



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

## **Amendment #1 Moving to Work (MTW) FYE 2011 Annual Plan**



## **Amendment #2 MTW Standard Agreement Attachment D (Broader Use of Funds)**

3.8.2010 Revision

Department of Housing  
264 Harbor Blvd, Building A  
Belmont, CA 94002

[www.smhousing.org](http://www.smhousing.org)  
650-802-3300

## **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, **as authorized in Attachment D of the MTW Standard Agreement**, 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

Additional MTW Agreement Authorization:

HACSM’s MTW Agreement, Attachment D

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.



# Department of Housing

264 Harbor Boulevard, Building A • Belmont, CA 94002

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**Board of Supervisors**  
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Director: Duane Bay

February 11, 2010

Ivan M. Pour, MTW Program Director  
U.S. Department of Housing and Urban Development  
PIH – Office of Public Housing Investments  
451 Seventh Street SW, Suite 4130  
Washington, DC 20410

Re: Broader Use of Funds Authority Proposal

Dear Mr. Pour,

We are writing to you today to submit our proposal for expanding our MTW authority to include Attachment D “Broader Use of Funds Authority” to our Standard Agreement.

The Housing Authority of the County of San Mateo (HACSM) appreciates all that your office has done to advocate on behalf of all MTW PHAs to have the opportunity, via Attachment D, to enact additional authorizations that will allow us to meet the local needs of San Mateo County in an even more expanded way. Following is a description of the proposed activity:

## **Plan for the Broader Uses of Funds Authority**

HACSM is looking to create a Provider-Based program, 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 turnover to achieve this goal. HACSM proposes to use the funding authority to make rent subsidy payments to service providers that provide housing for eligible program participants in properties that are owned or master-leased by the providers.

HACSM has a history of working closely with the supportive services providers in San Mateo County, through its long-standing MTW Self-Sufficiency program and the newly implemented Housing Readiness Program. Outside of the Section 8 programs, HACSM also manages CPD grant programs: Shelter Plus Care, both tenant-based and sponsor-based, and Supportive Housing. Building on the success of these programs, we are proposing to create a Provider-Based program to serve members of our local community who are either underserved, or not served, by the current Section 8 program because of their own unique circumstances. As we have shown through the success of our Housing Readiness Program, serving the chronically homeless in our community, by leveraging supportive services and housing assistance is vital to the improvement of quality of life in our community. Such service enriched housing, by which is made possible because of supportive services provided (and funded) by our community partners, has truly made a tangible difference in San Mateo County.

## **Number of Families Served**

As stated above, HACSM plans to use vouchers made available through regular turnover to support the Provider-Based program. Therefore, HACSM expects the same number of households in total, as approved by the budget authority, will be served. HACSM is interested in the possibility of serving more families through over-leasing; however, HACSM does not have sufficient funding to do so at this time. HACSM would continue to serve 4,063 households.

While HACSM is not seeking an increase in the number of vouchers, or over-leasing beyond its baseline, we are proposing to allocate funds, through a local NOFA process, to community-based supportive service providers to use in support of the housing needs of the participants they serve. In some cases, the housing needs may be met via master leasing or a time-limited "grant" type of assistance to qualifying families.

## **Relationship to MTW objectives**

This activity would directly relate to the MTW statutory objective of increasing housing choice.

## **HACSM Certification**

HACSM certifies that the MTW funds will be used to serve families under 80% of Area Median Income (AMI).

## **Evaluation**

To evaluate this initiative, HACSM will monitor the supportive services provider, selected through the NOFA process, via required reporting established in the contract development and HACSM's Quality Assurance Department. Potential research components could include factors such as:

- 1) Number of households served;
- 2) Program costs in total, by provider, and by household;
- 3) Eligibility and Housing Quality Standard compliance;
- 4) Completion of Provider required supportive services such as counseling, job training, and education;
- 5) Stabilized housing;
- 6) Transition from government assistance to self-sufficiency.

Thank you for considering our request. We look forward to hearing back from you so that we may start the next required processes in implementing the activity as soon as possible.

Sincerely,



Duane Bay  
Director, Department of Housing

CC: Lauryl Davis, MTW Coordinator



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

February 25, 2010

Mr. Duane Bay  
Executive Director  
Housing Authority of the County of San Mateo  
264 Harbor Blvd., Bldg. A  
Belmont, CA 94002

Subject: Second Amendment to HACSM Standard MTW Agreement:  
Amend Attachment D to allow for broader uses of funds authority

Dear Mr. Bay:

Enclosed you will find the language for the Second Amendment to the Housing Authority of the County of San Mateo's (HACSM) Standard Moving to Work (MTW) Agreement, which will amend Attachment D of the HACSM's MTW Agreement in order to allow for the broader uses of funds authority.

The amendment to Attachment D authorizes HACSM to use MTW Funds for housing assistance for low-income families, whether or not it is an eligible use under Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute. The HACSM is proposing to use this authority to create a provider-based program, 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. Uses of funds authority will be used to make rent subsidy payments directly to the service providers who will then lease to the participants. I am pleased to inform you that the request is approved. Any future activities must be included in subsequent Annual MTW Plans, which must be reviewed and approved by HUD, before the HACSM can implement the activities.

Enclosed you will find the Second Amendment to the Standard MTW Agreement and an updated Attachment D, which you should use to amend your Agreement. You will need to follow the amendment and public hearing requirements (outlined in Section V.A. of the Standard MTW Agreement) in order to amend your Standard MTW Agreement. The specific activities set forth in your proposal as well as future activities must be included in your Annual MTW Plan and reported in your Annual MTW Report. Consequently, you will need to amend the current Annual MTW Plan or include this activity in the upcoming Annual MTW Plan submission, following the requirements of Section V.B. of the Standard MTW Agreement, before any new activities can be implemented.

If you have any questions, please contact Laurel Davis, your MTW Coordinator, at 202-402-5759.

Sincerely,

A handwritten signature in black ink, appearing to read "Dominique Blom", with a long horizontal flourish extending to the right.

Dominique Blom  
Deputy Assistant Secretary  
Office of Public Housing Investments

cc: Martha Ruiz, San Francisco PIH Field Office  
Melina Whitehead, San Francisco PIH Field Office



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

This Second Amendment to the Moving to Work (“MTW”) Agreement (“Agreement”) is entered into 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”) and is effective on the date of execution by HUD. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment D is amended as follows:

Add the following language is added to HACSM’s blank Attachment D:

**Use of MTW Funds**

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the “1937 Act”) and voucher program funds provided under Section 8 of the 1937 Act “to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.”

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated MTW Agreement (the “Original MTW Agreement”) did not state that the use of such combined public housing operating and capital funds and voucher program funds (collectively, “MTW Funds”) was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute [i.e., including but not limited to the requirements to maintain a comparable mix of families and serve substantially the same number

of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.

Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to 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), as modified from time to time.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their duly authorized representatives.

HOUSING AUTHORITY OF THE COUNTY OF  
SAN MATEO

By: \_\_\_\_\_

Name: Duane Bay

Its: Executive Director

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

UNITED STATES DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

By: \_\_\_\_\_

Name: Sandra Henriquez

Its: Assistant Secretary, Public and Indian  
Housing

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