0	0	0	0	0	

The Methodology behind the Tiered Subsidy Table

The Model is based on three factors:

- Participants' Housing Costs (including Fair Market Rent and average utility consumption)
- Voucher Bedroom Size (subsidy standards)
- Annual Adjusted Income (includes: the tier structure, rent calculation process, and tenant portion)

Research strategies:

Adjustments to the FMR and annual utility costs

HACSM created a model that could be set at any rate, 95%, 98%, 110% dependent upon the local rental market, utility costs, and the determination of tenant rent burden.

HACSM considered and researched the effects of changing percentage rates for each unit size based on the FMR and average utility costs for current participants and HAP net effects to reach the most refined and negligible net change for all parties.

Adjustments to the income range of each Tier (w/100% FMR)

HACSM studied the financial effects of changing the range of each tier of the table to find the most equitable and cost neutral for the participants and HA.

For example, with subsidy set at 100% FMR,

- If the range of each tier is \$2,000 then the subsidy for each successive tier is \$50 less.
- If the range of each tier is \$3,000 then the subsidy for each successive tier is \$75 less.
- If the range of each tier is \$4,000 then the subsidy for each successive tier is \$100 less.

Adjustments to Tenant contribution

HACSM studied the financial effects of modifying the participant's percentage of AAI to their housing costs. After researching ranges of 28% - 33%, HACSM chose to continue to use "30%" of a participant's AAI.

Adjustments to the calculation of Annual Adjusted Income (AAI)

HACSM researched the possibility of setting standard deductions for medical and child care expenses but, due to the low number of participants with these benefits and the substantial range of cost, chose to leave traditional calculation in place.

To establish the subsidy amount of each tier:

Tier One [Participants with less than an AAI of \$2000]

The % of FMR and utility costs of each Voucher Bedroom Size *minus* \$50

Tier Two through the Last Tier for each Unit size

Determine the Average annual adjusted income (AAI) for each tier

Calculate the Monthly adjusted income of the above average (AAI/12)

Calculate 30% Monthly Adjusted income (MAI) (MAI *times* 0.30)

To determine the Tiered Subsidy amount, FMR *minus* 30% MAI

Analysis

Total housing costs for the Participant vs. Affordability for Housing Authority

Utility Assistance Payments - Impact Study

<u>Current # of UAP Payments (as of 10/1/09)</u>	<u># of Participants w/ excluded income, benefits ending in next 3 months, or adults not working, but able</u>	<u># Possibly eligible for Hardship Review</u>	<u>\$ Range of Hardship Reviews</u>	
37	24 65%	13 35%	\$768	\$64
			\$1,032	\$86
			\$396	\$33
			\$480	\$40
			\$684	\$57
			\$36	\$3
			\$432	\$36
			\$180	\$15
			\$348	\$29
			\$36	\$3
			\$984	\$82
			\$216	\$18
			\$96	\$8
			\$888	\$74
			\$396	\$33
		Potential on-going HAP costs:	\$6,972	\$581
		Average per participant:	\$465	\$39
			<i>Annual</i>	<i>Monthly</i>

HACSM is currently paying Utility Assistance Payment (UAP) to 37 families.

Of the participants who receive UAP, 65% have excluded income, unemployed adult household members, and/or changes to their family composition or annual adjusted income that will no longer make them eligible to continue to receive the UAP within the next three months.

Based on this research, HACSM has determined that it will be more cost effective to eliminate the UAP, and complete a hardship review for any current participants adversely affected by this change in policy.

Distribution of Households Per City as of 10.1.2009

All Section 8 HCV Vouchers (Tenant Based and Project Based)							
	HCV Tenant Based Vouchers			HCV Project Based Vouchers			Total Households per City
City	# Households	%		# Households	%		# Households %
Belmont	69	1.98%		0	0.00%		69 1.77%
Brisbane	14	0.40%		0	0.00%		14 0.36%
Burlingame	101	2.89%		0	0.00%		101 2.60%
Colma	24	0.69%		0	0.00%		24 0.62%
Daly City	595	17.04%		18	4.51%		613 15.75%
El Granada	3	0.09%		0	0.00%		3 0.08%
East Palo Alto	429	12.29%		23	5.76%		452 11.62%
Foster City	70	2.00%		0	0.00%		70 1.80%
Half Moon Bay	10	0.29%		60	15.04%		70 1.80%
Milbrae	65	1.86%		0	0.00%		65 1.67%
Menlo Park	93	2.66%		10	2.51%		103 2.65%
Montara	3	0.09%		0	0.00%		3 0.08%
Pacifica	141	4.04%		50	12.53%		191 4.91%
Redwood City	519	14.86%		37	9.27%		556 14.29%
San Bruno	299	8.56%		0	0.00%		299 7.68%
San Carlos	66	1.89%		0	0.00%		66 1.70%
San Mateo	525	15.03%		132	33.08%		657 16.89%
S San Francisco	466	13.34%		69	17.29%		535 13.75%
Total	3,492	100.00%		399	100.00%		3,891 100.00%

Appendix Seven

Affordability Calculation Tool (to determine rental affordability at move in)

Affordability Calculation – Example 1

Tenant Rent Calculation				PS
Tenant Name:	B Smith		0	1138
Total No. in Family	4		1	1399
No. of Eligible Member(s)	4		2	1751
Most current TTP From File:	\$200		3	2337
Minimum TTP	\$50		4	2471
TTP for Calculation	\$200		5	2841
Unit Size:	3		6	3212
Voucher Size:	3			
Contract Rent:	\$1,950		3	2337
Utility Allowance:	\$150			
Max Subsidy Before Proration	\$1,900			
Prorated HAP	N/A			
Max Subsidy	\$1,900			
HAP To Owner	\$1,900			
Tenant Rent To Owner	\$50			
UAP	\$0			
Affordability Test				
Tenant rent as percentage of monthly adjusted income per file:	30.00%	Total Monthly Adj. Income		
Proceed if the percentage above is over 50%				
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	\$667.00		
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 (income from file and the additional income listed above):	30%			
Tenant rent burden:	30%			
Tenant Meets Affordability Test				
HOS				
Date				
Supervisor				
Date				

Affordability Calculation – Example 2

Tenant Rent Calculation				PS
Tenant Name:	J Smith		0	1138
Total No. in Family	3		1	1399
No. of Eligible Member(s)	3		2	1751
Most current TTP From File:	\$326		3	2337
Minimum TTP	\$50		4	2471
TTP for Calculation	\$326		5	2841
Unit Size:	2		6	3212
Voucher Size:	2			
Contract Rent:	\$2,000		2	1751
Utility Allowance:	\$0			
Max Subsidy Before Proration	\$1,425			
Prorated HAP	N/A			
Max Subsidy	\$1,425			
HAP To Owner	\$1,425			
Tenant Rent To Owner	\$575			
UAP	\$0			
Affordability Test				
Tenant rent as percentage of monthly adjusted income per file:	52.91%	Total Monthly Adj. Income		
Proceed if the percentage above is over 50%				
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	\$1,087.00		
The HA does not require reporting income increases between recerts, is the tenant actual income higher than the file indicated? If yes, enter the <u>additional</u> monthly amount and attached a statement from the tenant. If no, enter "0".	\$0			
Tenant rent as percentage of actual monthly income (income from file and the additional income listed above):	53%			
Tenant rent burden:	53%			
Supervisor Approval is Required				
HOS				
Date				
Supervisor				
Date				