



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



DATE: July 6, 2011

BOARD MEETING DATE: July 26, 2011

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors (Sitting as the Board of Commissioners of the Housing Authority)

FROM: Duane Bay, Director, Department of Housing
William Lowell, Executive Director, Housing Authority

SUBJECT: Amendments to the Housing Authority's FY 2011-2012
Moving To Work Annual Plan

RECOMMENDATION:

Adopt Resolution No. 2011-06 authorizing:

- 1) The Housing Authority of the County of San Mateo (HACSM) to amend its FY 2011-2012 Moving to Work (MTW) Annual Plan to reallocate \$4,000,000 in MTW funds for affordable housing development;
- 2) HACSM to include the Annual Statement for its 2011 Capital Funds in the 2011-2012 MTW Annual Plan; and
- 3) The Executive Director of HACSM to execute any documents required by the U.S. Department of Housing and Urban Development (HUD) to certify the MTW Annual Plan Amendments.

BACKGROUND:

On March 15, 2011, the Board adopted the Housing Authority's MTW Annual Plan for the period of July 1, 2011 through June 30, 2012. The adopted plan has since been approved by HUD.

In 2009, HACSM successfully applied for and was granted the ability to receive its HUD funding via an MTW block-grant. The level of funding specified in the block-grant contract, together with funds saved as a result of streamlined processes and increased administrative efficiencies have enabled HACSM to fund its existing programs while accumulating a surplus for additional housing needs. Historically, HUD has periodically reclaimed uncommitted funding from local housing authorities. However, HUD has permitted MTW agencies to accumulate these uncommitted block-granted funds with the understanding that such agencies will expand housing opportunities in their local communities through creation of new affordable housing and/or through the expansion of rental subsidy programs.

DISCUSSION:

In order to expand local rental subsidy programs, the Board approved the creation of the new Project-Based Assistance (PBA) Program as part of HACSM's 2010-2011 MTW

Annual Plan. The PBA Program creates 40 new vouchers in 2011 and will use \$528,000 per year of MTW block-grant funds. An RFP process is currently being concluded and contracts for services will come before the Board in August.

HACSM is proposing to commit up to an additional \$4,000,000 of MTW funds for the development of affordable housing in San Mateo County. The re-programmed funds will be used to leverage substantially larger amounts of investment funds. Development activities may include site acquisition, substantial rehabilitation of existing stock, and development of new units.

Two current examples of developments that will increase the number of affordable units once they can obtain sufficient development financing are Half Moon Village and Midway Village. HACSM has entered into an Exclusive Negotiations Agreement with MidPen Housing to re-develop Half Moon Village. This redevelopment, expected to cost approximately \$49 million, includes a multi-faceted approach with other senior service providers to use the existing land to create a senior "campus" that will more than double the number of affordable units at the site, create a greater continuum of care through partnerships with assisted living and hospice providers as well as medical services and food services.

HACSM has also recently completed the conversion of the 150-unit Midway Village from public housing to a Project-Based Section 8 program. This process enables Midway residents to gain mobility by use of their vouchers and it provides HACSM with a steadier, market-based funding stream. Proposed funding would give HACSM the ability to significantly increase the number of affordable units when the property begins the re-development process in the near future.

Any specific use of the proposed \$4,000,000 will be brought back before the Board as the specific uses are determined.

Additionally, HACSM is including the Annual Statement for its 2011 Capital Funds which will allow HACSM to complete projects at its remaining public housing property, El Camino Village. The Annual Statement was not included in the originally approved MTW Annual Plan as eligibility was unlikely. HACSM has since been notified that it will receive the funds and must include the information in the MTW Annual Plan.

For the MTW Annual Plan Amendments, HACSM held a public hearing on June 21, 2011. There were no comments submitted in response to the proposed Amendments.

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

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by enabling HACSM to increase its resources to better provide affordable housing for its community.

FISCAL IMPACT:

There is no Net County Cost associated with this action. All funds required to operate the program are provided by the U.S. Department of Housing and Urban Development.

RESOLUTION NO. 2011-06

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

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RESOLUTION AUTHORIZING: 1) THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO (HACSM) TO AMEND ITS FY2011-2012 MOVING TO WORK (MTW) ANNUAL PLAN TO REALLOCATE \$4,000,000 IN MTW FUNDS FOR AFFORDABLE HOUSING DEVELOPMENT; 2) HACSM TO INCLUDE THE ANNUAL STATEMENT FOR ITS 2011 CAPITAL FUNDS IN THE 2011-2012 MTW ANNUAL PLAN; AND 3) THE EXECUTIVE DIRECTOR OF HACSM TO EXECUTE ANY DOCUMENTS REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO CERTIFY THE MTW ANNUAL PLAN AMENDMENTS.

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

WHEREAS, on March 15, 2011, the Board adopted HACSM's MTW Annual Plan, which covers the period of July 1, 2011 through June 30, 2012, and executes certain new activities in the agency's MTW program; and

WHEREAS, as an MTW agency, HACSM successfully applied for and was granted the ability to receive its funding via a block grant in 2009. The level of funding specified in the block-grant contract, together with funds saved as a result of streamlined processes and increased administrative efficiencies have enabled HACSM to fund its existing programs while accumulating a surplus for additional housing needs; and

WHEREAS, in order to expand local rental subsidy programs, the Board approved the creation of the new Provider-Based Assistance (PBA) Program as part of

HACSM's FY 2010-2011 MTW Annual Plan. The PBA Program creates 40 new vouchers in 2011 and will use \$528,000 per year of MTW block-grant funds; and

WHEREAS, HACMS is proposing to commit up to \$4,000,000 of its block-grant MTW funds for the development of additional affordable housing in San Mateo County. The re-programmed funds will be used to leverage substantially larger amounts of investment funds and any specific use of the proposed \$4,000,000 will be brought back before the Board as the specific uses are determined; and

WHEREAS, HACSM is also including the Annual Statement for its 2011 Capital Funds which will allow HACSM to complete projects at its remaining public housing property, El Camino Village; and

WHEREAS, there has been presented to the Board of Commissioners for its consideration the Amendments to HACSM's MTW Annual Plan, and the Board of Commissioners has examined and approved the same as to form and content.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Commissioners of the Housing Authority of the County of San Mateo authorize 1) The Housing Authority of the County of San Mateo (HACSM) to amend its FY 2011-2012 Moving to Work (MTW) Annual Plan to reallocate \$4,000,000 in MTW funds for affordable housing development; 2) HACSM to include the Annual Statement for its 2011 Capital Funds in the 2011-2012 MTW Annual Plan; and 3) The Executive Director of HACSM to execute any documents required by the U.S. Department of Housing and Urban Development (HUD) to certify the MTW Annual Plan Amendments.

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Housing Authority of the County of San Mateo

Moving to Work (MTW) Annual Plan

FY 2011-2012

(July 1, 2011 – June 30, 2012)

Amendment #1

July 2011 – To be submitted to HUD

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

www.smhousing.org
650-802-3300

Activity #26: **Commitment of MTW Funds for leveraging in the creation of additional affordable housing in San Mateo County**

A. Description of activity

HACSM is proposing to commit up to \$4,000,000 of MTW funds for the development of additional affordable (low income, very low income and extremely low income) housing in San Mateo County. The re-programmed funds will be used to leverage additional investment funds that will be substantially larger than the HACSM commitments. Development activities may include site acquisition, substantial rehabilitation of existing stock, and development of new units. All applicable federal regulations, e.g. environmental, labor, etc., will be followed.

Two current examples of developments that will increase the number of affordable units once they can obtain sufficient development financing are Half Moon Village and Midway Village. HACSM has entered into an Exclusive Negotiations Agreement with Mid-Peninsula Housing to re-develop Half Moon Village, a 60-unit senior housing property. This re-development, expected to cost approximately \$49 million, includes a multi-faceted approach with other senior service providers to use the existing land to create a senior “campus” that will more than double the number of affordable units at the site, create a greater continuum of care through partnerships with assisted living and hospice providers as well as medical services, and food services. Groundbreaking for the Half Moon Bay Senior Campus is slated for December 2012. HACSM has also recently completed a Section 18 disposition of Midway Village, a 150-unit Public Housing property in Daly City. Again, having the ability to leverage funds would give HACSM the ability to significantly increase the number of affordable units when the property begins the re-development process in the near future.

B. Relationship to a statutory objective

Increase the housing choices for low income families in San Mateo County by increasing the availability of affordable housing.

C. Anticipated Impact on stated objective

HACSM anticipates that this MTW activity will positively impact low income families in San Mateo County through the use of housing funds to actually increase the total number of affordable housing units. Due to the current paucity of affordable housing development funds, having these MTW funds available for leveraging will enable achievement of the objective which otherwise could not be achieved.

D. Baselines, benchmarks, metrics and schedules

Baselines (Established on data from FYE2011)

1. HACSM has not previously invested MTW funds in the creation of affordable housing.
2. HACSM has expended \$0 annually for affordable units in San Mateo County.

Benchmarks

1. HACSM will see the creation of at least 20 affordable units per \$1,000,000 invested.
2. Through leveraging of \$4,000,000 MTW funds (or portion thereof), HACSM expects at least 10 times the proportional amount (\$40,000,000 for the full amount) will be available for affordable housing in San Mateo County.

Metrics and Schedule

HACSM will review the data collected at least annually.

E. Data collection process

HACSM will continue to review the annual budget and block grant funds and review it at least on an annual basis.

F. Authorizations based on Attachment C

The proposed activity is authorized in HACSM's MTW Agreement, Attachment D, which waives certain provisions of Section 3(b)(2)

G. Processes for rent reform initiatives

This activity does not include rent reform initiatives.



Housing Authority of the County of San Mateo

Moving to Work (MTW) Annual Plan

FY 2011-2012

(July 1, 2011 – June 30, 2012)

Amendment #2

July 2011 – To be submitted to HUD

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

www.smchousing.org
650-802-3300

Housing Authority of the County of San Mateo – MTW Annual Plan FY2012
Amendment #2

Capital Funds FY2011

Annual Statement /Performance and Evaluation Report			U. S. Department of Housing and Urban Development		
Capital Funds Program and Capital Fund Program Replacement Housing Factor and			Office of Public and Indian Housing		
Capital Funds Financing Program			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: CA39P014501-11 Date of CFFP:		Replacement Housing Factor Grant No: FFY of Grant: FFY of Grant Approval: 2011 2011	
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserved for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement/Revision Number <input type="checkbox"/> Performance and Evaluation Report for Period Ending <input type="checkbox"/> Final Performance and Evaluation Report for Program Year Ending					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1	
No.		Original	Revised 2	Obligated	Expended
1	Total non-Capital Funds				
2	1406 Operating Expenses (may not exceed 20% of line 20) 3	291,000.00	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)	0.00	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	0.00	0.00	0.00	0.00
8	1440 Site Acquisition	0.00	0.00	0.00	0.00
9	1450 Site Improvement	0.00	0.00	0.00	0.00
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	0.00	0.00	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)	\$291,000.00	\$0.00	\$0.00	\$0.00
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
Page 1 of 2					
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.					
form HUD-50075.1 (4/2008)					

